**SPECIFICATION OF REQUIREMENTS FOR THE**

**PROCUREMENT OF TWO PAYMENT MACHINES**

**AT THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA**

**JULY 2016**

**Author: M.Hollingsworth/S.Gorsia**

**TABLE OF CONTENTS**

| ***Section number*** | ***Section*** | ***Page*** |
| --- | --- | --- |
| 1 | Introduction | 3 |
| 2 | Background | 3 |
| 3 | Scope and Objectives | 4 |
| 4 | Specification | 5 |
| 5 | Compliance Requirements | 16 |
| 6 | Management of the Contract | 17 |
|  | APPENDICES | 18 |

**1. INTRODUCTION**

The Customer Access Department at the Royal Borough of Kensington and Chelsea (RBKC) would like to provide its customers with a new platform to make payments for council services. Payment machines and kiosks are already widely used in local authorities for these purposes. Currently there are no payment machines within the Customer Service Centre (CSC) at Kensington Town Hall.

These machines will enable customers to make payments for key services without the need to visit the Cashier’s Office. Customers will have the same payment options as they currently do at the Cashier’s Office, but will have the ability to self-serve.

The two machines will be located within the CSC in Kensington Town Hall, Hornton Street, W8 7NX. The current opening hours of the CSC are 08.30 to 17.00 Monday to Friday and the payment machines will be accessible during these hours. The CSC is staffed during these hours.

**2. BACKGROUND**

Currently the Cashier’s Office takes cash, card (both credit and debit card) and cheques.

The tables below give a breakdown of the over-the-counter payment methods by amounts taken and by transaction numbers. (This is based on payments taken in the financial year 2015/16)

*Table 1*: Proportion of income taken by payment method (Other includes mixed payments)

|  |  |  |
| --- | --- | --- |
| **Payment Method** | **Income Amount (rounded to nearest £000)** | **Percentage of income** |
| Cash | £2,913,000 | 9% |
| Cheque | £24,030,000 | 76% |
| Debit Card | £1,210,000 | 4% |
| Credit Card | £98,000 | 0% |
| Other | £3,518,000 | 11% |
| **TOTAL** | **£31,769,000** |  |

*Table 2*: Proportion of transactions by payment method (Other includes mixed payments)

|  |  |  |
| --- | --- | --- |
| **Payment Method** | **Number of transactions** | **Percentage of transactions** |
| Cash | 24,747 | 41% |
| Cheque | 20,125 | 34% |
| Debit Card | 7,474 | 13% |
| Credit Card | 1,924 | 3% |
| Other | 5,404 | 9% |
| **TOTAL** | **59,674** |  |

*Table 3*: Income taken by the Cashier’s Office in the financial year 2015/16 by fund type (rounded to nearest £000)

|  |  |  |
| --- | --- | --- |
| **Fund** | **Items** | **Amount** |
| IBS Accounts Receivable | 515 | £134,000 |
| Home Care | 164 | £83,000 |
| Hall Lettings | 165 | £161,000 |
| National Non Domestic Rate | 2,726 | £10,999,000 |
| Housing Needs | 1,264 | £165,000 |
| Commercial Waste | 3,112 | £737,000 |
| Miscellaneous | 15,738 | £7,850,000 |
| Loans | 56 | £3,000 |
| Council Tax | 23,152 | £6,456,000 |
| Sundry Debtors | 227 | £2,842,000 |
| Housing Rents | 8,514 | £1,807,000 |
| Housing Debtors | 1 | £0 |
| Housing Services | 1,213 | £499,000 |
| Res Permits | 630 | -£27,000 |
| Parking Suspensions | 933 | £14,000 |
| Penalty Charge (KE) | 1,152 | £44,000 |
| **Total** | **59,562** | **£31,768,000** |

**3. SCOPE AND OBJECTIVES**

The Royal Borough of Kensington and Chelsea is inviting tenders from suitably qualified organisations to supply two wall-mounted payment machines to be installed and operational by October 2016. The payment machines will be supplied in one of the following ways:

* lease-based option for 3 years
* lease-based option for 5 years
* procurement outright by the Council

The payment machines will be the main transactional method of payment.

The contract being awarded is for the supply, installation and maintenance of the two payment machines and provision of a fully managed solution which will include banking and stocking the machines with change and relevant consumables when appropriate.

The functional specification provides detailed requirements for the software, hardware, the implementation, and the support services to be supplied.

Suppliers are requested to detail, with reference to the specification, how they will implement the payment machines and services required by the date specified, together with a timeline for each stage of implementation.

Full and clear notice should also be provided of what assistance and resources the tenderer requires from the Council in order to have the service up and running by October 2016.

**4. System Specification**

Key to abbreviations in the table:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Priorities | |  |  | |
| E | Essential |  |  |  |
| D | Desirable |  |  |  |
|  |  |  |  |  |

Tenderers' ability to meet the requirements listed below will be the subject of the award criteria. Tenderers’ responses to the award criteria will be marked according to the marking scheme that will be set out in the Instructions to Tenderers. In the case of the essential requirements we would want them to affirm that they can fully meet them and to provide evidence to support that claim. The desirable requirements will be the awardable elements to be scored and will be included in the technical envelope.

Please read the specification below and explain if and how you would meet the requirements.

**4.1 Core Functionality**

|  |  |  |  |
| --- | --- | --- | --- |
| ID | Requirement | Priority | Supplier Comments, assumptions, limitations |
| 4.1.1 | **Transactions taking in** |  |  |
| The payment machines must:   1. Be able to recognise the service for which payment is being made and validate a reference number entered by the customer against what is held on the system 2. Read barcodes 3. Take payment in UK coins and notes (up to and including £50 notes) 4. Be fitted with a chip & PIN card reader to allow payment to be made using credit/debit cards. Please list the card types and providers that are accepted. 5. Take payment via cheques: please outline the process by which cheques are handled, accounted and receipted 6. Take payment via NFC/contactless means (including Apple Pay) up to the current capping limit, with scope to increase according to national changes in limits 7. Enable the Council to apply a surcharge based on the payment method (e.g. add 1.5% if a credit card is used) | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. Read QR codes 2. Read magnetic strips on cards | D |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.2 | **Transactions issuing out** |  |  |
| The payment machines must:   1. Dispense change in coins (£2 coins through to 1p coins) 2. Issue receipts for each transaction showing:    1. The date and time the payment was made    2. The method of payment used    3. The Council VAT number    4. The amount paid and the value of any change given    5. Any reference number associated with payment, e.g. Council Tax account number, invoice number    6. The payment reference number    7. The Council logo/crest and contact details 3. Regarding printing, the payment machines must also:    1. Have a reliable and maintenance-free auto cutter to cut the receipt after printing    2. Use paper that is non-fading and ink (if appropriate) that does not rub off when handled. Please advise if the ink is heat sensitive    3. Ensure that all payments have a unique transaction reference retained on a transaction log or audit trail that identifies a unique customer account number or invoice number    4. Enable staff to easily reprint receipts if required, with the word “COPY” marked on it. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. Dispense change in notes and coins 2. Regarding printing, the payment machines must also: 3. Incorporate thermal printers 4. Limit the amount of paper used per receipt while using a font size large enough to be clearly visible 5. Have a large capacity receipt roll to minimise re-stocking 6. Support stationery and consumables such as receipt rolls, envelopes, printing ink, which are widely available for purchase 7. Enable the printing of bespoke messages onto the receipts dependent on the type of account into which money is being paid | D |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.3 | **Screens** |  |  |
| The payment machines must:   1. Have simple, touch-screen menus 2. Have easily understood, step by step, on-screen instructions 3. Have large (at least 15”) colour LCD, touch-screen displays for ease of use 4. Have touch-screen glass that is robust, hard-wearing, resistant to marking and easy to clean. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.4 | **Configuration** |  |  |
|  | The payment machines must:   1. Have a screen output design which adheres to the Council’s current communications standards. Attached as Appendix A 2. Provide navigation to each of the fund or payment types via a tiered structure for each of the services for which payments can be taken. (Where possible there should be no more than three tiers) 3. Allow the Council to choose and configure display options 4. Allow for the Council to request display options to be added, removed or changed during the duration of the contract 5. Refresh to the front/home screen after a period of 30 seconds of inactivity or after completion of a transaction. 6. Prompt the customer to remove their payment card when the transaction is complete. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.5 | **Verification and Accessibility** |  |  |
| The payment machines must:   1. Be an in-wall/wall-mounted configuration and fit for this purpose 2. Enable sole, authorised access to the unit for money collection, maintenance etc., from behind the wall in which the unit is mounted. 3. Be replaced with updated models should hardware requirements change in accordance with note/coin changes 4. Reliably and securely validate both notes and coins using standard procedures such as identifying size, weight, presence of microdots and watermarks. 5. Be able to identify and count deposited coins and reject forged, damaged or counterfeit notes and coins and foreign currencies. The machines must make necessary checks to ensure that notes and coins are of legal British tender, e.g. check for water marks 6. Be DDA compliant. Please provide clear evidence of this. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.6 | **Infrastructure and sustainability** |  |  |
| The payment machines must:   1. Be able to “recycle” coinage during the operational course of the day 2. Have capacity to hold    * approximately 500 notes in one cassette    * 3x individual hoppers each with capacity for approximately 300 coins    * 1x coin box with a capacity for approximately 900 coins. 3. Be configurable to account for future changes to coin and note currency; take payment in the new bank notes printed on thin, flexible plastic/polymer which will be introduced with the new £5 note in September 2016, and will be followed by the £10 and £20 notes. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.7 | **Business continuity and alerts** |  |  |
| The payment machines must:   1. Be able to store all transaction data in the event of a power failure and complete a safe shut down. 2. If the network connection is down, please outline the offline functions that will be available. 3. Enable alerts to be sent remotely when the machine is:    1. Low on change    2. Low on receipts rolls or other stationery    3. Faulty | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.1.8 | **Business administration** |  |  |
|  | The payment machines must:   1. Enable staff to easily view recent transactions to confirm they have been processed. 2. Be able to accept payments using modulus logarithm checking processes. 3. Be able to display an appropriate message in the event the customer presents a non-Council reference 4. Be able to update stored account and customer details on a regular basis. 5. Be able to integrate into the Council’s Income Management system, Agresso/Unit 4, as outlined in Appendix B, the Council’s Financial Integration Requirements. 6. Be able to store/cache account and customer details, including balance information for a range of services, which it will validate against when accepting payments | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. Be able to provide on-screen balance reporting where appropriate including payment machine transaction enquiries. Please provide detail on how this is achieved | D |  |

**4.2 Banking services**

|  |  |  |  |
| --- | --- | --- | --- |
| 4.2.1 | **Banking services** |  |  |
| 1. Banking services should be provided on behalf of the Council. This should include:    1. collection of money when machines are full    2. replenishing of coinage    3. replacement of any relevant consumables such as ink cartridges 2. These actions should all be prompted automatically by system alerts sent to the supplier. 3. Banking of income should be carried out at regular periods. 4. An automatic receipt must be issued each time the machine is opened for purposes of cash collection or maintenance 5. Money taken via credit/debit cards should:    1. be transferred into a Council account on a daily basis 6. Please provide details of the banking process (including any charges for collection/emptying visits) and security assurances | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. Money taken via credit/debit cards should feed into a merchant ID linked directly to a Council account 2. A daily electronic “polling” message should be sent to provide resilience in the accounting process | D |  |

**4.3 Fund types**

|  |  |  |  |
| --- | --- | --- | --- |
| 4.3.1 | **Fund types** |  |  |
| 1. The payment machines should have the functionality to take payments for a range of fund types such as, but not limited to, Council Tax, Parking charges, etc. | E |  |

**4.4 Reporting**

|  |  |  |  |
| --- | --- | --- | --- |
| 4.4.1 | **Reporting** |  |  |
| 1. The payment machines must be able to generate an end of day management information report that, at a minimum, should include:    1. Total for each fund type    2. Total for each payment method    3. Transaction list    4. Cash taken/change issued | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. Please detail the full range of management information reports available and any applications/software required to deliver reporting functionality | D |  |

**4.5 Connectivity/Power Requirements**

To enable suppliers to suitably respond to the following section it is understood that the Council will provide required connectivity and power.

|  |  |  |  |
| --- | --- | --- | --- |
| 4.5.1 | **Connectivity** |  |  |
| 1. Existing network and server security must not be compromised by the addition of any equipment. The contractor should specify what measures are in place to ensure this. 2. Please specify if the system requires the Council to provide a separate server or servers in support of any aspect of the solution proposed (e.g. for offline running). If it does, please state the specifications recommended, your access requirements and management responsibilities. 3. Please state known network and bandwidth requirements of the proposed system (including IP addressing requirements). Detail any recommended application prioritisation to maximise transaction speed and reliability at self-service points. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.5.2 | **Power** |  |  |
| 1. All supplied devices must run on standard power. Please specify electrical supply requirements and output, and network connection requirements for each device to be supplied. | E |  |

**4.6 Support and Maintenance**

|  |  |  |  |
| --- | --- | --- | --- |
| 4.6.1 | **Support and Maintenance** |  |  |
| 1. The contractor must provide on-going support and maintenance of the payment machine (to include parts and labour), with faults being fixed within 8 working hours (excluding weekends and bank holidays) of them being reported. 2. One annual preventative maintenance visit for the duration of the contract 3. The contractor must provide a staffed helpdesk to support Council officers at a minimum between the following hours, Monday to Friday, with the exclusion of public holidays:    1. Essential service: 09.00 to 17.00 4. Software and hardware support agreement should include critical updates, telephone support, remote support, transaction queries and log file analysis, between the following hours, Monday to Friday, with the exclusion of public holidays:    1. Essential service: 09.00 to 17.00 5. The contractor must undertake all software and hardware upgrades. Any upgrades should occur outside the Council’s operating hours and where this is unavoidable, with minimal disruption to the services. 6. Should a new model with additional functions become available during the contract period the Council would like to benefit from the choice of receiving the upgrade without any extra fees or charges. 7. The contractor must offer a comprehensive and competitive Service Level Agreement offering with full details of warranties provided. Please attach SLA. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1. The contractor must provide a staffed helpdesk to support Council officers at a minimum between the following hours, Monday to Friday, with the exclusion of public holidays: 2. Desirable service: 08.30 to 18.00 3. Software and hardware support agreement should include critical updates, telephone support, remote support, transaction queries and log file analysis, between the following hours, Monday to Friday, with the exclusion of public holidays: 4. Desirable service: 08.30 to 18.00 5. Please state what warranty period will apply to the machines and what will be covered by the warranty and over what period of time. | D |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.6.2 | **Training** |  |  |
| 1. The contractor must specify the nature, duration and timing of any user training available, acceptable numbers of personnel to be trained in one session and any additional costs for further training. Details should include:    1. training levels required for different personnel (users/admin) to use the system proficiently    2. minimum days/hours of training required per level    3. details on training structure, approach, delivery and methodology, including an indicative timetable/schedule | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.6.3 | **User Guidance** |  |  |
| User guidance should be provided for basic trouble-shooting and maintenance, such as the replacement of receipt rolls, machine jams and change replenishment. | D |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.6.4 | **Supplier Contract Management** |  |  |
|  | The contractor must:   1. provide details of how they will ensure that a high quality service is maintained and that all requirements set out in the specification will be met. 2. set out their proposals for monitoring and reporting on the quality of the services delivered, including the performance checks they will perform, their frequency and scope, and who will perform them. 3. set out their proposed contract management and supervisory systems. 4. indicate any international or British quality standards achieved or being sought. 5. set out their customer liaison arrangements, including procedures for dealing with complaints and problems and customer support arrangements. | D |  |

**4.7 Implementation Phasing**

|  |  |  |  |
| --- | --- | --- | --- |
| 4.7.1 | **Implementation** |  |  |
| The Council requires the payment machines solution to be installed and operational by October 2016. Please indicate if you can meet this deadline. | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Please provide an implementation plan which demonstrates your ability to realistically meet the deadline in a thorough and credible fashion | D |  |

**4.8 Security and additional software/hardware requirements**

|  |  |  |  |
| --- | --- | --- | --- |
| 4.8.1 | **Security** |  |  |
| 1. The supplier must provide and implement a fully compliant PA-DSS and PCI-DSS certified solution 2. All hardware and software provided must conform to relevant national and international legislative requirements including Disability Discrimination Act, 1995, Data Protection Act 1998, Health & Safety at Work Act 1974, Copyright, Designs & Patents Act 1988, Computer Misuse Act 1990 etc. 3. Payment machines implementation must not affect the Council’s existing PCI compliance. 4. Card payments will be securely channelled through a dedicated connection to the payment authorisation provider. 5. Payment machines must have Chip & Pin Validation that is PCI compliant 6. Payment machines must integrate fully with the Council’s financial management system | E |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| 1. Please provide evidence of any industry standards used in the installation of payment machines into the fabric of a building | D |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.8.2 | **Additional software/hardware** |  |  |
| Please state what additional software and hardware the Council will be required to provide (if any). Such hardware and software will be purchased under existing contracts where possible. | E |  |

**5. COMPLIANCE REQUIREMENTS**

Providers should provide a solution which is fully compatible with the following Council requirements.

Windows 7 Professional systems are currently used across the Council. Any PC-based hardware supplied as part of the tender is expected to comprise standard components. Any computer provided that is to be connected to a network should be capable of running anti -virus software of the Council’s choice.

The system provided should be e-GIF (V4) compliant. Where appropriate the British Standards BS7666 2.0 and BS8766 2.0 (or any European or International equivalent) must be adhered to:

Adherence to e-GIF standards and policies is mandatory in all new systems, and all systems that interface with UKOnline, the Government Gateway, Government Secure Internet (GSI) and the Knowledge Network. Compliance with e-GIF is recommended in all public sector procurements and major upgrades to legacy systems.

BS7666 is the UK standard for defining the location of property and places. BS8766 is a draft UK standard for defining the names of people. XML is the accepted international open standard for data exchange and is incorporated into e-GIF schemas.

# RBKC ICT Infrastructure Overview: (Date: June 2016)

Authentication:

Kerberos over a Windows 2008 R2 Domain.

Servers:

Preferably: Windows Server 2012 R2

Alternatively: Windows Server 2008 R2

Servers will be virtual guests under VMware vSphere v5.1. We expect to upgrade to vSphere v6 late 2016 or early 2017.

All applications must be capable of supporting, or running under, the environments described above.

PCs both desktop and laptop:

* Windows 7 Enterprise 32-bit
* Internet Explorer v11
* Office Professional Plus 2016
* Adobe Reader XI

All applications must support all the PC-based software listed above.

Tablets:

Typically, these will be Apple iPads, but we do have some Windows tablets which run:

* Windows Enterprise 8.1 64-bit
* Internet Explorer v11
* Office Professional Plus 2016
* Adobe Reader XI

Office 365:

We are making increasing use of Microsoft’s Office 365 cloud platform. Our intranet is hosted on this and we plan to migrate all staff mailboxes to Exchange Online by December 2016. Access to the environment is by Active Directory Federation Services (ADFS).

Database:

We strongly prefer applications to use our Corporate SQL Servers (which include clusters), our current preferred version is SQL Server 2008, and we are moving to SQL Server 2012.  Though if applications require system roles (such as sysadmin) or use Ole Automation Procedures (which give enhanced access to the operating system), then special arrangements will need to be made.

We also have corporate SQL Server Reporting Services and SQL Server Analyses Services if required.

Application Installation/Distribution

Applications should be provided as Microsoft Installer (MSI) packages to enable easy installation and distribution.

Network Connectivity

All computers that are attached to our network must be maintained according to the manufacturers’ recommendations. Typically, this means that security patches must be applied as they are released and anti-virus software must be installed and kept up to date.

All computers running Windows must be joined to our domain and maintained by the RBKC ICT team. They will carry out the tasks listed in the preceding paragraph. Bespoke processes will need to be established for computers which run other operating systems. These will still need to be managed and maintained to the same standard. Unmanaged devices will not be allowed to connect to the Council’s network.

**6. MANAGEMENT OF THE CONTRACT**

To achieve the contract’s objectives, the Council will appoint a Project Manager to oversee

the delivery and implementation of this contract. The Project Manager will be the point of

contact for ensuring that this contract is delivered to the specified requirements and within timeframes agreed.

As part of the contract monitoring process the Council will have dealings with the successful

contractor throughout the lease period to ensure that Service Level Agreements have been

met.

**APPENDIX A: RBKC Communications Standards**

Tenderers will be asked if their solution complies with the Council’s communications standards; this is an essential requirement and failure to comply will entail disqualification.

 **APPENDIX B: Financial Integration Requirements**

Tenderers will be asked if their solution complies with the Council’s financial integration requirements outlined here; this is an essential requirement and failure to comply will entail disqualification.

As noted in section 4.1.8 of this document, the payment machines must be able to integrate into the Council’s Income Management system, Agresso/Unit 4, via an input file containing a minimum of the following fields:

* + Pay Reference (CTax, NNDR, Rent, PCN, InvoiceNo etc)
  + Date of Payment
  + Line Amount
  + Receipt Amount
  + Methods of Payment (Cash, Cheque, Card)
  + Paypoint
  + Unique receipt number of the payment machine
  + Receipt line number (single receipts would have one line number, but multi receipts would have more than one)
  + Revenue Code

Pay Reference would be the unique reference that the customer uses to make a payment. E.g. Council Tax Number, Rent Number, PCN Number etc. If payments are being processed for non line of business systems such as Bulky Waste Collection, the Council would require a pay reference reflecting the service being paid for and an Income Manager Revenue Code.

Revenue Code would be a field that is populated by the payment machine software in association with the service for which the customer is paying.

And

The format of the output file should be a Windows standard CSV file. The system must be able to provide a copy of this file on a daily basis and upload it to a network location specified by the Council.

To validate the pay references Income Manager will output a daily file of references, names, addresses and balances where applicable. This data is provided in a Windows standard CSV file.