

EAST RENFREWSHIRE COUNCIL

CABINET

29 September 2016

Report by Deputy Chief Executive

CIVICA UK LTD – ICON INCOME MANAGEMENT SYSTEM UPGRADE

**PURPOSE OF REPORT**

1. The purpose of the report is to seek exemption from tendering in accordance with Contract Standing Order 15 (ii), in relation to the award of a contract to CIVICA UK PLC for the provision of an upgrade to the ICON Income Management system.

**RECOMMENDATIONS**

2. It is recommended that, in accordance with Contract Standing Order 15 (ii), the Cabinet approve an exemption from tendering procedures to allow a contract to be negotiated with CIVICA UK PLC, for the provision of an upgrade to the ICON system to assist achievement in PCI DSS compliance which includes an upgrade of ICON to version 16; an upgrade to chip and pin devices to enhance encryption and security; introduction of PCI Pal Mid Call solution, at a cost of approximately £105k.

**BACKGROUND**

3. East Renfrewshire Council uses the ICON product in the collection and distribution of payments. These payments include payment made by credit and debit card by members of the public. ICON is provided by CIVICA UK LTD, which is a well-established company in the delivery of ICT solutions to local government. ICON provides the functionality for the Council to input and process card payments in person, over the telephone or on-line. This must be done in line with the compliance regime outlined in PCI DSS financial regulations. These dictate what we must adhere to or run the risk heightened exposure to financial fraud, potential fines and penalties from PCI DSS regulators, reputational risk, and threat of withdrawal of the Council's capability to process debit and credit card transactions.

4. In May 2013 Cabinet approved a contract extension to the managed and hosted service provided by CIVICA UK LTD for the ICON Income Management System. The extension will lapse on 31 October 2017.

5. In response to ever increasing threats of fraudulent practice the PCI DSS regulations are constantly reviewed and the latest issue, version 3.2, challenges East Renfrewshire Council's compliance status. In June 2016 the Corporate Management Team gave approval to a strategic approach to achieving PCI DSS compliance.

6. The Council has been assisted in developing a strategic approach by engagement with NCC GROUP PLC who, as Qualified Security Assessors (QSA), are qualified by the PCI Security Standards Council.

7. It is a recommendation of NCC GROUP PLC that East Renfrewshire Council engage with CIVICA UK LTD to undertake the upgrade activities outlined in paragraph 2.

## **REPORT**

8. In order to assist achievement in PCI DSS compliance it is recommended by NCC GROUP PLC and CIVICA UK LTD that:-

- The existing hosted and managed Civica ICON system is upgraded to the latest version 16
- All existing chip and pin card readers are replaced with current PCI DSS compliant devices with the latest data encryption standards
- East Renfrewshire Council implements the PCI Pal Mid call solution to manage customer not present telephony payments.

9. The total cost of these works will be approximately £87k with an additional annual revenue burden of approximately £13k. Exact figures cannot be obtained from CIVICA UK LTD until a procurement exercise is undertaken.

## **FINANCE & EFFICENCY**

10. It is confirmed that provision for this expenditure will be met from existing budgets.

11. This proposal will generate additional demands on ICT and other staff resources. However it is confirmed that this can be managed within current resources.

## **CONSULTATION**

12. The Council's approach to PCI DSS compliance has been developed by engagement with Qualified Security Assessors, NCC GROUP PLC and discussions with the supplier of ICON Income Management solution, CIVICA UK LTD. Various departments of the Council and colleagues from the Culture and Leisure Trust have been involved in these discussions.

## **CONCLUSION**

13. In order to maintain the security and integrity of card payment data East Renfrewshire Council must operate within the guidelines of the PCI DSS framework. This ensures that the Council can offer re-assurance to our customers that every effort is being made to protect their details and protect the Council's reputation as a trusted service provider. The Council's systems, network, partners and processes are constantly being tested to the highest level as an ever increasing threat of fraudulent activity is recognised.

## **RECOMMENDATIONS**

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## **REPORT AUTHOR**

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## **BACKGROUND PAPERS**

- CIVICA UK LTD – ICON INCOME MANAGEMENT SYSTEM, Cabinet May 2013.

## **KEYWORDS**

Income Management System, Upgrade, PCI DSS.

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