EP11.6

REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Agreement for Automated Teller Machine Services

Date: June 10, 2020
To: The Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information that belongs to the Board of Governors of Exhibition Place and has monetary value or potential monetary value.

SUMMARY

At its meeting on February 11, 2020, the Board approved extending the agreement with Access Cash for an additional 6-month interim period from April 1, 2020 to September 30, 2020.

This report recommends the Board enter an agreement with Perativ General Partnership, carrying on business as Access Cash General Partnership. ("Access Cash") for a four (4) year term commencing October 1, 2020 and ending September 30, 2024 as the “Official / Preferred Supplier” for the provision of Automated Teller Machines Services ("ATM") within the Enercare Centre and Beanfield Centre.

A Request for Proposal (RFP) was issued on May 4, 2020 to six (6) potential proponents through Exhibition Place Purchasing, for the provision of ATM services on an “Official / Preferred Supplier” basis within the Enercare Centre and Beanfield Centre at Exhibition Place.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board approve an agreement with Perativ General Partnership, carrying on business as Access Cash General Partnership for the provision of Automated Teller Machines on a “Official / Preferred Supplier” basis within the Enercare Centre and Beanfield Centre for a four (4) year term commencing October 1, 2020 and ending on

September 30, 2024, on the terms and conditions outlined in this report and as set out in Confidential Attachment 1, and other such terms and conditions satisfactory to the Chief Executive Officer and the City Solicitor; and

2. Direct that the confidential information contained in Confidential Attachment 1 to this report remain confidential and not be released publicly as it contains financial information that belongs to the Board of Governors of Exhibition Place and has monetary value or potential monetary value.

FINANCIAL IMPACT

The ATM agreement provides positive revenue stream to the Board as set out in Confidential Attachment 1 from commissions received based on the transactions usage of the ATM.

DECISION HISTORY

The Exhibition Place 2017 – 2019 Strategic Plan had a Financial Goal to achieve positive financial performance across Exhibition Place and all of its business, and deliver operating results that met or show positive revenue surplus and / or positive under expenditure to budget.

At its meeting on March 24, 2016 the Board approved of an agreement with HM Cash Inc. for the provision of Automated Teller Machines on an Official / Preferred Supplier basis for a four (4) year term commencing on April 1, 2016 and expiring om March 31, 2020.
https://www.explace.on.ca/files/file/58d12c98a90b4/Item-7-ATM-Services.pdf

At its meeting on November 15, 2018 the Board approved the Assignment of the ATM Agreement from HM Cash Inc. to Access Cash General Partnership.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EP15.30

At its meeting on February 11, 2020 the Board approved the extension of the Access Cash Inc. ATM Agreement for a period of 6 months from April 1, 2020 to September 30, 2020 on the same terms and conditions as the existing agreement.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EP9.8

COMMENTS

The existing agreement with Access Cash is set to expire on September 30, 2020.

Exhibition Place staff in Purchasing, Finance and Event Services posted the Call Document publicly, and also issued the RFP to six (6) potential proponents on May 4, 2020 which closed May 19, 2020 with only one proposal received from Access Cash.

The other proponents (JMS Inc., ATM4Canada, Cash-Valet, Road Map, and Frisco ATM's) did not submit a proposal.

As the Board received one proposal from the incumbent provider Access Cash with whom we have a very good relationship, staff from Finance, Event Services and Purchasing has reviewed the proposal in accordance with the RFP evaluation criteria which placed emphasis on experience, service levels, pricing, and commission revenue to the Board.

Staff are recommending approval of an agreement with Access Cash Inc. on similar terms and conditions as set out in the previous agreement with Exhibition Place.

Founded in 2001, Access Cash as the ATM provider for Exhibition Place for over 5 years, is Canada's premier ATM operator with more than 10,000 ATMs from coast to coast. They are financially strong (part-owned by Morgan Stanley Private Equity) and meet or exceed all Interac, Visa, Visa Plus, and MasterCard regulations in Canada. They have consistently outperformed their competitors on service levels as demonstrated by higher Net Promoter Scores in independent surveys. They have their largest office in Toronto with more than 120 GTA-based employees that can quickly and effectively service the ATMs.

Terms and Conditions:

Term: Four years commencing October 1, 2020 and expiring on September 30, 2024.

Rights: To be the Official / Preferred Supplier of ATM Services providing top quality ATM services in the Enercare Centre and Beanfield Centre.

Fees: The Board will receive fees based on monthly transactions volume as contained in Confidential Attachment 1.

Reporting/Auditing Requirements: Board Rights - As required to allow the Board to determine and confirm amounts payable under the agreement.

Taxes: Access Cash shall be responsible for payment of all taxes, rates and assessments levied with respect to its activities and presence on the grounds.

Equipment/Expenses: Access Cash shall provide and maintain all equipment and materials required for its purposes and are solely responsible for the payment of all expenses and costs associated with its operations, including telecom costs.

Rates: The per transaction service fee rate for machines in the Enercare Centre and Beanfield Centre will be $3.00, or a higher negotiated surcharge between the parties.

Assignment: The agreement shall not be assigned by Access Cash without written consent of the Board.

Indemnity/Insurance: Access Cash shall indemnify the Board and the City of Toronto with respect to any and all expenses, costs, or claims as a result of Access Cash exercise of its rights under the agreement of use of the grounds. Access Cash shall provide sufficient insurance in an amount as required by the CEO of Exhibition Place, in consultation with the City's Insurance & Risk Management Group.

Union Obligations: Access Cash shall comply with all trade union/association agreements affecting work done on the grounds.

Staffing: Access Cash will be required to have on-site personnel during high volume events at the Enercare Centre and Beanfield Centre as determined in conjunction with Enercare Centre Management.

Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination, and other matters in a form satisfactory to the City Solicitor and the CEO.

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - Financial Implications