PA16.6

REPORT FOR ACTION

Agreement and Amendment to Extend Agreement with Brink's Canada Limited for Coin and Note Processing

Date: July 20, 2020
To: Board of Directors, Toronto Parking Authority
From: Acting President, Toronto Parking Authority
Wards: All

SUMMARY

Brink's Canada Limited (Brink’s) is currently responsible for sorting, counting, rolling, and banking of the cash revenue collected from Toronto Parking Authority's (TPA) on- and off-street payment machines. These services have been contracted out since 1998. In 2011, TPA's Board of Directors approved the contract award for coin processing services to Brink’s under a three (3)-year agreement. In 2014, as Brink’s performance had met expectations, the Board of Directors authorized TPA to renew the existing coin processing contract for an additional four (4) year term.

This report seeks approval from TPA Board of Directors to amend the previously authorized agreement for coin and note processing with Brink’s to extend the term of this agreement for an additional two (2) years from April 30, 2018 to April 30, 2020. Since May 1, 2018, TPA has been operating and retaining services from Brink's without a formal written agreement. TPA has continued to operate under the same agreement terms as defined in the executed agreement from 2014 and subsequent amendments. The proposed amendment to the previously authorized agreement with Brink's is to address the outstanding concerns arising from this two-year period.

This report seeks approval from TPA Board of Directors to negotiate, execute, and sign an additional one (1)-year agreement with Brink's for coin and note processing to provide sufficient time to consider procurement options and scope of services which will address changing consumer payment preferences and recent COVID-19 impacts, without suffering adverse operational impacts.

RECOMMENDATIONS

The Acting President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority authorize the President, Toronto Parking Authority, to negotiate, enter into, and execute, on behalf of Toronto Parking Authority, an amendment to the Brink's Canada Limited contract dated April 30, 2014, as amended by the first amendment dated June 3, 2016 and the second amendment dated December 1, 2016, to extend the expiry of this agreement to April 30, 2020, in accordance with the terms and conditions as generally outlined in Attachment 1 to this report and on such other or amended terms and conditions as may be acceptable to the President, Toronto Parking Authority, and in a form satisfactory to the City Solicitor.

2. The Board of Directors of Toronto Parking Authority authorize the President, Toronto Parking Authority, to negotiate, enter into, and execute, on behalf of Toronto Parking Authority, a one-year agreement with Brink's Canada Limited, in accordance with the terms and conditions as generally outlined in Attachment 5 to this report and on such other or amended terms and conditions as may be acceptable to the President, Toronto Parking Authority, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The amount of the two-year contract amendment submitted for coin and note processing is $228,321 plus applicable taxes. The estimated total amount for the new one (1)-year contract is $100,000 plus applicable taxes. The summary of costs is identified in Tables 1 and 2 in this report. The combined total amount for the two-year amendment and the new one-year contract is $371,003 plus applicable taxes.

Funds for this work are included in the 2020 Toronto Parking Authority Operating Budget Account number 238-000.

Table 1 - Summary Costs over Two (2) Year Contract Extension

Dates	**Net Amount**	**HST Amount**	**Total Amount**
May 1, 2018 to April 30, 2019	$121,247	$15,762	$137,009
May 1, 2019 to April 30, 2020	$107,074	$13,920	$120,994
Totals	**$128,321**	**$29,682**	**$258,003**

Table 2 - Summary Costs for One (1) Year Contract

Dates	Net Amount	HST Amount	Total Amount
May 1, 2020 to April 30, 2021	$100,000	$13,000	$113,000
Totals	**$100,000**	**$13,000**	**$113,000**

DECISION HISTORY

At its meeting of March 23, 2011 (TPA Board Minute No: 11-043), TPA Board of Directors approved the three (3)-year coin and note processing agreement with Brink's. A copy of the report is included in Appendix 6.

At its meeting of April 24, 2014 (TPA Board Minute No: 14-057), TPA Board of Directors approved the renewal and four (4)-year extension of the coin and note processing agreement with Brink's. A copy of the report is included in Appendix 7.

At its meeting on December 16, 2016 (TPA Board Minute No: 16-190), TPA Board of Directors approved an amendment to the coin and note processing agreement. A copy of the report is included in Appendix 8.

COMMENTS

TPA staff collect coin and note payment vaults from on-street single space meters, pay and display machines and pay on foot stations which are then delivered to Brink's for sorting, counting, rolling and banking of the cash revenue collected. These sorting and banking services have been contracted out since amalgamation in 1998 to support segregation of duties and cash revenue control.

In 2011, TPA oversaw a competitive bid process, receiving three (3) responses, resulting with the Board of Directors approving the contract award for coin processing services to Brink's under a three (3)-year agreement. Since that time, as Brink's performance has met expectations, the Board of Directors authorized TPA to renew the existing coin processing contract for an additional four (4)-year term.

Over the years, there has been a decrease in cash revenue as customers have adopted mobile, credit and debit cards as their preferred payment methods. By the end of 2019, cash payments represented 16 percent of all parking payments. Throughout the contract periods, Brink's services have been modified to address TPA's changing operations. The modifications have allowed TPA to standardize all collection procedures including collection route management, key management, reduction of cash movement and faster banking of all collection deposits. Since May 1, 2018, TPA has been without a formal contract. The proposed amendment to the previously authorized agreement is to address all of the outstanding concerns with respect to this multi-year period by adopting an amendment to extend the previously authorized agreement and its terms, to April 30, 2020.

TPA is also seeking the authority to enter into a contract with Brink's for one (1) year until April 30, 2021 to provide sufficient time to consider procurement options and scope of services which will address changing consumer payment preferences and recent COVID-19 impacts. There is a current need for coin and note processing services; failure to ensure such services are available while TPA considers options on a longer-term basis would have the potential for adverse operational impacts.

TPA is currently charged flat monthly fees by Brink's for receiving, storage and management of coin and note vault deliveries. Variable fees are currently set to the volume of rolled coin, notes and note vaults processed. With the new contract, the rate structure will increase one percent over previously contracted 2016 rates.

CONTACT

Anu Aduvala, Vice President, Operations, Toronto Parking Authority, 416-791-9731, Anu.Aduvala@toronto.ca

SIGNATURE

Robin Oliphant, Acting President
Toronto Parking Authority

ATTACHMENTS

Attachment 1 - Proposed Third Amendment to Previous Coin Processing Agreement between Toronto Parking Authority and Brink's Canada Limited

Attachment 2 - Previous Coin Processing Agreement between Toronto Parking Authority and Brink's Canada Limited (April 30, 2014)

Attachment 3 - First Amendment to Previous Coin Processing Agreement between Toronto Parking Authority and Brink's Canada Limited (June 3, 2016)

Attachment 4 - Second Amendment to Previous Coin Processing Agreement between Toronto Parking Authority and Brink's Canada Limited (December 1, 2016)

Attachment 5 - 2020/2021 Coin Processing Agreement between Toronto Parking Authority and Brink's Canada Limited (May 1, 2020)

Attachment 6 - In-Camera Board Memorandum dated March 23, 2011 - Coin Processing Agreement Renewal (Authorized for public release by the Acting President, Toronto Parking Authority, on July 20, 2020)

Attachment 7 - In-Camera Board Memorandum dated April 24, 2014 - Coin Processing Agreement Renewal (Authorized for public release by the Acting President, Toronto Parking Authority, on July 20, 2020)

Attachment 8 - In-Camera Board Memorandum dated November 23, 2016 - Brink's Note and Coin Processing Agreement Addendum (Authorized for public release by the Acting President, Toronto Parking Authority, on July 20, 2020)

ATTACHMENT 1 - PROPOSED THIRD AMENDMENT TO PREVIOUS COIN PROCESSING AGREEMENT BETWEEN TORONTO PARKING AUTHORITY AND BRINK'S CANADA LIMITED

THIS THIRD AMENDMENT TO COIN PROCESSING SERVICES AGREEMENT ("Third Amendment") is made as of the ___day of ______, 2020 (the "Third Amendment Execution Date") by and between Toronto Parking Authority ("Authority") and Brink's Canada Limited ("Contractor").

Whereas, Authority and Contractor (Authority and Contractor are collectively the "parties" and each a "party") entered into a Coin Processing Services Agreement dated April 30, 2014, as amended by the First Amendment dated June 3, 2016 and the Second Amendment dated December 1, 2016 (collectively the "Agreement"); and

Whereas, the Contractor and Authority desire to amend the Agreement to modify and extend the term of the Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements hereafter set out, and for their good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties, the parties agree as follows:

1. The recitals of this Third Amendment are true in fact and substance.

2. Without limiting the generality of the foregoing, the Agreement is amended as follows:

2.1 Paragraph 11 of the Agreement is amended to replace the end date of "April 30, 2018" within that paragraph with the end date of "April 30, 2020" wherever it appears.

2.2 Appendix 'A' of the Agreement is hereby deleted in its entirety and replaced with Appendix 1 attached hereto.

3. This Third Amendment shall be deemed to constitute a part of the Agreement. References to Agreement shall include this Third Amendment. The Agreement, as modified by this Third Amendment, shall continue to be in full force and effect. In case of any conflict between this Third Amendment and the Agreement, this Third Amendment shall prevail, unless otherwise expressly agreed in writing by the parties.

4. This Third Amendment constitutes the entire understanding between the parties pertaining to the subject matter of this Third Amendment. This Third Amendment supersedes any previous agreement whether written or oral between the parties relevant to the subject matter thereof.

5. Neither this Third Amendment nor any term or provision of it may be modified, varied, or amended in anyway other than by instrument in writing signed by authorised representatives on behalf of each of the parties.

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Third Amendment,

TORONTO PARKING AUTHORITY	Brink’s Canada Limited
By:	By:
Name:	Name:
Title:	Title:

APPENDIX 1

Toronto Parking Authority Rate Schedule

Services	DATES						
	1-May-14 To 30-April-15	1-May-15 To 30-April -16	1-May-16 To 4 –Dec-16	5-Dec-16 To 30-April -17	1-May-17 To 30-April-18	1-May-18 To 30-April-19	1-May-19 To 30-April-20
Transportation from Rockcliffe Blvd Distribution Centre to Brink's Facility and return of empty Coin Vaults	$134.69 per shipment	$137.05 per shipment	$139.45 per shipment	N/A	N/A	N/A	N/A
Receiving, Storage and Management of Deliveries of coin vaults	N/A	N/A	N/A	$2,940.00 per month	$2,940.00 per month	$2,940.00 per month	$2,940.00 per month
Receiving, Storage and Management of Deliveries of note vaults	N/A	N/A	N/A	$588.00 per month	$588.00 per month	$588.00 per month	$588.00 per month
Box coin return at time of empty Coin Vault delivery	$53.32 per shipment	$54.25 per shipment	$55.20 per shipment	$0.0 per shipment	$0.0 per shipment	N/A	N/A

Services	DATES						
	1-May-14 To 30-April-15	1-May-15 To 30-April -16	1-May-16 To 4 –Dec-16	5-Dec-16 To 30-April -17	1-May-17 To 30-April-18	1-May-18 To 30-April-19	1-May-19 To 30-April-20
Excess Premise Time	$26.72 per each 15 minute increment or part thereof after the first 45 minutes on premise	$27.19 per each 15 minute increment or part thereof after the first 45 minutes on premise	$27.67 per each 15 minute increment or part thereof after the first 45 minutes on premise	$27.67 per each 15 minute increment or part thereof for Brink's service provided during loading and unloading required after 2:00 pm	$27.67 per each 15 minute increment or part thereof for Brink's service provided during loading and unloading required after 2:00 pm	$27.67 per each 15 minute increment or part thereof for Brink's service provided during loading and unloading required after 2:00 pm	$27.67 per each 15 minute increment or part thereof for Brink's service provided during loading and unloading required after 2:00 pm
Coin Processing	$0.0546 per roll of coin	$0.0555 per roll of coin	$0.0565 per roll of coin	$0.0565 per roll of coin	$0.0565 per roll of coin	$0.0565 per roll of coin	$0.0565 per roll of coin
Note Processing	N/A	N/A	N/A	$4.95 per note vault Plus $0.085 per note	$4.95 per note vault Plus $0.085 per note	$4.95 per note vault Plus $0.085 per note	$4.95 per note vault Plus $0.085 per note