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)

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BOARD MEMORANDUM

IN CAMERA

TO: Lorne Persiko FILE NO: 3300-80

FROM: Robin Oliphant DATE: November 23, 2016

SUBJECT: **BRINK'S NOTE AND COIN PROCESSING AGREEMENT ADDENDUM**

MEETING	MINUTE
December 16, 2016	16-190

Ratified results of Poll of Directors conducted on Nov 25/2016

MEETING DATE: **December 16, 2016**

RECOMMENDATION:

It is recommended that the Board of Directors authorize staff of the Toronto Parking Authority ("TPA") to update its existing Brinks Canada Limited ("Brink's") coin processing contract to expand services to include processing of Pay-on-Foot notes and coins effective December 5, 2016.

BACKGROUND:

Brinks currently provides TPA with outsourced coin processing services under a four-year contract expiring April 2018 (ref: Minute #14-057 approved April 30, 2014). Brink's has been under contract since 2011 to provide such services which include sorting, counting, rolling and timely banking of the coin collected by TPA from all meters and pay and display equipment located on and off street. Outsourcing of coin handling has provided TPA with industry best practices for segregation of duties and risk management within a secure facility.

EXPANDED SCOPE OF SERVICES:

The TPA wishes to amend the existing Brinks contract by expanding the services to include the processing of coin and notes for Pay-on-Foot in addition to Pay-and-Display. This will allow TPA to standardize all collection procedures, including the logistics of collection route management and mapping, reduction of cash movement and faster banking of all collection deposits.

Pay-and-Display collection processing is the last, most significant cash handling activity remaining at the corporate office. Once cash handling is fully outsourced, on-site security will no longer be required and finance staff will be re-assigned to analysis and control related activities.

All other existing Brink's agreement terms and conditions will remain as is.

INCREMENTAL NET PROFIT IMPACT:

Estimated incremental monthly savings are expected with Brink's expanded scope of services as a security guard presence will not be required at the corporate office as cash will no longer be held on premise and customers will now be directed to our website for monthly permit processing commencing December 2016.

Reduced security costs	$	6,123
Less:		
Fixed monthly fee		588
Average Note Fees		3,188
Average Coin Fees		100
Average Canister Fees		564
Estimated Incremental Brinks Fees		4,439
Estimated monthly savings	**$**	**1,684**

SUMMARY:

TPA has reviewed and evaluated its cash handling operations including collection routes management, collection key management, cash handling controls and procedures. By standardizing our collection routes and depositing our collections through Brink's facilities, TPA will reduce travel time, cash movement and mitigate risk of theft. Time is of the essence due to the changes required to be put in place by Brinks for a smooth transition. If we are not able to meet the December 5 deadline, Brinks will defer implementation to February 2017.

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