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BOARD MEMORANDUM

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IN CAMERA

TO:	Board of Directors	FILE NO:	
FROM:	Michael Ford	DATE:	April 24, 2014
SUBJECT:	**COIN PROCESSING AGREEMENT RENEWAL**		

MEETING DATE: **April 30, 2014**

RECOMMENDATION:

It is recommended that the Board of Directors authorize staff of the Toronto Parking Authority (the "TPA") to renew its existing coin processing contract with Brinks Canada Limited ("Brinks") for a four year term, a right of early termination, under the terms and conditions summarized below.

BACKGROUND:

Coin processing services are required to sort, count, roll and bank the coin collected from all meters and pay and display equipment located on and off street. Such services have been contracted out since amalgamation in 1998 when sudden increases in volume made it difficult to scale up internally in a timely fashion. Brinks Canada Limited has been the provider of the TPA's outsourced coin processing services since 2011 under a three year contract approved by the Board (minute number 11-043). The current Brinks contract expires April 30, 2014.

RENEWAL TERMS:

The TPA wishes to renew the existing Brinks contract by amending the following terms and conditions:

1) Extend the term for a further four year period (May 1, 2014 to April 30, 2018);
2) Provide for the ability to terminate early for convenience with 90 days advance notice, should our needs change during the renewal term; and
3) Cost of living increase as follows: Year 1 – 2%, Year 2 – 1.75%, Year 3 – 1.75%, Year 4 – 0%.

All other existing terms and conditions of the existing agreement to remain as is.

COST IMPACT:

Assuming coin volumes and delivery locations remain constant, the cost impact of the renewal would be:

Current annual cost $130,000 (2013)
Year 1 annual cost $132,600
Year 2 annual cost $134,920
Year 3 annual cost $137,281
Year 4 annual cost $137,281

	MINUTE
April 30/2014	14-057
Approved.	JJ.

SUMMARY:

Brinks has provided a satisfactory and competitive coin processing service during its initial three year tenure. Recently the TPA has commenced an evaluation certain aspects of its cash handling operations – coin sorting and rolling representing only a component of this exercise. By renewing the Brinks agreement now, the TPA ensures continuity of its outsourced coin processing service, cost certainty for a 4 year term and flexibility to terminate should our needs change.

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