

December 6, 2023

To: Chair Councillor Ainslie

Cc: Co-chair Councillor Holyday, Councillor Burnside, Councillor Cheng, Councillor Crisanti, Councillor Mantas

Re: Item GG8.23 - Innovative Partnership to Accelerate Digital Services with Payments

Firstly, would like to thank staff for creating a report that touches on several aspects of this deal and the current status of its implementation. Given that there is a range of divisions and topics in play, concurrently, would like to start by saying that the complexity of this deal makes it both difficult to understand, and, as a related issue, difficult to provide public oversight.

As such, I have a few requests for consideration. Firstly, it would be helpful for residents to understand more about the history and politics of card processing fees. How were these handled before vs. how they are handled now and how is PayIt handling them? When the City frames cost savings to the corporation as existing when the cost is born by residents directly, it feels as though more of the story should be explained, and more clearly, than is done in this report. As it stands now, this piece of the deal is confusing.

Secondly, it would be beneficial to have more automatic and open reporting of both financial flows (fees to PayIt as per the table on page 7) and other related matters pertaining to this deal. From investments in marketing to increase uptake and use to the status and approach used to scale the use of this product to other Canadian cities, which is framed in this report as unrealized potential.

On this matter in particular, it bears mentioning that the City should consider if and how due diligence should be applied to any kinds of similar constructs in the future. The City should also be aware that being critical of an existing vendor with whom the City has current and future business on the table makes for a situation that is not a classic conflict of interest, per se, but is definitely in the neighbourhood of a bizarre situation when it comes to holding the vendor accountable. How might this issue be explored in more depth and with more consideration than what has been shared in this report?

Beyond more open and automatic reporting, it would also be helpful to consider if there are better ways to present the multiple streams of financial considerations at play in this deal. The report, as it sits now, fails to create enough of a coherent narrative about the operations of this deal, and the competing priorities and trade-offs.

Finally, there is a lot of difficulty in trying to parse the costs to the City, in terms of staff time, from the outside, and there is also a significant valuation problem occurring in terms of how much information PayIt is receiving about all of the City's internal processes and workflows. This report seems to gesture at the possibility for future complementary products and alternatives, but seems to minimize the vast and significant advantage that PayIt has due to its current deal and location within multiple City division's operations.

Thank you,

Bianca Wylie

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