



# REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

## Sponsorship Program Update

Date: November 28, 2022

To: Toronto Parking Authority, Board of Directors

From: President, Toronto Parking Authority

Wards: All

### REASON FOR CONFIDENTIAL INFORMATION

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The attachment to this report is about a position to be applied to negotiations being carried out by Toronto Parking Authority (TPA).

### SUMMARY

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TPA is on a journey to becoming the world's best provider of sustainable parking, Bike Share and last mile mobility experiences. To help accelerate TPA's journey towards our vision, the TPA is committed to partnering with private sector organizations(s) to develop mutually beneficial relationships that will improve TPA's financial performance, customer experience, operational capabilities and overall brand reputation.

Securing strategic partners via sponsorship agreements will allow TPA to access revenue and in-kind contributions that not only offer the potential to offset operating and capital costs, but perhaps more importantly, have the opportunity to access enhanced consumer insights, leading edge digital capabilities and class leading thought leadership in marketing and brand building.

An Expression of Interest (EOI) for Bike Share Toronto Title Sponsor was released to the market on June 23, 2022, with responses to the EOI due no later than October 4, 2022. With the EOI period now closed, TPA has completed an evaluation of the proposals received, identified a preferred proponent and is now seeking authorities from TPA Board of Directors to negotiate, execute and enter into an agreement with the preferred proponent for the Bike Share Toronto sponsorship.

## RECOMMENDATIONS

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The 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 an agreement for Title Sponsorship of Bike Share Toronto with the preferred proponent identified in Confidential Attachment 1 to this report to generally include the terms and conditions described therein and any other terms and conditions satisfactory to the President, Toronto Parking Authority, in a form satisfactory to the City Solicitor; and
2. The Board of Directors, Toronto Parking Authority direct that the confidential information contained in Confidential Attachment (1) remain confidential in its entirety, as it contains financial terms that are subject to final negotiation.

## FINANCIAL IMPACT

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The financial implications are outlined in Confidential Attachment 1.

## DECISION HISTORY

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At its meeting on July 26, 2022, TPA Board of Directors received a report (PA 31.5) entitled "Toronto Parking Authority Sponsorship Policy". The item was adopted without amendment, by TPA Board of Directors at its meeting of July 26, 2022

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA31.5>

At its meeting of September 29, 2022, TPA Board of Directors (Item PA 32.6.9) authorized the President, Toronto Parking Authority, to amend the contract with Lang Partnerships to include Sponsorship Sales Consulting for the purposes of securing sponsors for its properties, programs and services with a commission-based rate.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA32.6>

## COMMENTS

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An Expression of Interest for Bike Share Toronto Title Sponsor was released to the market on June 23, 2022 with a closing date of October 4, 2022.

TPA has undertaken a three (3)-phased approach to securing a Title Sponsor for Bike Share Toronto that can be summarized as follows:

Phase 1: Market Analysis (completed)

Phase 2: Partnership Opportunity Development (completed)

Phase 3: Evaluation, Negotiation and Closing (in progress)

To support the process of finding a Title Sponsor for the Bike Share Toronto program, TPA retained Lang Partnerships through a Vendor of Record arrangement. TPA carried out the first Phase of the process together with Lang, which included assessing the internal readiness of TPA to work with a title sponsor, analyzing the Bike Share Toronto assets relative to marketplace interests, including an analysis of the Canadian partnership industry and best practices.

As part of this first phase of work, 14 market sounding interviews were carried out with key category leaders, which were used to focus potential opportunities and inform how best to position, price, package and sell Bike Share Toronto as a partnership opportunity. With the first phase of work completed, a comprehensive partnership strategy was developed which included: pricing targets per industry category and a sales plan, including the identification of priority sectors, companies and category exclusivities.

Based on the market analysis completed, an EOI package was developed and publicly released on June 23, 2022. The EOI was published on MERX with invitations sent directly to 61 companies representing the financial, technology, pharmaceutical, telecommunications, transportation and hospitality industries.

## **Bid Evaluation Criteria**

As part of the EOI process, TPA developed guiding principles that set out the goals/objectives that TPA is seeking through prospective partnerships. The principles draw attention to partners that can:

- help Bike Share deliver a best-in-class customer/user experience with initiatives that address specific needs through technology, innovation and thought leadership;
- provide a strong brand alignment with TPA/Bike Share Toronto with a commitment that supports the growth of Bike Share Toronto;
- make a commitment to integrate into the fabric of the City and be a symbol of the city's ambition and progress towards sustainable mobility and Vision Zero; and
- invest in Bike Share Toronto to deliver incremental and in-kind revenue.

Attachment 2 includes a summary of the evaluation criteria against which each bid was evaluated.

## **Next Steps**

With the EOI closing on October 4, 2022, TPA has completed the evaluation of proposals, identified a preferred proponent and is now seeking authorities from TPA Board of Directors to negotiate, execute and enter into an agreement with the preferred proponent for the Bike Share Toronto sponsorship.

TPA will continue to keep the Board apprised of its Sponsorship Program through updates at future Board meetings.

## CONTACT

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## SIGNATURE

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W. Scott Collier, President  
Toronto Parking Authority

## ATTACHMENTS

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Confidential Attachment 1 - Sponsorship Program Update  
Attachment 2 - Expression of Interest Evaluation Criteria

## ATTACHMENT 2: EXPRESSION OF INTEREST EVALUATION CRITERIA

The following table provides a summary of the bid evaluation criteria against which each bid was evaluated.

<b>1. Business Terms</b>	<b>Expectation</b>	<b>Scoring</b>
Partnership Fee (Cash Contribution)	Meets minimum threshold of \$1M/year.	40%
Value in Kind (VIK) Contributions and Other	VIK and any other contributions are significant and meaningful to TPA/Bike Share and/or will offset operational costs.	
Activation Budget	Annual activation budget is between 15 percent - 25 percent of fees (and aligns to industry standard) and demonstrates intent to leverage partnership.	
Partnership Term	Minimum of 3-years; 5-year preferred	
Exclusivity	Definition of category exclusivity is specific and relevant. Narrow definition (i.e., leaving categories open for potential secondary partners from non-competing categories) is preferred.	
<b>2. Customer Experience</b>	<b>Expectation</b>	<b>Scoring</b>
Activation/Leveraging of Opportunity	Proposed activation is relevant to the Bike Share program and experience.  Operationally, activation is possible and practical given existing resources, operations and/or can be designed as part of future state planning.	30%
City of Toronto Connectedness	Leveraging ideas proposed enhance the connection to or experience of the City of Toronto and/or leverage relevant community initiatives (i.e., ESG, equity, etc.).	
Customer Experience Enhancements	Proposed activities are customer focused and will foreseeably enhance the customer experience of Bike Share (i.e., value add, products, services, resources, content, surprise & delight, etc.)	

3. Innovation & Business Solutions	Expectation	Scoring
Innovation	<p>Innovation (i.e., leading edge enhancements) are identified with the overall approach aimed at improving Bike Share experience, engaging with consumers, and driving business results for TPA.</p> <p>Includes both short-term and long-term thinking.</p>	15%
Business Solutions	<p>Specific business solutions are identified.</p> <p>Proposed solutions are meaningful and significant to Bike Share's current business and long-term growth strategy.</p>	
Thought Leadership	<p>Specific thought leadership areas are identified.</p> <p>Expertise is meaningful and relevant to Bike Share/TPA's current business and long-term growth strategy.</p>	

4. Brand Fit	Expectation	Scoring
Brand Alignment & Core Values Fit	<p>Strategic objectives, both current and aspirational are complimentary to Bike Share TO and TPA.</p> <p>Positive reputation and experience with Bike Share audience.</p> <p>Core values alignment with Bike Share and TPA (i.e., high quality customer experience, sustainability, micro-mobility, etc.).</p>	10%
Key Objectives & Benefits of Partnership	<p>Objectives for partnership align to Bike Share and TPA objectives.</p> <p>Requested benefits (i.e., assets, programs, etc.) are aligned with proposed Business Terms outlined in Section 1.</p>	
Category Differentiators	<p>Demonstrated leaders within their category, innovating to meet ongoing demands of consumers.</p>	

5. Management	Expectation	Scoring
Partnership Team	<p>Dedicated partnership team identified with ongoing multi-disciplinary/product team/agency involvement.</p> <p>Involvement of Senior decision makers (during EOI process &amp; beyond).</p>	5%
Success Metrics	<p>Success metrics identified are realistic and achievable.</p> <p>Partnership execution is realistic and manageable given proposed resource allocation.</p> <p>Collaborative balanced scorecard approach is preferred.</p>	
Measurement & Planning	<p>Planning approach is identified.</p> <p>Willingness and flexibility to adapt and changed based on current market conditions will be important.</p>	
<b>TOTAL</b>		<b>100</b>