



REPORT FOR ACTION

Contract Renewal for Credit/Debit Card Processing Services

Date: March 11, 2024

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: ALL

SUMMARY

The purpose of this report is to secure approval from the Board of Directors of the Toronto Parking Authority (TPA) to renew an agreement with Moneris Solution Corporation (Moneris) for Credit/Debit Card processing services for a period four (4) years on favorable terms and reduced rates for certain categories, particularly digital transactions.

The Toronto Parking Authority has always provided its customers with choice, speed, and convenience. As a result, our customers have widely adopted digital payment methods as a primary source of transacting.

This Board has previously authorized the President, TPA to enter into an agreement with Moneris for a term of three (3) years with an option, to be exercised at the sole discretion of the President, TPA, to renew the agreement for four (4) further one (1) one-year terms.

This longer-term four (4) year renewal will allow the TPA to settle with rates far better than the current agreement particularly on Gateway (online) transactions and tokenization services, the volumes for which have significantly increased over the past few years.

RECOMMENDATIONS

The President, Toronto Parking Authority, recommends that:

1. The Board of Directors, Toronto Parking Authority, grant authority to the President, Toronto Parking Authority to amend the existing agreement with Moneris Solution Corporation and extend it by a term of four (4) years until February 29, 2028.

FINANCIAL IMPACT

Based on the projected revenue and payment card transaction volume, the annual processing fees for the first year are expected to total \$4.2 million plus Harmonized Sales Tax (HST). The total value of the contract award across the full three-year period is estimated at \$18 million plus HST, assuming revenue growth.

All fees above are excluding HST.

DECISION HISTORY

The Toronto Parking Authority and Moneris had entered into a three (3)-year agreement effective March 01, 2021. The Board of the TPA on December 14, 2020 had granted authority to the President of TPA to enter into this agreement for a period of three (3) years with the option to renew for four (4) further one (1) year terms at the sole discretion of the President, TPA.

<https://secure.toronto.ca/council/agenda-item.do?item=2020.PA20.8>

This agreement itself was based on and had terms and conditions substantially similar to the agreement between City of Toronto and Moneris arising from the City's Request for Proposal (RFP) 3401-16-3008.

The Government Management Committee, at its meeting on November 14, 2016, adopted the recommendation to negotiate and enter into an agreement with Moneris Solution Corporation as outlined in GM16.11 Award of Request for Proposal No. 3401-16-3008 for Credit/Debit Card Payment Processing Services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM16.11>

The City itself has amended and extended its original agreement with Moneris from an original term of five (5) years to now a total term of ten (10) years until January 31, 2027.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG1.10>

COMMENTS

TPA's payment processing services are currently being performed by Moneris on a three (3)-year contract with no auto-renewal. Moneris requires a renewal term of four (4) years in order to provide reduced pricing on Gateway transaction charges and Tokenization vault record fees, which will benefit TPA. In addition, the exclusivity clause has also been amended, which will allow the TPA to work with third party technology providers who may need to use their own payments processors when technologically necessary.

While the authority granted by the TPA Board allows the TPA President to renew this agreement for 'four (4) additional one (1) year terms', we request the Board to amend their authorization to the President to renew for up to '4 additional years' at a time to avail better terms.

The City of Toronto has signed a pricing and marketing agreement with Moneris which provides the opportunity for City agencies and corporations to benefit from the City's pricing. Each agency or corporation is expected to enter into its own agreement with Moneris in order to benefit from its competitive bid pricing.

The terms and conditions as well as Moneris fees on this extended agreement will be more favorable to TPA's technological roadmap of providing payment options. Interchange fees and other pass-through costs will remain as applicable and as updated from time to time. The current agreement with Moneris ended February 29, 2024 and was temporarily extended for 45 days to allow us to negotiate a renewal agreement with updated terms for four (4) years.

NEXT STEPS

Engage with Moneris and City of Toronto legal teams to establish the updated renewal agreement between Moneris and the TPA.

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority