REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Parking Access Revenue Control Systems (PARCS) Contract Award Negotiation Selection

Date: June 27, 2025
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The confidential attachment to this report contains a trade secret or scientific, technical, commercial, financial, or labour relations information, supplied in confidence to the City or Toronto Parking Authority, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

This report seeks Board authorization to select for contract award negotiation the highest-ranked proponent from the Toronto Parking Authority's (TPA) competitive Request for Proposal (RFP-PARCS-202407), for the supply and implementation of a modern, integrated Parking Access and Revenue Control System (PARCS).

The current PARCS platform is more than 25 years old, end-of-life, and technologically obsolete. It operates in isolation from TPA's other parking systems, including the Green P mobile app, Pay-by-Plate machines, and ungated surface lots, resulting in significant operational inefficiencies limiting our ability to deliver a consistent, seamless customer experience across the network.

Critically, these limitations present a significant barrier to delivering TPA's broader strategic objectives and have been identified as one (1) of the organization's top four (4) enterprise risks under the Enterprise Risk Management (ERM) framework; specifically, the risk associated with aging parking equipment.

De-risking our operating platform is critical not only to TPA's core operations, but also to position the organization for long-term sustainable growth in the competitive marketplace. As a multi-modal mobility operator with established channels in Parking,

EV charging, and Bike Share, TPA is uniquely positioned to become a leading provider of integrated, mobility solutions in Toronto. Modernizing the PARCS is a foundational step toward this vision. Our proposed next-generation PARCS platform will significantly enhance the parking experience for both individual (B2C) and commercial (B2B) users by delivering seamless digital access, real-time functionality, and integrated permit and payment systems.

Strategically, the modernization of PARCS will allow TPA to future-proof its business model by shifting growth weighting from traditional infrastructure to scalable, technology-enabled platforms. It enables TPA to expand its role within the broader mobility-as-a-service ecosystem integrating parking with EV charging, Bike Share Toronto, and ultimately, higher-order transit services such as TTC and GO Transit. Failure to act will limit the TPA's capacity to partner with public and private sector partners in our eco-system.

Operationally, the implementation of a modern PARCS platform will streamline internal workflows, reduce manual processing, and improve service reliability through automation and remote monitoring. These efficiencies will translate into reduced operational costs, fewer customer service issues, and an improved ability to manage increasingly complex parking environments. At the same time, the platform’s data-driven capabilities will support evidence-based decision-making in real time, enhance our asset management practices, and contribute to TPA’s broader digital transformation and environmental sustainability objectives.

This investment will establish a long-term strategic collaboration with a globally recognized vendor, bringing proven technology, innovation capacity, and implementation expertise. This relationship will enable TPA to implement innovative mobility solutions, adapt to changing market demands faster, and deliver better outcomes for our customers and city.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, provide authority to the President, Toronto Parking Authority, to select for contract award negotiations, and if negotiations are successful, execute and enter into a contract with the selected proponent in accordance with the protocols established in the procurement documentation and per the evaluation as set out in Confidential Attachment 1, to supply PARCS hardware and software solutions under RFP-PARCS-202407 for all applicable off-street locations, in an amount as set out in Confidential Attachment 1.

2. The Board of Directors, Toronto Parking Authority, direct that the confidential attachment to the Report (June 27, 2025) from President, Toronto Parking Authority remains confidential in its entirety, as it relates to a trade secret or scientific, technical, commercial, financial, or labour relations information, supplied in confidence to the

Toronto Parking Authority, which if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

TPA is seeking Board authorization to select a proponent for contract award negotiation of a ten (10) year contract for the implementation of a modern Parking Access and Revenue Control System (PARCS), inclusive of a comprehensive parking permit management solution and related services, for all applicable off-street locations. The total contract value is set out in Confidential Attachment 1.

Funding for this initiative has been allocated within the Board-approved 2025 Operating Budget and the Approved 10-Year Capital Plan under Capital Code TPA909165 – Parking Technology Enhancements. Implementation is scheduled to commence in Q3 2025, with full deployment expected by the end of 2027.

The capital investment will support the procurement and installation of next-generation PARCS equipment and necessary base building modifications across both gated parking garages and surface lot locations operated by TPA. This modernization will not only improve operational efficiency and customer service but also advance TPA's broader strategic goals in digital transformation and long-term asset sustainability.

DECISION HISTORY

At its meeting of December 12, 2022, the TPA Board of Directors received for information the 2023 Annual Operating Plan: Executive Summary (Item 2023.PA1.5). This document outlined the opportunity to leverage technology to accelerate growth and connect with customers. Agenda Item History - 2023.PA1.5

At its meeting of July 18, 2023, the TPA Board of Directors authorized the President, TPA to negotiate, enter into and execute Vendor of Record agreements to provide Parking Access Revenue Control System and Technology Services, on an as required basis and the term of the Agreement for three (3) years from the commencement date. (Item 2023.PA5.7). Additional information regarding this can be found here: Agenda Item History - 2023.PA5.7

At its meeting of June 25, 2025, the TPA Audit and Risk Committee received the updated Enterprise Risk Management report detailed that aging technology as a key risk to service delivery and strategy growth. Additional information regarding this item can be found here: Agenda Item History - 2025.PR10.2

COMMENTS

Purpose

The purpose of this report is to seek Board approval to select for contract award negotiation the highest-ranked proponent from the TPA competitive Request for Proposal (RFP-PARCS-202407), for the supply and implementation of a modern, integrated Parking Access and Revenue Control System (PARCS).

Background

Over the past three (3) years, the TPA has undertaken a strategic transformation to redefine the role of parking within Toronto's evolving mobility landscape. While on and off-street parking remain core pillars of TPA's business model, Management recognizes that the future lies in integrated, digitally connected mobility solutions. TPA is positioning itself at the centre of this shift by aligning parking, EV charging, and Bike Share services into a unified network of smart mobility hubs, designed to enhance convenience, promote sustainability, and support the City's long-term transportation and climate goals.

However, the current PARCS - which is a combination of hardware and software that manages access to parking facilities and automates payment collection, has reached the end of its operational life. Now more than 25 years old, the existing hardware and software pose increasing risks to service reliability, system integrations, and customer satisfaction. Presently, one (1) in every 30 customer transactions requires manual intervention, far exceeding the industry standard of one (1) in 3,500. This inefficiency drives up labour costs and negatively impacts the customer experience.

In addition, the legacy parking permits system, used by customers for monthly parking subscriptions, developed in the 1990s, lacks flexibility and user-friendliness, limiting TPA's ability to offer customized parking products that reflect evolving user needs. These technology-related risks were formally identified in the 2025 Enterprise Risk Management (ERM) assessment, with "Aging Parking Technology and Infrastructure" and "Financial Sustainability" listed among the top enterprise risks. Together, they threaten TPA's ability to maintain high-quality service, provide customized parking solutions to different customer segments, and meet its mandate to improve mobility, accessibility and city-building priorities.

Overview: PARCS Modernization Program

The PARCS Modernization Program is a comprehensive capital investment that will replace legacy hardware and software across TPA's 42 parking garages and 242 surface lots with a modern, enterprise-grade technology platform. PARCS integrates vehicle and pedestrian access control, automated fee collection, real-time monitoring, e-commerce, and flexible permit administration into a single, scalable solution.

This is more than a technology upgrade, it is a foundational transformation of how TPA operates. The new platform will enable a strategic shift away from capital-intensive

infrastructure toward digital systems that are more adaptable, resilient, data-driven, and aligned with our growth ambitions It supports expansion across core and emerging business channels, including EV charging, Bike Share Toronto, and future on-demand mobility services.

Growth Enablement

The modernized PARCS platform will directly support TPA's strategic growth objectives by:

- **Expanding business-to-business offerings**, including operating third-party parking systems including but not limited to sectors such as healthcare, post-secondary, and commercial real estate.
- **Unlocking new revenue models** through integrated e-commerce and flexible parking permit products.
- **Improving operational scalability**, enabling TPA to respond quickly to new market demands and customer expectations.
- **Creating a foundation for long-term digital transformation**, positioning TPA to integrate seamlessly with future smart city and transportation initiatives.

Gateway to Integrated Mobility

The modernized PARCS system will serve as a strategic entry point into the broader Mobility-as-a-Service ecosystem, ensuring compatibility and integration with:

- EV charging infrastructure
- Bike Share Toronto
- Higher-order transit systems such as TTC and GO Transit

This integration is essential for maintaining TPA's relevance in the evolving urban mobility landscape. Without this investment, TPA parking facilities risks becoming siloed from the broader transportation network, diminishing TPA's role in enabling city-wide access and mobility.

Hardware and Software Enhancements

Key infrastructure and system upgrades will include:

- **License Plate Recognition** at all entry and exit points for seamless, automated access.
- **New pay stations** supporting Apple Pay, Google Pay, debit, credit, and cash payments.
- **Full integration with the Green P App**, allowing customers to initiate and pay for transactions digitally at any TPA-managed location.
- **Pedestrian access control capabilities** to enhance safety and deter unauthorized or antisocial behaviour.

The enhanced backend platform will feature:

- **Real-time system monitoring** and **centralized support** tools to proactively address issues such as payment errors or equipment malfunctions, often before customers are aware of them.
- **Live help functionality**, including in-app support and intercoms, enabling two-way communication between customers and support staff.
- **Flexible product management tools** that allow for rapid deployment of new parking services, permits, and promotional offerings.

These features collectively elevate the customer experience, reduce operational friction, and improve staff efficiency across the entire portfolio.

Competitive Advantage

The PARCS Modernization Program will reinforce TPA's competitive position by:

- Differentiating TPA's offering through modernized infrastructure and enhanced customer experience.
- Enhancing brand trust and reliability via proactive service and faster issue resolution.
- Strengthening TPA's digital identity as a mobility solutions provider rather than just a parking operator.

Procurement Process and Vendor Due Diligence

In July 2023, the TPA Board approved the establishment of Vendor of Record (VOR) Agreements with four (4) pre-qualified vendors through a transparent and competitive Request for Pre-Qualification (RFPQ) process. The objective of this prequalification exercise was to identify technology partners with proven capabilities to deliver integrated gated and camera-based access systems, supported by robust, enterprise-wide backend software platforms.

The four (4) vendors selected—Flash, HUB Parking Technology, Precise ParkLink Inc., and Scheidt & Bachmann Canada Inc. offered a range of advanced parking, access control, and digital infrastructure solutions that aligned, to varying degrees, with TPA's operational requirements and strategic direction.

Following the VOR establishment, TPA undertook a comprehensive due diligence process to further assess the vendors' suitability. This included detailed technical evaluations, structured vendor workshops, and site visits to each vendor's corporate headquarters and manufacturing facilities. These engagements offered valuable insight into each proponent's technological roadmap, system integration capabilities, scalability, and overall readiness to support TPA's modernization goals. This rigorous evaluation framework ensured that TPA's ultimate vendor selection would be grounded in a thorough understanding of the vendors' capabilities, innovation trajectories, and alignment with the TPA long-term enterprise strategy.

Rationale for Single Vendor Selection

During the evaluation process, it became clear that while each of the pre-qualified vendors offered distinct strengths, the initial concept of a multi-vendor deployment presented considerable challenges. Specifically, a fragmented implementation would have significantly increased integration complexity, introduced inconsistent customer interfaces, and elevated both capital and lifecycle costs. More critically, it would have posed operational risks associated with managing multiple service providers across interconnected systems.

Key interoperability requirements, such as real-time data exchange, centralized identity and access management, and unified system reporting, were identified as major limitations under a multi-platform model. These constraints would have directly undermined TPA's ability to deliver a seamless, enterprise-grade solution and jeopardized the program's core objectives related to modernization, customer experience, and long-term scalability.

In contrast, the evaluation concluded that a single-vendor strategy provided the clearest and most effective path forward. A unified platform mitigates integration risk, streamlines deployment and support, and ensures consistency in user experience across all garages and lots. This approach also supports greater business continuity by simplifying system governance, reducing dependency on multiple vendors, and enabling centralized troubleshooting, maintenance, and upgrades. From a strategic perspective, a single vendor model enhances TPA's ability to incorporate emerging technologies, respond to evolving customer expectations, and align with the City of Toronto's digital transformation and climate action goals.

To ensure a fair and accountable selection process, TPA issued a formal Request for Proposals (RFP No. RFP-PARCS-202407), overseen by the Procurement Advisory Office—a nationally recognized firm with expertise in public sector procurement and compliance. Their involvement ensured the procurement was executed with the highest standards of fairness, transparency, and integrity, while also providing critical governance, documentation, and risk mitigation support throughout the bid solicitation and evaluation phases.

Recommendation and Evaluation Summary Outcomes

The recommendations presented in this report are the result of a comprehensive procurement process initiated under RFP No. RFP-PARCS-202407, issued on August 7, 2024, to the four (4) pre-qualified Vendors of Record. The process was conducted in full alignment with TPA's procurement policies and public sector guidelines, with oversight and advisory support from the Procurement Advisory Office.

Proposals were evaluated by a cross-functional Evaluation Committee, using a weighted scoring framework that assessed technical merit, pricing, project delivery timelines, and proponent experience. Based on this rigorous assessment, Management recommends awarding the PARCS Modernization Program Contract to the highest-ranked proponent**.**

The recommended vendor demonstrated superior performance across all key evaluation categories, including system functionality, digital integration, customer experience design, and overall value over the lifecycle of the contract. Their proposed solution includes a full replacement of aging gated infrastructure, deployment of a modern permit management system, integration of license plate recognition and mobile payment capabilities, and open API architecture to ensure interoperability with TPA's existing platforms. The system also incorporates advanced capabilities such as predictive maintenance, centralized rate management, and business intelligence tools—features that will significantly enhance TPA's operational efficiency, responsiveness, and network-wide insight.

A summary of the evaluation scores and total costs for the base scope including total CAPEX, OPEX and contingency cost is provided in Confidential Attachment 1.

Role of the Procurement Advisory Office

The Procurement Advisory Office, a nationally recognized third-party procurement consultancy, served as an independent advisor throughout the RFP process. Their responsibilities included providing regulatory guidance, overseeing compliance, facilitating evaluation consensus, and ensuring fairness and transparency at all stages of the procurement.

Their involvement was critical in mitigating procurement risks, reinforcing institutional governance, and aligning TPA's procurement practices with industry-leading standards. A Probity Report prepared by the Procurement Advisory Office has been appended to this report (see Attachment 1 and Confidential Attachment **1**). The findings confirm the integrity of the process and support the legitimacy and defensibility of the recommended selection for contract award negotiation.

Implementation Approach and Stage Gates

The PARCS Modernization Program will be delivered through a three-phase rollout, structured to prioritize operational impact, mitigate implementation risk, and align with available capital and resource capacity. Each phase is accompanied by clearly defined decision gates, formal checkpoints that allow for strategic reassessment, performance validation, and refinement of the delivery plan before proceeding to the next stage. Table CA2.1 as set out in Confidential Attachment 1 outlines the CAPEX and OPEX cost by phase.

Phase 1 – Tier 1 Garages

This phase includes the implementation of PARCS hardware and software at TPA's highest-volume and most strategically important garages. These locations serve as a testing ground for the system's technical performance, user experience, and operational integration.

- Decision Gate 1: Following Phase 1 completion, TPA will conduct a comprehensive evaluation, including vendor performance, technology reliability, customer feedback, and cost adherence. The evaluation will validate the system's readiness for broader deployment and confirm that KPIs (e.g., transaction speed, error rates, CSAT) are within acceptable thresholds.

Phase 2 – Tier 2 Garages and High-Velocity Gated Surface Lots

Pending a successful outcome of Decision Gate 1, Phase 2 will expand implementation to mid-tier garages and high-velocity surface lots where customer flow is frequent but operational complexity is moderate.

- Decision Gate 2: Before advancing to Phase 3, a second formal review will be undertaken. This will assess the system's scalability, remote support capabilities, and integration with the Green P App, along with any technical refinements made post-Phase 1. Financial tracking will ensure OPEX and CAPEX remain within tolerance.

Phase 3 – Remaining Garages and Surface Lots

This final phase will include lower-volume or less complex parking garages and surface lot locations, allowing for full PARCS system deployment across TPA's off-street portfolio.

- Decision Gate 3: A final checkpoint will confirm that full deployment will generate operational efficiencies and ROI in line with business case expectations. Any deferred locations or lessons learned from earlier phases will be incorporated into final adjustments.

Benefits of the Phased Approach:

- Allows TPA to de-risk implementation by validating system performance and operational impact at each phase
- Enables adaptive delivery by incorporating customer feedback, vendor learning, and emerging innovations before full deployment
- Provides clear off-ramps should financial, technological, or policy conditions shift
- Strengthens governance through structured oversight, performance reporting, and Board visibility

This approach ensures that the PARCS Modernization Program is not only executable, but also adaptable and responsive to real-world performance and stakeholder needs.

Conclusion and Recommendation

The PARCS Modernization Program is a critical investment that addresses key enterprise risks while unlocking long-term opportunities for growth, diversification, and improved service delivery. It positions the TPA to remain competitive, resilient, and aligned with the future of urban transportation.

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SIGNATURE

W. Scott Collier, President
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ATTACHMENTS

Attachment 1 - Probity Report (Non-Confidential Component)

Confidential Attachment 1 - Evaluation