



REPORT FOR ACTION

Extension of Payment Services Agreement with Passport Parking Inc.

Date: July 9, 2019
To: Board of Directors, Toronto Parking Authority
From: Acting President, Toronto Parking Authority
Wards: All

SUMMARY

Toronto Parking Authority (TPA) operates a Mobile Payments for Parking (MPP) System (commonly referred to as the GreenP app) at its pay and display car parks and at on-street paid parking locations. The system has been operating since March of 2015 in the off-street locations and since October of 2016 on the street. Currently, the GreenP app accounts for approximately 54 percent of transactions and revenue in the channels where it operates and approximately 42 percent of total transactions in all TPA facilities making it the highest-volume payment channel in our operation. The GreenP app was designed as a platform which is anticipated to be expanded to other channels, such as providing further functionality such as TPA monthly permitting program.

As indicated by the usage statistics, the GreenP app has been well received by our customers due to its convenience, fast transaction time, and the ability to extend parking transactions, as well as issuing and tracking parking receipts.

Passport Parking Inc. (Passport), our system provider, has provided excellent service, meeting all service level and system performance metrics with only two minor outages in four years. In addition, the vendor has been flexible and met tight timeframes for services, such as the introduction of the King Street Pilot and Eglinton Crosstown discount functionality, further supporting City initiatives. Passport is the largest provider of mobile payment parking programs in North America with approximately 900 locations, including the cities of Chicago, Boston, Montreal, and Victoria.

Passport and TPA are currently working on Version 2 of the app (V2), which will add significant functionality to the already very popular GreenP app, including new payment options (Apple Pay and Android Pay) and enhanced mapping and geolocation capability. In addition to V2 of the app, Passport is providing an enhanced dashboard-based analytics tool which will allow TPA to better analyse and manage its parking

systems and to know our customers which will improve the efficiency of our marketing activities. This will also improve our ability to engage with the City of Toronto's Business Improvement Areas.

The GreenP app is a major component of TPA's modernization and transformation strategy. TPA is committed to offering innovative new services to its customers in order to continue to improve the customer experience and deliver top quality, efficient services through technology and support its strategic objective to be known as the preferred choice of parkers and a leader in parking. The modernization and transformation strategy is designed to ensure that TPA operates efficiently and delivers value to all stakeholders and potentially partner with other applications such as Bike Share Toronto or Waze.

The system is based on a customized software as a service platform operated by Passport. Passport was the successful proponent selected through an open public procurement process undertaken in late 2013. As per the Request for Proposals (RFP) terms, the initial contract term began in March 2015 for a three (3) year term, with an option for two (2) additional years in favour of TPA which TPA exercised. The current contract expires on March 31, 2020 and TPA is seeking to renew and extend upon similar terms and conditions.

As per the fee proposal submitted by Passport as part of the RFP process, each initial transaction is subject to a fee to TPA of slightly under \$0.10. The app allows customers to extend an initial transaction, which is subject to an additional fee of the same amount. Approximately 15% of transactions are extended so the average fee per fully completed transaction is about \$0.11.

RECOMMENDATIONS

The Acting President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve the extension of the Payment Services Agreement with Passport Parking Inc. for the provision of a Mobile Payments for Parking System for an additional term of three years with an option for an additional two-year extension on terms and conditions satisfactory to the President, Toronto Parking Authority.

FINANCIAL IMPACT

The financial impact is dependent on the transaction volume. The fees are currently approximately \$145,000 including HST per month (approximately \$1.75 million annualised), representing a rate of about 2.5 percent of system revenue. Assuming a continued increase in adoption, fees could rise to \$2,000,000 including HST or more per year during the term of the extension. The total commitment for the initial three-year extension is approximately \$6,000,000 assuming existing or slightly higher usage levels.

The additional two (2) years, if exercised, would add an additional cost of approximately \$4,000,000. TPA is currently undertaking a review of its inventory and deployment of pay and display equipment (which operate in the GreenP app environment), with the intention of decreasing machine deployment which will result in decreases in operating costs to this system where the GreenP app continues to operate.

DECISION HISTORY

Toronto Parking Authority Board of Directors, at its meeting of February 27, 2014 approved the selection of Passport Parking Inc. as the select proponent for TPA Mobile Parking Payments system and authorized staff to negotiate a contract (see Attachment 1 to this report (July 9, 2019) of the Acting President: the February 21, 2014 staff report to Toronto Parking Authority Board, which includes a confidential attachment. The material contained in this report is no longer of a confidential nature.

The contract with Passport Parking, Inc. was signed in October of 2014.

COMMENTS

Strategic Preparation

Toronto Parking Authority determined to pursue adding a mobile payments parking channel to its revenue collection environment in early 2013. This initiative was a significant strategic objective for TPA to enhance our customer payment experience, increase system reliability and decrease costs and improve revenue control. To ensure strategic success, TPA undertook an extensive review of availability and capabilities of existing systems and subsequently developed an extensive requirements document through the summer of 2013 (containing over 150 features and functions the system was required to achieve). In addition, all TPA staff and associated city staff (e.g. Toronto Police Services, City Legal and Transportation Services) were engaged in an extensive series of reviews to ensure that all necessary processes and procedures were incorporated. The preparation work included a complete replacement of TPA enforcement platform to make it consistent with the Toronto Police Services Parking Enforcement Unit platform. In addition, the City of Toronto Municipal Code needed to be amended.

Procurement Process

Early on it was determined that a core feature of the system is that it be 'white labelled' to leverage the extremely well known and trusted 'GreenP' brand and to allow TPA to control the customer experience. These requirements described above formed the core of the Request for Proposals document issued on August 30, 2013, and posted on the MERX system as an open RFP call. ('Request for Proposals - Mobile Payments for Parking System for Toronto Parking Authority') The RFP closed on October 30, 2013. TPA received 13 responses to the RFP consisting of both, providing existing systems or

developers proposing to develop TPA specific solutions. Three proposals were disqualified during the evaluation process.

The RFP included a highly structured evaluation mechanism to ensure that a fair assessment of the proponents was ensured. TPA also engaged a Fairness Monitor (Knowles Consultancy Services) to oversee the evaluation process to ensure that the evaluation was properly conducted. The summary letter of the evaluation process provided by Knowles Consultancy is attached to the February 21, 2014 Board report referenced above in Attachment 1 to this report (July 9, 2019) and includes the following statement:

"As the Fairness Advisors for Request for Proposal for a Mobile Payments Program Application Solution, we certify that the RFP procurement process was, in our opinion, fair, open and transparent and that Proponents received consistent treatment throughout the process."

As per the RFP document five (5) submissions were shortlisted and on-site presentations were undertaken in January of 2014, after which Passport was deemed the selected proponent and as per Attachment 1 to this report (July 9, 2019), TPA staff were authorized to enter into contract negotiations. The contract was signed in October of 2014, and work began on customizing the product and creating a deployment plan.

Deployment and System Performance.

As per the strategic plan and as specified in the RFP document, the product was initially deployed to TPA's off-street parking lots which operated by way of pay and display technology (approximately 200 locations). Operations began on March 5th 2015, with Mayor John Tory launching the program and undertaking the first transaction.

Work continued throughout 2015 to prepare for deployment to the on-street paid parking program then containing approximately 18,000 spaces. This required a highly coordinated effort by TPA and the Toronto Police Service Parking Enforcement Unit (TPS-PEU). The on-street program was launched in October of 2016 and fully deployed by the end of that year. The program has been in full operation for over 2.5 years and is extremely successful, currently accounting for approximately 54% of transactions and revenue in the infrastructure in which it operates. In the first six (6) months of 2019, the system processed approximately 7,500,000 transactions and approximately \$30,500,000 including HST in parking fees across the full program.

The Payment Services agreement came into operation on April 1, 2015 for an initial term of three (3) years with a two-(2) year extension in favour of TPA, which was exercised. The contract will terminate on March 31, 2020.

Passport Parking Performance

Passport has provided an excellent service over the four (4) plus years since the program launch and has provided performance in excess of the System Level Agreement contained in the contract. One notable example was for Passport to create

the King Street Pilot and Eglinton Crosstown discount codes in a very short time period and at no cost to the City.

Passport recently presented TPA with their proposed release of Version 2 of the GreenP app which provides significant updates to the features and functionalities of the app. The main new features offered by Version 2 of the app are, more transparent time and fee estimates for the customer, geolocation functionality for selecting parking locations, inclusion of mapping for on-street locations, predictive availability of spaces, and new payment options including Apple Pay and Android Pay. Version 2 is provided at no additional cost to TPA and the fees will remain as contained in the contract.

Due to the unprecedented success of TPA Mobile Payments for Parking program (GreenP app), the high level of performance of Passport Parking, Inc., the fact that the original selection of the vendor was made through an open and fair tender, and the significant amount of effort that would need to be undertaken to conduct a second open tender to select a potential alternate provider, and the time required to deploy an alternate platform, it is recommended that the existing payment services agreement with Passport Parking, Inc. be extended for an additional three (3) year term plus a two (2) year option in favour of TPA under the same terms and conditions as contained in the existing contract. The contract provides for excellent termination rights in favour of TPA should TPA wish to exercise these.

CONTACT

Ian Maher, Vice President, Parking Strategy, Policy, Planning and Technology
416-393-7291, Ian.Maher@toronto.ca

SIGNATURE

Robin Oliphant
Acting President, Toronto Parking Authority

ATTACHMENTS

Attachment 1: Authorization to Enter into Negotiations with the Selected Proponent for TPA Mobile Parking Payments Systems (in-camera Board memorandum dated February 21, 2014 to Toronto Parking Authority Board and authorized for public release by the Acting President, Toronto Parking Authority, on July 9, 2019)

ATTACHMENT 1

FEBRUARY 21, 2014 IN-CAMERA STAFF REPORT TO TORONTO PARKING AUTHORITY BOARD



BOARD MEMORANDUM

1.4

TO: Lorne Persiko

FILE NO: 4021-01

FROM: Ian Maher

DATE: February 21, 2014

SUBJECT: Authorization to Enter into Negotiations with the Selected Proponent for the TPA Mobile Parking Payments System.

MEETING DATE: February 27, 2014

RECOMMENDATION:

MEETING	MINUTE
February 27/14	14-012
Approved.	gg.

It is recommended that the Board of Directors of the Toronto Parking Authority adopt the recommendations contained in the confidential attachment to this report.

Attachments:

Attachment 1: Summary letter from Knowles Canada

Attachment 2: Proposed Recommendations (Confidential Attachment)

BACKGROUND:

At their meeting of April 24, 2013, the Board of Directors of the Toronto Parking Authority authorized staff to complete requirements phase documentation and to issue a Request for Proposals for a Mobile Payments Program for use in Authority carparks and at on-street paid parking locations. An open RFP was issued on August 30, 2013 with a closing date of October 15, 2013. Four addendums were later issued with Addenda #1, issued on October 4, 2013, extending the submission date to October 30, 2013. The RFP was posted on MERX. The TPA retained the firm of S.P. Bitterman and Associates to prepare the necessary documents and manage the procurement process, and Knowles Canada to act as fairness monitors for the process. The summary letter from Knowles Canada certifying the process as being fair and transparent is attached to this report.

EVALUATION PROCESS:

The evaluation of submissions was undertaken in four stages with each stage being completed prior to beginning the subsequent phase:

- In **Stage 1**, proponent submissions were reviewed to ensure compliance and the technical requirements were met. Only compliant submissions progressed to stage 2.
- In **Stage 2**, the submissions were scored and 5 were selected to advance to the next round of scoring, that is, the short-listed.
- **Stage 3** comprised of evaluations based on reference checks, presentation and demonstrations, and financial capacity of the short-listed submissions.
- Finally, **Stage 4** was the pricing evaluation, where only the short-listed proponents' cost envelopes were opened and scored accordingly.

A consensus scoring approach was applied to Stage 2 and Stage 3, while Stage 4 (costing) was evaluated by way of a formula which was disclosed to the potential proponents as part of Addenda #3 issued on October 15, 2013.

Each short-listed proposal was scored out of 100 points, with 80 points assigned to Stage 2 and 3, and 20 points assigned to the cost (Stage 4). Proponents were required to submit their cost submissions in separately sealed envelopes. Each requirement of Stage 2 and 3 was evaluated and scored using the categories as shown on the evaluation table below.

The following provides the scoring categories for response evaluation:

Quality of Response	Score Assignment (reflects % of available score)
Excellent; All aspects of the requirement have been 100% met with supporting information as to how this will be achieved	100%
Very Good; Meets the Requirements with little supporting information	75%
Acceptable; Most requirements have been met but not all aspects have been addressed	50%
Below expectation; The response provided is not fulsome and does not demonstrate an ability to meet the requirement	25%
No Response; No Response Provided, or Response provided indicated that requirement will not be met	0%

Stage 2, the 'Initial Evaluation', was utilized to ensure the proponents were capable of providing the required solution. It consisted of three categories of evaluation, each of which had a total achievable number of points and a minimum number required in order to advance in the process. The categories and the (total available/minimum) scores required are indicated below:

- Proponent Company Profile (5/3)
- Addressing the Technical Requirements (30/21), and
- Approach and Work plan (18/12)

The results of this stage were utilized to prepare a short-list of five proponents who then moved onto Stage 3 of the evaluation.

Stage 3, the short-listed evaluation, had three categories also. The categories and the (total available/ minimum) scores are indicated below:

- References (3/2)
- Presentation and Demonstration (20/12)
- Company Profile part 2 - Financial (4/3)

Following the scoring of Stage 3, the cost envelopes were opened and the cost scores calculated (**Stage 4**). The scores were consolidated from each stage in order to rank the short-listed proponents, and the Selected Proponent was identified.

Under the terms of the RFP, the highest scoring submission is deemed the **"Selected Proponent"**, defined as

"The Proponent selected by TPA staff for which TPA staff will seek approval from the Board of Directors to proceed into contract negotiations based on the award of the RFP."

CONCLUSION:

By adopting the recommendations in the confidential attachment, the Board of Directors will authorize staff to enter into negotiations with the Selected Proponent, who will be deemed the "***Selected Vendor***", which under the terms of the RFP is defined as,

"The Selected Proponent with whom TPA staff have been given approval to proceed into contract negotiations based on the award of the RFP."

Once TPA staff have successfully completed negotiations with the Selected Vendor, details of the contract will be reported for approval of the Board of Directors.



Mr. Ian Maher
Vice President, Strategic Planning & IT
Toronto Parking Authority
33 Queen Street East, 2nd Floor
Toronto, Ontario, M5C 1R5

February 20th, 2014

Dear Mr. Maher:

Re: Toronto Parking Authority, Request for Proposal for Mobile Payment Program Procurement Process

Please accept this letter as my attestation of the above referenced RFP procurement process. This report was prepared for the specific purposes of the Toronto Parking Authority. Neither Knowles nor the individual authors of this summary letter bear any liability whatsoever for opinions unauthorized persons may conclude from this letter.

Knowles Consulting Services Inc. ("Knowles") was engaged by the Toronto Parking Authority (the "TPA" or the "Authority") on October 3rd, 2013 as the Fairness Advisor to provide independent oversight throughout the procurement process to select a Successful Vendor to deliver a cost-effective mobile parking payment alternative for the TPA's customers, which is for a three (3) year term, with the option to extend for a two (2) year term, at TPA's discretion as per RFP section 1.5.

Knowles participated in the validation of the procurement process and provided oversight throughout the process. The scope of our services were to provide professional fairness advisory services to the TPA's project team and supporting consultants and advisors, as needed and to provide assurance to that the process administered fell into alignment with the principles of fairness and best practices of public municipal procurement. In my opinion the TPA has taken reasonable due diligence steps in their evaluation of the responses to the RFP to provide a mobile payments program services solution for the Authority's competitive process. This fairness summary letter will cover the RFP process. Our conclusions are based on our first hand observations of the RFP process.

The following chart provides a summary of Knowles' involvement and findings:

Scope	Task	Fair (Yes/No)
1	Review of Request for Proposal (RFP) documentation post-issuance	Yes
2	Review draft Addenda and Q & A responses and comment	Yes
3	Ensure that the procurement process, communication with the TPA and basis for selection were clearly stated in the RFP	Yes
4	Review draft evaluation guideline document, evaluation score card and consensus meeting tools	Yes
5	Attend all compliance review discussions, evaluation consensus meetings and Presentation and Demonstration Sessions and monitored overall process	Yes
6	Confirm that the procurement process and basis for selection stated in the RFP were respected	Yes
7	Attend debriefing of Proponents as required	Pending

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RFP Process

The Toronto Parking Authority's staff managed the RFP process with the additional support of P.B. IT Consultant Inc., who was engaged to provide procurement technical advice to TPA staff to prepare the draft and final RFP documentation, addenda, and responses to Proponent questions via addenda and all evaluation materials. TPA provided a public webcast for all interested respondents on September 19th, 2013. As Knowles' Fairness Advisor services were acquired during the RFP open period in Early October, we cannot comment on the fairness of any steps in the process which took place prior to our engagement, however the team did provide us with a full and detailed understanding of the purpose and goal of the RFP acquisition of services and the rigorous and industry research steps that were taken to develop the requirements of the RFP which in our opinion we believe did reflect the legitimate needs of the TPA project.

In addition, Knowles was given an opportunity to provide comments on the issued RFP document and where we provided fairness comments either in track changes or verbally in face-to-face meetings with the project team, we saw a substantive and diligent effort on the part of the TPA and its representatives to implement the changes we recommended to improve either the clarity of their document, evaluation methodology and approach, and the submission requirements being requested. It is our opinion that these improvements further supported the TPA's stride to administer a fair, open and transparent process, and to ensure that the criteria provided to Proponents could be objectively evaluated while still demonstrating the qualities required of the Successful Vendor that the TPA would contract with to deliver the Mobile Payment Program services.

Once on board Knowles, as the Fairness Advisor, was routinely consulted for potential and actual matters of fairness or procurement related risks and/or developments in a generally proactive manner through a series of face-to-face or teleconference meetings, and were generally kept in the loop at all critical points in the process which we thought was successfully incorporated. Knowles provided an evaluator training/orientation and recommendations for process enhancements to support the fairness and transparency during the evaluation process.

We were satisfied that the Authority's key project team members and project lead were qualified to evaluate the materials provided to them and demonstrated a good working knowledge of the application services they were procuring and the reasonable business factors including economics and administration that were encompassed in the services being procured. Where the team deemed that additional resources or expertise was warranted they sought to add those services to their team, to the benefit of the procurement. The TPA engaged a City legal advisor, a procurement process/technical advisor, as well as a Fairness Advisor to support the efforts of the TPA for the purposes of responding ethically and fairly to all Proponents who participated in this process.

I witnessed a concerted effort by the TPA, the evaluation team and the advisory support team to satisfy the City of Toronto municipal standards and public procurement best practices for administering an open, fair and transparent procurement process.

Communications and Security

In accordance with the RFP section 2.4, all communications with the TPA during the open period were conducted in writing by email to, MobileRFP@greenpparking.com, with a designated project team member from the TPA who had authority to manage all communication received. The process advisor and technical advisor who managed the procurement was also provided the authority to access, review and respond to emails received via this webmail site during the RFP process. During the process, a deadline for questions was established and respected. Responses were provided by way of addenda to the RFP of which there were four (4) addendums issued prior to RFP close and submission receipt.

All evaluators and evaluation process participants who had access to the proposal submissions were required to sign a Non-Disclosure and Conflict of Interest Declaration Agreements, similar in nature to that used by the City of Toronto procurement processes, confirming that they would respect and uphold the confidentiality of the procurement process and the proprietary information that would be provided to them in the form of Proponent submissions and all applicable communications and documents that were developed during this process for the purposes of the Mobile Payments Program services acquisition.

Once the submissions were distributed, all team members were asked to disclose any Conflicts of Interest that they recognized, and again no matters arose that were brought to our attention, beyond industry familiarity or working relationships that exist as a result of TPA's core business, and the services being procured through this RFP. All team members were asked not to discuss the RFP process, nor status with anyone not directly involved.

In addition, to the best of our knowledge, confidential information was properly safeguarded and managed throughout the process with a minimum of two levels of security if not more being maintained at all times during the process which was recommended by Knowles during the evaluation training session. We personally confirmed that all envelope 2 (pricing information) submissions received by the TPA were stored behind four levels of security (3 pass and key doors, and a secured safe), which was not accessible by any of the evaluation team members.

Evaluation Process

RFP document and the subsequent evaluation process were conducted in a diligent, consistent and fair manner. The RFP was issued on August 30th, 2013, and Proponents had adequate time to prepare their Proposal submissions as TPA did extend the RFP deadline from October 15th, 2013 (which originally provided approx. 7 weeks) which then was amended to October 30th, 2013 (which then provided approx. 9 weeks to prepare their proposal responses.

- Thirteen (13) timely submissions were received for this RFP request issued on Merx.ca (a widely used secured public tendering site).
- Stage 1 – During the RFP compliance review process, one (1) submission did not successfully meet the Appendix A - Mandatory requirements of the RFP and was removed from further consideration in the next stages of the evaluation process. And two, (2) submissions did not successfully meet the Section 5 - compliance review technical requirements, which were reviewed on a Pass/Fail basis.
- Stage 2 - During the evaluation of the rated requirements which tested, previous experience delivering relevant and/ or comparable solutions, qualifications of the individuals and the proposed implementation schedule and support plan for the MPP services delivery, four (4) Proponents failed to successfully meet the evaluation thresholds for this stage in the procurement process. There was a total of 53 points available in this stage of the evaluation process, but specifically all teams were required to meet the minimum scoring thresholds of each evaluated category section to be considered any further :
 - Proponent Profile Section – 3/5 points (2 Proponents did not meet this threshold)
 - Technical Requirements – 21/30 (all 10 Proponents met this threshold)
 - Approach and Work plan – 12/18 (3 Proponents did not meet this threshold)
- As a result of the stage 2 evaluation process, six Proponents successfully met all the rated scoring requirements, however the evaluation process only specified that the highest scoring five (5) Proponents would be shortlisted, and the TPA was consistent here, and issued the shortlisted notifications to the applicable Proponents with invitations to the Stage 3 presentation and demonstration process. And the sixth highest scoring Proponent was not shortlisted.

- Stage 3 – Reference Checks, Presentation and Demonstrations and financial Capacity Evaluation. This portion of the evaluation was worth 27 available points, and all teams were required to meet the minimum scoring thresholds of each evaluated category section to be considered further:
 - Reference Check Section – 2/3 points (all 5 Proponents met this threshold)
 - Presentation and Demonstration Section – 12/20 points (all 5 Proponents met this threshold)
 - Financial Capacity Strength Information – 3 /4 points (all 5 Proponents met this threshold)
- Stage 4 – Pricing Evaluation (20 points available)– During this stage the sealed envelope 2 packages from all of the shortlisted Proponents whom had successfully satisfied all of the minimum Stage 3 scoring threshold requirements, were opened and through a relative scoring formula whereby the lowest costing Proponent would receive 20 points, and all other Proponents would then be scored accordingly.
- All TPA evaluation team members reviewed and approved the results of the Stage 1, Stage 2, Stage 3 and Stage 4 processes. At this point both the scores from all stages of the evaluation were added together to form the cumulative final proposal score for each Proponent which was approved unanimously by all voting members.
- The RFP evaluation results identified the highest scoring Proponent, who in the TPA process, was recommended to be the Selected Proponent to pursue negotiations with to solidify a contract following acceptance from the Toronto Parking Authority Board of Directors.

Conclusions

As the Fairness Advisors for Request for Proposal for a Mobile Payments Program Application Solution, we certify that the RFP procurement process was, in our opinion, fair, open and transparent and that Proponents received consistent treatment throughout the process. Furthermore, we are not aware of any issues that would impair the fairness of this procurement.

Knowles confirms that the recommended Selected Proponent successfully satisfied all required Mandatory Requirements and scoring thresholds for the rated requirements of the RFP evaluation process and is in fact the highest scoring Proponent in this process to do so.

Our recommendations were based on the encouraged adherence to the principles of fairness and the internal policies of the TPA, and the City of Toronto municipal standards which the process strived to uphold which were supported by the participation of both the City's representatives and external advisor acquired for the RFP process, who provided document reviews, due diligence and drafting advice as requested by the team for which we monitored. For the purposes of this letter, our services ended at the completion of the evaluation process, and identification of the Selected Proponent whom is recommended to continue into negotiations with the Toronto Parking Authority.

Yours truly,

Knowles Consultancy Services Inc.



Andrea Robinson, Consultant
Knowles Consultancy Services Inc. (Knowles Canada)



BOARD MEMORANDUM

In-Camera

TO: Lorne Persiko FILE NO: 4021-01
FROM: Ian Maher DATE: February 21, 2014
SUBJECT: **CONFIDENTIAL ATTACHMENT** to the Memorandum entitled
"Authorization to Enter into Negotiations with the Selected Proponent for the TPA Mobile Parking Payments System."

MEETING DATE: February 27, 2014

RECOMMENDATION:

It is recommended that the Board of Directors of the Toronto Parking Authority:

1. Confirm PassportParking LLC as the "Selected Vendor" as defined in the "Toronto Parking Authority Request for Proposal For Mobile Parking Payments Program" as recommended by the TPA Evaluation Committee and authorize TPA Staff to proceed into contract negotiations with PassportParking LLC.
2. In the event negotiations with the Selected Vendor are not successful, authorize TPA staff to enter into negotiations with the second-ranked Proponent, as identified in this report.
3. Authorize the expenditure of funds in an amount not to exceed \$60,000 to Borden Ladner Gervais to provide legal services in conjunction with the preparation of the contract for recommendation 1 above.
4. Upon the adoption of Recommendations of 1, 2, and 3, authorize TPA staff to release the name of the Selected Vendor.

BACKGROUND:

The details of the RFP process are contained in the report on the public agenda. Details on the Selected Proponent and their submission is contained herein.

A total of 13 submissions were received. In **Stage 1**, three were excluded due to failure to meet the compliance and technical requirements review. In **Stage 2**, the remaining 10 submissions were scored and 5 were selected to advance to the next round of scoring, that is, the short-listed. **Stage 3** consisted of evaluations based on reference checks, presentation and demonstrations, and financial capacity of the short-listed submissions. Finally, **Stage 4** was the pricing evaluation, where only the short-listed Proponents' cost envelopes were opened and scored accordingly.

As a result, the scores from each stage were consolidated and the Selected Proponent, the top-scoring proponent, was identified as **PassportParking LLC**.

TOP 3 RANKING PROPONENTS:

The following are the top 3 ranking proponents, in order of highest ranked to lowest ranked:

1. PassportParking LLC (the Selected Proponent)
2. Mobile!Now
3. Gtechna/Parkmobile

THE SELECTED PROPONENT

According to the PassportParking submission:

“PassportParking is a fully integrated provider of cloud-based parking solutions based out of Charlotte, NC. The company was founded by a proven and experienced management team with over 25 years of combined parking industry experience. There are currently 12 people on the team that are 100% dedicated to parking software development and support. All of our development is completed in-house without the use or reliance of third-party subcontractors.

The company has also met the requirements for certification as a bona fide Minority Business Enterprise (US) as defined by the National Minority Supplier Development Council, Inc. (NMSDC)

PassportParking was founded in 2010 and is financially backed by institutional investors. We are currently represented in over 36 states in the US and Spain.

Our hosted suite of software offerings includes the following:

- Mobile payment (mobile applications, web, IVR, SMS)
- Electronic Validation
- Citation Management
- Contract/Permit Management
- Event Management

We have integrations with many of the main hardware providers including:

- Digital Payment Technologies- Multi-space meters
- Cale America- Multi-space meters
- APARC Systems- Multi-space meters and enforcement
- EDC Corporation (AIMS) – Enforcement

However, our architecture allows for seamless integration of external enforcement solutions, as chosen by the City of Toronto.”

Subsequent to their submission, PassportParking was awarded similar mobile payment contracts for the City of Omaha and the City of Chicago.

In addition, the company raised \$6 million in funding by Grotech Ventures and Relevance Capital in late 2013.

COST SUBMISSION OF THE SELECTED PROPONENT:

The Selected Proponent was also the lowest cost submission. The submitted cost to the TPA is \$2,237,500 for five years. Cost by year is as follows:

<u>Year</u>	<u>Cost</u>
1	\$322,500
2	\$407,500
3	\$502,500
4	\$502,500
5	\$502,500
Total	\$2,237,500

This cost is for the indicated base volume of 5,000,000 transactions per year (+/- 20% as per Appendix E of the RFP). The per transaction cost is just under \$0.08 at the upper limit of the volume. In addition to this, the TPA has agreed to pay the enforcement vendor a fee of \$0.025 per transaction. The typical cost in the industry where it is charged to the customer as a per transaction convenience fee is between \$0.25 and \$0.40 and our cost is below half of that. Costs beyond this volume will be part of the negotiations. Please note that the initial contract is to be for 3 years, with a one two-year option, which lowers the committed costs at the maximum volume to below \$0.07 per transaction for the three year period.

The approved 2014 Operating Budget includes \$483,400 for development cost of the pilot project for the Mobile Parking Payments Program, whilst the 2014 Capital Budget includes \$820,000 for signage costs involved.

To date, \$75,000 was approved by the Board of Directors at its meeting of December 19th, 2013 in the report entitled, "Request for Funding Authorization - Mobile Payments Plus- Requirements Phase Preparation- Part 2" for services of S.P. Bitterman and Associates. Pending the approval of the Board of Directors at this meeting, the report entitled, "Request for Funding Authorization- Mobile Payments- Retention of Knowles Consultancy Services Inc." seeks approval for \$25,000 for the services of Knowles Consultancy Services Inc.

CONCLUSION:

Once the Selected Proponent is deemed the Selected Vendor, as per the evaluation process overview (4.1.3 of the RFP), TPA Staff will enter into comprehensive negotiations toward a contractual agreement with the Selected Vendor for the provision of the proposed TPA Mobile Parking Payments System.

Should the TPA be unable to finalize negotiations with this Selected Vendor, the TPA reserves the right to approach what TPA has determined as the next ranked Proponent and attempt to finalize a contractual agreement with that Proponent. Any agreement is subject to the approval of the TPA Board of Directors.