



March 7, 2016

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for Automated Teller Machines Services within the Enercare Centre and Allstream Centre**

Summary:

This report recommends the Board enter an agreement with HM Cash Inc. for a four (4) year term commencing April 1, 2016 as the “Official/Preferred Supplier” for the provision of Automated Teller Machines within the Enercare Centre and Allstream Centre. Approval of the agreement between the Board and HM Cash Inc. will result in a positive income stream annually.

A Request for Proposal (RFP) was issued on December 18, 2015 through the City of Toronto, Purchasing and Materials Management Division, for the provision of Automated Teller Machines on an “Official/Preferred Supplier” basis within the Enercare Centre and Allstream Centre at Exhibition Place.

Recommendations:

It is recommended that the Board:

- 1) Approve an agreement with HM Cash Inc. for the provision of Automated Teller Machines on a “Official/Preferred Supplier” basis within the Enercare Centre and Allstream Centre for a four (4) year term commencing April 1, 2016, on the terms and conditions outlined in this report and as set out in the Confidential Attachment, and other such terms and conditions satisfactory to the Chief Executive Officer and the City Solicitor;**
- 2) Direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position, future economic and legal interests of the Board.**

Financial Impact:

Approval of this agreement between HM Cash Inc. will result in a positive revenue stream over the term of the Agreement as outlined in the confidential attachment.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Financial Goal to *effectively monitor costs and revenue*, and a strategy to support this goal *we will seek efficiencies with the public funds under our control and continue to evaluate our provision model to ensure that services offered are best provided either internally or externally.*

At its meeting of April 28, 2011 the Board awarded an RFP to Direct Cash for provision of ATM services for Direct Energy Centre and the Canadian National Exhibition for a term of four years commencing commencing June 1, 2011 and expiring May 31, 2015 which contract was extended by the Board for seven (7) months at its meeting of April 24, 2015 and then for another three (3) months at its meeting of February 12, 2016.

<http://www.explace.on.ca/database/rte/files/Item%207-ATM.pdf>

<http://www.explace.on.ca/database/rte/files/Item%2013-ATM%20Services%20Extension.pdf>

Issue Background:

Exhibition Place uses the services of automatic teller machines and the existing agreement for these services expires on March 31, 2016.

Comments:

The RFP closed on January 28, 2016 with six proposals received from:

- Viacash Inc
- T.W. Gilchrist Vending Ltd.
- Stanley Black & Decker Canada Corp.
- G-Cash Management Systems Inc.
- HM Cash Inc.
- Direct Cash Management Systems Inc.

Senior staff from Exhibition Place reviewed all six proposals received in accordance with the RFP evaluation criteria which placed emphasis on experience, service levels, pricing and commission revenue to the Board.

The HM Cash Inc. proposal received the highest overall score based on their experience and financial return to the Board. HM Cash Inc., incorporated in 2000, is a 100% Canadian owned and operated ATM service provider with more than 600 ATM' s in service. Although they primarily service the health care and education sector, they also have demonstrated experience in events and consumer shows such as Fan Expo in the Metro Toronto Convention Centre and Festival of Friends music festival in Hamilton. Other clients include Ancaster Fairgrounds, Glen Abbey Golf Course – RBC Open and Canadian Warplane Heritage Museum, to name a few.

Staff are recommending approval of an agreement with HM Cash Inc. on the following terms and conditions:

- (a) Term: Four years commencing April 1, 2016 and expiring on March 31, 2020.
- (b) Rights: To be the supplier of ATM Services providing top quality ATM services in the Enercare Centre and Allstream Centre.
- (c) Fees: The Board will receive fees based on monthly transactions volume.
- (d) Reporting/Auditing Requirements: As required to allow the Board to determine and confirm amounts payable under the agreement.
- (e) Taxes: HM Cash Inc. shall be responsible for payment of all taxes, rates and assessments levied with respect to its activities and presence on the grounds.
- (f) Equipment/Expenses: HM Cash Inc. shall provide and maintain all equipment and materials required for its purposes and are solely responsible for the payment of all expenses and costs associated with its operations, including telecom costs.
- (g) Rates: The per transaction service fee rate for machines in the Enercare Centre and Allstream Centre will be \$3.00, or a higher negotiated surcharge.
- (h) Assignment: The agreement shall not be assigned by HM Cash Inc. without written consent of the Board.

- (i) Indemnity/Insurance: HM Cash Inc. shall indemnify the Board and the City of Toronto with respect to any and all expenses, costs or claims as a result of HM Cash Inc. exercise of its rights under the agreement of use of the grounds. HM Cash Inc. shall provide sufficient insurance in such for and amount as required by the CEO, in consultation with the City's Insurance & Risk Management Group.
- (j) Union Obligations: HM Cash Inc. shall comply with all trade union/association agreements affecting work done on the grounds.
- (k) Staffing: HM Cash Inc. will be required to have on-site personnel during high volume events at the Enercare Centre and Allstream Centre as determined in conjunction with Enercare Centre Management.
- (l) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.

Contact:

Hardat Persaud

Chief Financial Officer

Tel: (416) 263-3031

Fax: (416) 263-3690

Email: HPersaud@explace.on.ca