

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: January 23, 2008

SUBJECT: PURCHASE AUTHORIZATION –
SUPPLY OF FARE MEDIA CARDS

RECOMMENDATION

It is recommended that the Commission approve the issuance of a purchase order in the total upset limit of \$21,645,000 to Giesecke & Deverient (G&D) for the supply of fare media cards for a five year period from May 1, 2008 to April 30, 2013 on the basis of a single source.

FUNDING

Sufficient funds have been included in the 2008 TTC Operating Budget and will be included in future Operating Budgets as required.

BACKGROUND

G&D has been providing the TTC with plastic passes (Metropasses, GTA Passes etc.), which incorporates Watermark technology for the past 17 years. The Watermark technology is proprietary to G&D and the only magnetic tape that can be read by our Metropass readers. Therefore, G&D is the only source of supply for this requirement. The use of Watermark technology has proven to be successful in protecting the security of the information encoded on the pass.

DISCUSSION

G&D was requested to submit a proposal on the basis of single source as they are the only company in North America holding the Watermark License. Watermark is used on the fare media cards and is the only tape that our turnstile equipment is capable of reading.

G&D stated no exceptions or qualifications and their submission is considered acceptable and recommended for award in the upset amount of \$21,645,000 for a five year period from May 1, 2008 to April 30, 2013 for the Supply of Fare Media Cards.

The prices quoted by G&D are on average approximately 11.8% less overall for year one than current pricing and a 3% increase applies for each of the remaining four years of the Contract.

The above upset limit includes an allowance of approximately 20% to cover variances in the usage quantities over the five year contract period.

JUSTIFICATION

Approval of this request will allow staff to acquire an adequate supply of fare media card products for distribution ensuring there is sufficient supply to meet customer demand.

January 23, 2008
48-03
Attachment