



STAFF REPORT ACTION REQUIRED

Procurement Authorization Payment Card Processing Services

Date:	June 22, 2015
To:	TTC Board
From:	Chief Executive Officer

Summary

The purpose of this report is to obtain authorization for the award of the contract for the provision of payment card processing and equipment rentals, in the upset limit amount of \$8,625,000.00 Canadian dollars with a duration of three years (July 1, 2015 to June 30, 2018) with an option to extend the contract on a month to month basis for up to two additional years, on the basis of highest total weighted score.

This contract is for the processing and settlement of credit and debit card (MasterCard, Visa and Interac) purchases by TTC customers at all TTC collector booths and pass vending machines and the rental of the pin pad devices.

Recommendations

It is recommended that the Board authorize:

1. Award of the contract for payment card processing to Global Payments Canada GP in the upset limit amount of \$8,625,000.00 Canadian dollars with a duration of three years from July 1, 2015 to June 30, 2018, with an option to extend the contract on a month to month basis for up to two additional years.

Financial Summary

Sufficient funds are included in the TTC's 2015 operating budget, as approved by the Board on February 2, 2015 and approved by City of Toronto Council on March 10/11, 2015. Sufficient funds will be included in future years' operating budgets as appropriate.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

Decision History

Prior to 2004, payment card processing services were provided under the banking services contract. In 2004, the TTC awarded a contract to Global Payments Canada Inc. for payment card processing services. The existing contract was amended several times as outlined in the May 28, 2014 Board Report.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2014/May 28/Reports/Procurement Authorization Amendment Payment Card Processing .pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2014/May%2028/Reports/Procurement%20Authorization%20Amendment%20Payment%20Card%20Processing.pdf)

Issue Background

To continue to offer credit and debit card (MasterCard, Visa and Interac) payment options to its customers at subway collector booths and pass vending machines, the TTC must award a contract to a payment card processing service provider.

The acceptance of American Express cards is governed by a separate contract with American Express directly.

Accessibility/Equity Matters

There are no accessibility or equity issues associated with this report.

Comments

A Request for Bids (RFB) was publicly advertised on the MERX site as well as the TTC's website as of February 11, 2015. Twelve companies requested or downloaded copies of the RFB documents, out of which three submitted a bid by the closing date of April 7, 2015. Of the remaining companies, four did not bid due to equipment integration and/or certification issues, two required extensions which were granted; however they did not bid, two did not provide the services requested and one did not reply to inquiries on bidding status.

Evaluation of the Bid Submissions

Submissions from the following companies were received for payment card processing:

1. First Data Canada Ltd.
2. Global Payments Canada GP
3. Moneris Solutions Inc.

First Data Canada Ltd.'s submission was missing the Bid Form which is a mandatory submission requirement. In accordance with the TTC's Bid Irregularity Policy, # 3 -

Incomplete Bids, this results in automatic rejection. Therefore, their bid was not evaluated further.

An evaluation team consisting of four members, two representing the Finance Department, one representing Information Technology Services and one from the Materials and Procurement Department evaluated the qualitative portion of the bids in accordance with the criteria set out in the RFB and attached as Appendix A.

The recommendation for award is based on the highest total weighted score. The evaluation of bids was based on a two envelope process and consisted of qualitative and pricing components; 70 points were allocated to the qualitative merit and 30 points were allocated to the pricing.

Bids were first scored jointly by the evaluation team based on qualitative criteria at the associated weightings, as set out in the RFB documents. It was predetermined that bids achieving a total minimum of 49 points out of the maximum 70 points available for the qualitative evaluation would be considered qualified. Final scores for the qualitative evaluation of bid submissions were arrived at by consensus, whereby the following companies were considered qualified to perform the work, Global Payments Canada GP and Moneris Solutions Inc.

Upon completion of the qualitative evaluation, the pricing component of all qualified bidders was evaluated for the predefined payment card types and additional charges as applicable, as set out in the RFB documents. The total weighted score was calculated as a sum of the weighted qualitative score and the weighted pricing score.

Upon completion of the evaluation process, the bid submitted by Global Payments Canada GP had the highest overall evaluated score based on the stated evaluation criteria amongst compliant bids.

Global Payments Canada GP has satisfactorily performed services for the TTC in the past.

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43-65

Attachments – Appendix A

APPENDIX A
PROCUREMENT AUTHORIZATION
PAYMENT CARD PROCESSING SERVICES

EVALUATION CRITERIA

A. Corporate Qualifications /Experience

- Number of years in business
- Depth of available resources
- Processing Volume
- Relevant corporate experience

B. Account Manager Qualifications /Experience

- Number of years of experience
- Technical qualifications
- Relevant experience

C. Proposed Project Methodology

- Work Approach/Contract Understanding
- Ticket Retrieval and Chargebacks
- Implementation and Ongoing Support
- Customer Service
- Hardware/Software
- Reporting