

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** OCTOBER 23, 2008

**SUBJECT:** PROCUREMENT AUTHORIZATION AMENDMENT - BANKING  
SERVICES

**ACTION ITEM:**

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## RECOMMENDATION

It is recommended that the Commission approve the extension of the contract with the Canadian Imperial Bank of Commerce (CIBC) for the provision of banking services for an additional fifteen months to June 30, 2010 and increase the upset limit by \$740,000, for a revised upset limit of \$3,840,000.

## FUNDING

There are sufficient funds available in the 2009 TTC Operating Budget and applicable funds will be provided in future years' budgets as appropriate. Interest income on bank deposits during this contract extension will be offset against these bank fees. Appropriate backcharges will be made to Toronto Coach Terminal Inc. (TCTI), the TTC Pension Fund Society, and the Sick Benefit Association.

## BACKGROUND

This contract covers a comprehensive range of services for the TTC and its related companies including the banking of all farebox receipts (currency processing), receipts from the sale of fare media, preauthorized payment, all disbursement functions (payroll direct deposit, supplier payments), and bank account reconciliation services.

The CIBC is the current contractor for this service and the current five-year contract expires on March 31, 2009.

## DISCUSSION

The City of Toronto recently extended its banking contract with the Royal Bank of Canada by one year to June 30, 2010, with the intention to invite City agencies, boards and commissions to participate in a joint Request for Proposal (RFP) for banking services.

The TTC's banking contract is with the Canadian Imperial Bank of Commerce, and that contract is due to expire March 31, 2009. Over the course of the past few months, TTC staff have had preliminary discussions with City staff to see how such an RFP can be structured to the satisfaction of all participating parties. With the foregoing in mind, it is proposed that the TTC's contract with the CIBC be extended to the same timeframes of that of the City. This will position the TTC to elect to participate, if appropriate, in a joint RFP after all issues are considered.

The CIBC has agreed to a contract extension of fifteen months from April 1, 2009 to June 30, 2010, based on the same terms and conditions as under the present contract. Based on these fees, including a contingency allowance of 5%, it is estimated that the upset limit for the contract must be increased by \$740,000, bringing the revised upset limit to \$3,840,000.

**JUSTIFICATION**

Approval of the increase to the upset limit amount by \$740,000 and extension of the contract term with CIBC to June 30, 2010 will allow the TTC sufficient time to elect to participate, if appropriate, in a joint Request for Proposal with the City.

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October 3, 2009

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