

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 1
OF THE REGIONAL
COMMISSIONER OF TRANSPORTATION AND WORKS**

**For Consideration by
The Council of The Regional Municipality of York
on January 18, 2001**

SUPPLY AND DELIVERY OF YORK REGION TRANSIT BUSES

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve funding of \$4,822,148 for the purchase of twelve 30-foot low floor transit vehicles from McNab Bus Sales/Thomas Built Buses in advance of the approval of the 2001 Business Plan and Budget.
2. The purchase be conditional upon the Commissioner of Finance being satisfied that all local Development Charge funds collected for these vehicles and transit related facilities will be transferred to the Regional Corporation.
3. The Regional Solicitor be authorized to prepare any necessary contract documents.
4. The Regional Chair and Clerk be authorized to sign any contract documents on behalf of the Region.

2. PURPOSE

The purpose of this report is to inform Regional Council of the status of the 2000 bus purchase order including progress payments and delivery schedule.

3. BACKGROUND

In March 2000, the Town of Markham issued a Request for Expression of Interest for the supply of six 30-foot low floor buses. Following a review of the bus equipment market and an evaluation of interested suppliers, Markham Council approved the purchase of six Thomas buses (SLF 200 model) from McNab Bus Sales Inc. Subsequently, both Vaughan and Richmond Hill Transit received local Council approvals for three units each from the same supplier.

By the Fall of 2000, detailed specifications had been prepared, maintenance staff toured the Thomas manufacturing facility and unit prices negotiated. However, due to the pending amalgamation of local transit services, the final order placement was temporarily placed on hold. As one of the conditions of amalgamation, the three local municipalities sought and received confirmation from the Region of York that the Region would honour the order following amalgamation (see York Region correspondence attached).

4. ANALYSIS AND OPTIONS

4.1 Vehicle Requirements

The 2000 bus order for twelve 30-foot buses is based on ridership demands generated by population and employment growth in south York Region. Specifically, the smaller 30-foot vehicles are required to service the new residential subdivisions and local business parks. This order is consistent with the vehicle estimate identified in local development charges studies and thus included in the 2001 transit capital budgets. It should also be noted that operating costs associated with the service expansion are included in the Region's 2001 transit operating budget submission.

4.2 Process Procurement

A fleet consultant was retained in March 2000 to assist the municipalities in a market analysis and preparation of the Request for Expression of Interest (RFI) for the supply and delivery of the 30-foot low floor transit vehicles. The RFI was sent out in advance of a potential tender in order to ascertain what vehicles were available, what delivery dates could be expected and extent of supplier interest. The RFI was issued in March, 2000 with a closing date of mid-April.

4.3 Response to RFI

Of the 11 suppliers contacted, only three responses were received:

- Champion Bus (Represented by Creative Carriage)
- Orion Bus Industries
- Thomas Built Buses (Represented by McNab Bus Sales Inc.)

Given the current state of the Canadian bus manufacturing industry, it is not surprising that only three responses were received. The three major Canadian-based manufacturers have concentrated their efforts on the more lucrative 40-foot market. The market for 30-foot low floor buses is changing rapidly however, with a number of new designs expected to be offered in the future. With the exception of the Thomas vehicle, none of these new vehicles have yet been produced in any quantity, nor have they been tested and evaluated thoroughly.

4.4 Supplier Evaluation Results

In May 2000, the three suppliers responding to the RFI made presentation to an Evaluation Committee, comprised of area transit managers. The Evaluation Committee rated the suppliers based on product quality, delivery schedule, warranties, price and company reputation. Following the evaluation of the RFI submissions, it was agreed that only Thomas Built Buses could supply the vehicles within the time frame required and with the product quality and proven operational experience expected.

4.1 Thomas SLF 200

As part of the Mayflower/Daimler-Chrysler/Freightliner group, Thomas (represented by McNab Bus Sales Inc.) has the North American rights to build the Dennis Dart SLF low floor bus. The Dart first appeared in 1989, followed by a Super Low Floor (SLF) version in 1996. It has become the world's most popular low floor bus with over 7,500 units in service around the world. In the U.K alone, there are over 3,200 Dart SLF's in service. The bus offered by Thomas is a Dennis Dart SLF with an Alexander ALX200 body. Similar Dennis Darts operated by BC Transit were built with Plaxton bodies, a combination not available since the Thomas/Dennis agreement was signed. The vehicle is being manufactured in Greensboro, North Carolina for the North American market. While new to the North American market, the bus has performed very well in service conditions in B.C., including locations such as Whistler, Vernon and Victoria.

The Thomas manufacturing facility has been requested to book production space with the commitment of a 180-200 day delivery schedule. The negotiated price is \$349,431 per unit plus applicable taxes. Progress payments are 30% upon placement of order, 60% mid-build and 10% after unit is placed into revenue service.

A copy of the original RFI document, the detailed specification document and the detailed price breakdown is available from the York Region Supplies and Service Department. It should also be noted that this procurement strategy followed by local purchasing by-laws. Copies of the detailed municipal reports outlining the procurement process and supplier evaluations are on file.

5. FINANCIAL IMPLICATIONS

Funding will be provided through the existing Capital Reserve, future Development Charges and tax levies, and Transit Development Charge Reserve Funds to be recovered from area municipalities.

6. LOCAL MUNICIPAL IMPACT

The subject purchase will conclude the process initiated in 2000 by the Towns of Markham and Richmond Hill, and the City of Vaughan to acquire needed transit vehicles.

7. CONCLUSION

It is recommended that approval be granted to finalize the purchase of twelve 30-foot low floor transit vehicles with McNab Bus Sales/Thomas Built Buses at a total price of \$4,822,148, including applicable taxes.

Respectfully submitted,

**January 18, 2001
Newmarket, Ontario**

**Kees Schipper
Commissioner of
Transportation and Works**

(Report No. 1 of the Commissioner of Transportation and Works was adopted, without amendment, by Regional Council at its meeting on January 18, 2001.)