

1

YORK REGION TRANSIT DISPOSAL OF MOBILITY PLUS ACCESSIBLE MINI-VANS

The Transit Committee recommends the adoption of the recommendations contained in the following report, January 25, 2008, from the Commissioner of Transportation Services:

1. RECOMMENDATIONS

It is recommended that:

1. Four York Region Transit Mobility Plus accessible mini-vans be sold to the current contractors for fair market value.
2. The two accessible mini-vans, not currently being used, be sold to the highest bidder from amongst the current Mobility Plus contractors.

2. PURPOSE

This report seeks authorization from Council to sell the Mobility Plus accessible mini-vans to interested Mobility Plus contractors for fair market value. The Purchasing By-law requires retired vehicles to be disposed of by competitive tender, however, for reasons outlined in this report, it is being recommended that the subject vehicles be sold to the current group of contractors.

3. BACKGROUND

3.1 Eight vehicles purchased in 2003 to supplement Region-owned buses

In August 2003, eight low-floor Chevrolet Venture mini-vans were purchased for approximately \$57,500 per vehicle. These vehicles were acquired to address a void left by the mandatory retirement of several old mini-vans being operated by Mobility Plus contractors at the time. These vehicles had been acquired under a former Ministry of Transportation subsidy program no longer available to the contractors.

One of the vehicles was involved in a motor vehicle accident in 2005 and not replaced. The other seven were made available to various Mobility Plus contractors under a lease-back provision in the Request for Proposal (RFP) for the Supply of Mobility Plus accessible mini-van service.

3.2 Mini-van lease fees suspended in 2007

In a report to Transit Committee in June 2007, it was proposed to waive the mini-van lease fees effective January 1, 2007, as the contractors were spending an unanticipated amount of money repairing the vehicles. This, combined with the high cost of the lease and the much lower than anticipated service kilometres (the distance operated by a Mobility Plus contracted vehicle while actually carrying customers), created serious financial difficulties for the contractors. It was expected the contractors would continue to use these vehicles with the intention that they would purchase new accessible mini-vans by August 1, 2007. In addition, the contractors would be responsible for the repairs until they were returned to the Region.

3.3 Mini-vans used as spare vehicles

Mobility Plus staff agreed to allow the contractors to continue using the Region-owned mini-vans beyond the August 1, 2007, deadline for a number of reasons:

- The contractors expressed a desire to increase the spare ratio of vehicles required in the contract.
- The new vehicles ordered by the contractors were delayed.
- The contractors agreed to continue to be responsible for the proper use, care and maintenance of the vehicles and associated equipment and ensure the vehicles are maintained at all times. An accessible mini-van cannot be older than five years unless approved by Mobility Plus. If approved, it will be for a term of an additional two years as long as the safety inspection is passed every six months.
- The bus contractor could use the mini-van as an Inspector's vehicle allowing the pick-up of passengers if there was a maintenance or capacity issue on one of the Mobility Plus buses.

4. ANALYSIS AND OPTIONS

Section 19 of the Purchasing By-law is very specific concerning surplus stock, and the particular clause pertaining to the recommendation reads as follows:

19.3 Where surplus stock is offered to but not required by any Regional department or area municipality it shall be disposed of by means of public auction or advertised for public tender and sold to the bidder submitting the highest priced bid.

One of the mini-vans has since been acquired by York Regional Police for their use, four are presently being used as spare vehicles by the four contractors and two have extensive maintenance issues and are parked.

Since the contractors have spent a significant amount of money to maintain and ensure the safety of the mini-vans in their possession, and have agreed to use them as spare vehicles to supplement the service, Mobility Plus staff feel it is only fair that they be allowed to have the first right to purchase them.

5. FINANCIAL IMPLICATIONS

The four vehicles presently being used by the contractors have been appraised by the supplier (sight unseen) and it is proposed that an asking price of \$3,000 per vehicle be used.

The other two vehicles, not currently in service, need extensive work and should be offered to the present contractors using a bid process. The highest bidder would be the successful proponent.

6. LOCAL MUNICIPAL IMPACT

The proposed recommendations will allow the accessible vehicles to remain within the Region and help provide an improved level of service to the Mobility Plus clients in all local municipalities.

7. CONCLUSION

The purpose of purchasing the accessible mini-vans in 2005 was to improve the quality, availability, efficiency and effectiveness of the Mobility Plus operation. Having them remain in the contractors' fleets, even in a back-up capacity, will ensure continued service reliability.

Therefore, it is recommended that the contractors be allowed to purchase the vehicles that are currently in their possession at fair market value, and also be allowed to bid on the two vehicles not currently in service.

For more information on this report, contact Sharon Doyle, Manager, Mobility Plus (ext. 5634) of the Transit Branch of the Transportation Services Department.

The Senior Management Group has reviewed this report.