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YORK REGION TRANSIT STOCK TRANSPORTATION CONTRACT EXTENSION

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

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize an extension to the existing contract with Stock Transportation Limited for the supply of yellow school buses to operate designated conventional transit services during off-peak periods. The extension shall be until September 2, 2008, with the option to extend the contract on a month-to-month basis until December 31, 2008.
2. The terms and conditions of the original contract remain the same for the duration of the contract, including an hourly operating rate of \$30.37, plus GST, for small school buses, \$36.11, plus GST, for large school buses, and a fuel escalation surcharge of \$200 per month.
1. The Regional Chair and Regional Clerk be authorized to execute the contract, subject to the approval of Legal Services as to form and content.

2. PURPOSE

This report seeks Regional Council approval to extend the term of the existing contract with Stock Transportation Limited until September 2, 2008, with the option to renew the contract on a month-to-month basis until December 31, 2008.

3. BACKGROUND

Stock Transportation Limited (Stock) is contracted by the Region to operate off-peak transit services utilizing yellow school buses

Stock supplies, operates and maintains small yellow school buses for transit service during late evening periods on two local routes in the Markham and Vaughan areas. These routes are operated during the day by regular conventional transit buses when passenger volumes warrant the use of larger buses.

The current contract was initially executed by the Town of Markham and assumed by the Region in 2001 as part of the amalgamation of transit services. The contract was subsequently extended on several occasions and is scheduled to expire on April 26, 2008.

4. ANALYSIS AND OPTIONS

The current contract expires on April 26, 2008

Stock provides three small yellow school buses under contract to York Region Transit (YRT). Each bus accommodates 18 passengers and operates during off-peak periods (late evening, weekends) on Routes 40 and 41 in Markham and Route 27 (*see Attachments 1, 2 and 3*) in Vaughan. A larger yellow 45-passenger school bus is used on Route 27 during the weekend to accommodate heavier passenger demand. Off-peak ridership on these routes is low and the use of the yellow school bus operation is a cost-effective means of providing this service.

Stock is responsible for supplying and maintaining the buses, as well as operating the service, which includes providing drivers, training and fuel. Each vehicle bears the YRT logo and route number on its exterior. The contractor is compensated for this service based on an hourly rate for each service hour operated.

YRT and Stock staff have negotiated an extension to the contract term until December 31, 2008

There is limited application by YRT for the use of yellow school buses as currently operated by Stock, since the buses are only available outside of school travel periods. The use of the yellow school bus was meant to be a temporary measure to operate a cost-effective service while staff investigated and determined what the permanent service solution would be.

Staff have been investigating the potential to replace the yellow school buses with an alternative demand response service, similar to Dial-A-Ride. The Dial-A-Ride pilot currently operating on Route 44 during off-peak hours in the Town of Newmarket will provide staff with needed information to assess the feasibility of a broader application of such a service. Staff will report in May 2008 on the findings to date and will address the question of how to replace the yellow school bus services by the end of 2008 with an alternative demand response service.

It is YRT's intention to implement the new demand response service to coincide with the September 2008 board period. To avoid a disruption in service on these designated routes, YRT staff requested Stock to continue to provide the yellow school bus service until September 2, 2008, with the option to extend the term of the contract on a month-to-month basis until December 31, 2008, if required.

Stock has provided reliable service for the past six years since the Region assumed the contract in 2001. The drivers and support staff are fully trained and provide quality customer service.

5. FINANCIAL IMPLICATIONS

The total value of the proposed five-month extension until December 31, 2008, is approximately \$96,000

The current contract with Stock provides for an hourly operating rate of \$30.37, plus GST, for small buses and \$36.11, plus GST, for large buses. In addition, a fuel escalation surcharge in the amount of \$2,400 per year (\$200 per month) is paid to the contractor in equal monthly instalments to offset higher fuel prices.

Stock has agreed to hold the hourly rates for small and large school buses, and the monthly fuel escalation, until December 31, 2008.

Sufficient funding is included in the draft 2008 Business Plan and Budget for this purpose.

6. LOCAL MUNICIPAL IMPACT

The extension of the Stock Transportation Limited contract will provide uninterrupted transit service during weekday evening and weekend periods on designated local routes in the Markham and Vaughan areas.

7. CONCLUSION

It is recommended that the Stock Transportation Limited contract be extended to September 2, 2008, with the option to extend the term on a month-to-month basis until December 31, 2008. All the terms and conditions will remain the same, including the operating, maintenance and fuel escalation rates.

For more information on this report, please contact Ann-Marie Carroll, Assistant Manager, Operations, (ext. 5677) of the Transit Branch of Transportation Services.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)