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YORK REGION TRANSIT JOINT BUS PROCUREMENT CONTRACT AWARD

The Transit Committee recommends the adoption of the recommendations contained in the following report, March 28, 2007, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The supply of thirty low-floor 12.2 metre long (40 foot) conventional transit buses be awarded to New Flyer Industries in the amount of \$13,395,000, plus GST, in accordance with Request for Proposal (RFP) No. 2006-P-077999, a joint procurement initiative of six Ontario transit systems and the Ministry of Transportation of Ontario.
2. The quantity of buses ordered be subject to final funding approval as identified in the 2007 Business Plan and Budget.
3. The Regional Chair and Regional Clerk be authorized to sign the necessary contracts, including the Municipal Bus Purchase Agreement, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to seek authorization to award a contract for the supply of low-floor conventional transit buses needed to replace older units and expand services for York Region Transit (YRT).

3. BACKGROUND

Regional Council, at its September 2006 meeting, authorized staff to participate in a joint procurement Request for Proposal (RFP) for 12.2 metre (40 foot) low-floor transit buses in conjunction with the Ministry of Transportation of Ontario and other participating transit agencies in the Province. Participation in the joint procurement RFP was subject to York Region staff approval of the final RFP document and subsequent bid analysis. Staff was to report back to Regional Council on the award of the contract.

4. ANALYSIS AND OPTIONS

There are 267 York Region Transit (YRT) conventional transit buses and 85 Viva bus rapid transit vehicles currently in the Region's transit fleet. YRT buses are normally ordered every year for delivery in the following year and consist of both replacement and expansion buses. The replacement buses replace older ones that have reached or exceeded their design life of 18 years. The expansion buses are needed for new services, which are reviewed and approved by Regional Council as part of the annual service planning and budgeting processes.

4.1 Joint Bus Procurement

In the summer of 2005, the Ministry of Transportation (MTO) invited transit agencies to participate in an exercise to jointly develop a common vehicle specification for a 12.2 metre (40 foot) low-floor conventional transit bus.

The key objectives of doing this form of joint bus procurement include:

- Reduced unit costs.
- Cost avoidance in procurement process.
- Improved delivery time.
- Improved scheduling and buying power.

A Steering Committee was established to oversee the development of the common transit bus specification and the development of the overall procurement process. Members of the Steering Committee included an MTO staff member and the General Manager from York Region Transit, along with other General Managers from London, Durham, Windsor, Barrie, and Burlington.

The Steering Committee nominated fleet managers from their respective transit agencies to form a Technical Working Group to work with staff from MTO, the Canadian Urban Transit Association and the Ontario Community Transportation Association. The Technical Working Group was assigned the task of developing the common bus specifications and was assisted by an industry technical expert to reconcile the differences between industry specifications and those of the individual transit agencies.

The joint bus procurement RFP was advertised, released in the fall of 2006 and subsequently closed by the Ministry of Transportation.

4.2 Bid Evaluation

An evaluation team comprised of a Ministry staff member and a representative from each transit system was created to review and evaluate the proposals. A Fairness Commissioner was used to ensure the award decision was made fairly by monitoring the process, reviewing documentation and ensuring consistency and fairness in the weighting and application of the evaluation criteria.

Three bid submissions were received of which two were disqualified as the bidders pre-qualified their bid submissions, which is not permitted under the Province's Procurement Policy. The remaining bid was fully evaluated on the merits of meeting mandatory compliance, scoring of rated items and price evaluation.

The evaluation team recommended to the Steering Committee that New Flyer Industries be awarded the contract.

4.3 RFP Award

Following the bid evaluation and approval from the Steering Committee, the Ministry of Transportation executed a Master Agreement with New Flyer Industries for the purchase of 12.2 metre (40 foot) low-floor conventional transit buses. Each participating transit system will enter into a Municipal Bus Purchase Agreement directly with New Flyer. This Agreement will provide details of each transit systems' delivery times, options and other terms and conditions consistent with the Master Agreement. The transit systems will be entitled to engage in the joint procurement to the extent permitted by the amount of funding approved in their respective budgets.

4.4 YRT Proposed Order

The draft 2007 Business Plan and Budget contains funding for the purchase of 43 conventional transit buses in 2007. Of the 43, 30 are 12.2 metre (40 foot) low-floor transit buses. The 13 remaining buses are smaller 9.1 metre (30 foot) long units and are being procured through a separate tendering process. The number of buses needed for service expansion in 2007 assumes approval of the service expansion plan as currently in the draft 2007 Business Plan and Budget. Replacement buses are needed to replace vehicles that have met or exceeded their design life of 18 years. Table 1 provides a breakdown of the number of 12.2 metre (40 foot) long buses needed for expansion and replacement needs in 2007.

Table 1
YRT Conventional Bus Purchase Needs

Year and Bus Size Required	Expansion Buses	Replacement Buses	Total
2007 – 12.2 metre	15	15	30

New Flyer has reserved production slots for these vehicles and the majority are anticipated to be delivered by the end of 2007.

4.5 Relationship to Vision 2026

Vision 2026 includes a goal statement relating to the development of Infrastructure for a Growing Region, which states that:

“In 2026, York Region will have effective, efficient and environmentally sensitive transportation, waste management and water systems.”

To support this goal, the Region has identified specific action areas that have been considered for this report:

- Continuing to improve service and infrastructure for successfully integrated transit services.
- Promoting transit usage as a practical and wise alternative to private vehicle use.

Tendering for new YRT buses, including participation in a joint procurement program, supports Vision 2026 by improving the Region's transit services in an economical and transit-supportive environment.

5. FINANCIAL IMPLICATIONS

The draft 2007 Business Plan and Budget contains funding for 43 YRT buses in the amount of \$19.6 million. It is proposed that 30 buses be procured under the joint procurement program at a total value of \$13.4 million, plus GST. The remaining balance of bus purchases are covered under a separate tender document as the buses are smaller in size.

It is estimated the joint procurement has saved York Region approximately \$15,000 per bus. The total savings for the 2007 joint procurement 30-bus order equates to \$450,000.

The Province has established a new subsidy program known as the Ontario Bus Replacement Program (OBRP). Under the new program, transit systems are eligible to receive up to one-third subsidy for buses that are needed for replacement purposes. With this subsidy, the Region would be eligible to receive up to \$2.2 million in funding from the Province. There has been no new funding program announced for expansion buses; however, they are eligible to be funded through the existing provincial gas tax program.

6. LOCAL MUNICIPAL IMPACT

The local municipal residents who use public transit will benefit from improved transit and replacement of older buses with new low-floor buses equipped with air conditioning, improved accessibility features and cleaner operating engines.

7. CONCLUSION

Based on a competitive bus procurement process, it is recommended that New Flyer Industries be awarded the contract to supply up to 30 low-floor (12.2 metre long) transit buses in 2007, subject to final approval of the 2007 Business Plan and Budget.

For more information on this report, contact Rick Takagi, Manager, Operations, (ext 5624), of the Transit Branch of the Transportation and Works Department.

The Senior Management Group has reviewed this report.