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YORK REGION TRANSIT
FARE PICK-UP AND PROCESSING - CONTRACT T-01-60

The Transit Committee recommends the adoption of the recommendations contained in the following report, April 1, 2004, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council award an optional 12 month extension of contract T-01-60 for the pick-up and processing of transit farebox deposits in 2004 to Ontario Coin Services Inc.

2. The Director or Supplies and Services be authorized to issue a purchase order in the amount of $134,000 for the extension of contract T-01-60 for 2004.

3. Regional Council approve an administrative correction by formally ratifying the optional 12 month extension of contract T-01-60 for 2003 in the amount of $86,000.

2. PURPOSE

The purpose of this report is to seek approval to award an optional 12 month extension of contract T-01-60 for transit fare pick-up and processing services to Ontario Coin Services Inc.

3. BACKGROUND

Tender T-01-60 was awarded to Ontario Coin Services Inc. for the pick-up and processing of cash generated from passenger farebox deposits for services starting in January 2002. At the time of tendering, two bids were received, with Ontario Coin Services Inc. submitting the low bid. The contract term was for a 12 month period starting January 2002 with the option to renew for two additional 12 month periods.

4. ANALYSIS AND OPTIONS

The contract requires Ontario Coin Services Inc. to supply all staff, equipment, premises, technical assistance and security necessary to perform the service of pick-up and processing of transit fare revenue. Ontario Coin Services Inc. collects and transports the fare revenue from YRT sites to their processing facility where it is sorted and bundled as specified in contract T-01-60. Revenue is then deposited by Ontario Coin Services Inc. who then forward the deposit summaries to the Region’s Transit branch and Finance Department.

Ontario Coin has provided satisfactory service during the past two years. Given recent major increases to insurance costs and the small number of companies that provide this service, it is anticipated that a new competitive bid process will not result in a lower unit price. There is further benefit with extending the contract with Ontario Coin as the training and processes are now in place for this service.

The Region's Audit Services have advised that although funding was allocated to continue this work with Ontario Coin in 2003, formal Council approval was not received to extend this contract for that year. Council authorization is required to exercise the option to extend the contract for both 2003 and 2004.

4.1 Relationship to Vision 2026

Vision 2026 includes a goal statement which indicates that York Region will have an effective, efficient and environmentally sensitive transportation, waste management and water systems. Contracting services for fare pick-up and processing is an effective and efficient means of proving this service.

5. FINANCIAL IMPLICATIONS

The contractor's payment is based on a percentage charge of revenue processed. In 2002 the unit cost was 1% of revenue processed, and 2003 and 2004 the bid price changed to 1.25% of revenue processed. Total cost for services under this contract in 2004 is estimated to be $134,000. In 2003, the cost was $86,000. The difference is attributable to the increase in the unit cost, which was part of the original bid submission in 2001, and an increase in the amount of revenue being processed.

A competitive bid process will be undertaken for the award of a new contract in 2005.

The 2004 Business Plan and Budget contains sufficient funding to perform this service.

6. LOCAL MUNICIPAL IMPACT

This service does not have an impact on the local municipalities.

7. CONCLUSION

Ontario Coin Services Inc. has provided satisfactory service under this contract. Exercising the 12 month option to extend the contract with Ontario Coin Services Inc. will allow for uninterrupted service. Also, the 2003 unit price remains unchanged for 2004.

The Senior Management Group has reviewed this report.