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YORK REGION TRANSIT STUDENT EXPRESS CONTRACT EXTENSION

The Transit Committee recommends the adoption of the recommendations contained in the following report, April 23, 2004, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize a nine-month extension, ending April 2, 2005, to the transit service contract between the Regional Municipality of York and Student Express Limited for the provision of conventional transit service during designated off-peak periods on specific routes.
2. The extension to the contract be on the same terms and conditions as the original contract with an increase in the hourly operating rate by 57 cents to \$28.95, plus GST, for small school buses, and by 68 cents to \$34.41, plus GST for large school buses.
3. The Regional Solicitor be authorized to prepare any necessary contract documents.
4. The Regional Chair and Clerk be authorized to sign any necessary contract documents on behalf of the Region.

2. PURPOSE

The purpose of this report is to seek Transit Committee and Council approval to extend the current transit operating contract with Student Express Limited for a nine-month period ending April 2, 2005.

3. BACKGROUND

Student Express Limited is contracted by York Region Transit (YRT) to supply, operate and maintain 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 Agreement was subsequent extended as approved by Regional Council and is scheduled to expire on June 30, 2004.

4. ANALYSIS AND OPTIONS

4.1 Student Express

Student Express currently operates three small, yellow school buses under contract to York Region Transit. These buses accommodate 18 passengers and operate during off-peak periods (late evening, weekends) on Route 40 - Markham/Unionville and Route 27 - Highway 27. 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.

Under the contract, Student Express is responsible for supplying and maintaining the buses as well as operating the service, including providing drivers, training and fuel. The yellow school buses each have the York Region Transit logo and route number visible on their exterior. The contractor is compensated for this service based on an hourly rate for each service hour operated. In 2003, the contract value for the Student Express service totalled approximately \$150,000. The current hourly rate is \$28.38, plus GST, which is approximately half the cost of operating the conventional transit buses.

There have been meetings between YRT staff and Student Express regarding a short-term contract extension. A short-term extension is being pursued while the YRT Service Planning group reviews the use of school buses for conventional transit use. There appears to be limited application for the use of such buses in conventional transit service at this time since the buses are normally available only outside of school travel periods. Further analysis will be undertaken to determine if continued use of school buses is warranted beyond the term of this proposed agreement extension, but also to determine if this type of service might have application elsewhere in the Region.

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

A nine month extension is recommended to allow staff the opportunity to conduct a review of the use of yellow school bus operations for conventional transit service. Past experience has shown that transfer of these types of service contracts, especially for a short-term period, results in a decrease in customer satisfaction due to the lack of operator experience and other transitional issues. As such, there is benefit to negotiate an extension to the existing contract rather than going through a competitive bid process.

4.2 Vision 2026

Vision 2026 includes a goal statement on infrastructure and has identified specific actions including developing an optimal mix of transit service types. Continuing and reviewing the use of yellow school buses to complement the conventional bus service is in keeping with this Vision 2026 goal statement.

5. FINANCIAL IMPLICATIONS

The current contract with Student Express provides for an hourly operating rate of \$28.38 for small buses. Staff has negotiated a two percent increase to the hourly rate to operate this service. The proposed change will increase the hourly rate by 57 cents to \$28.95. Although not in use at this time, there are provisions in the agreement to operate larger school buses with a proposed 68 cent (two percent) hourly rate increase to \$34.41.

The total value of the proposed nine-month contract extension is approximately \$115,000. Sufficient funding is included in the 2004 Business Plan and Budget for this contract cost.

6. LOCAL MUNICIPAL IMPACT

The extension of the Student Express 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 Student Express contract be extended to April 2, 2005 at a rate of \$28.95 for services operated with small yellow school buses, and \$34.41 for service operated with large yellow school buses.

The Senior Management Group has reviewed this report.