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YORK REGION TRANSIT JOINT BUS PROCUREMENT

The Transit Committee recommends the adoption of the recommendations contained in the following report, May 29, 2008, from the Commissioner of Transportation Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize York Region Transit staff to continue to participate in a joint procurement Request for Proposal (RFP) for 12.2 metre (40 foot) low-floor and other future transit buses in conjunction with the Ministry of Transportation of Ontario, Metrolinx and other participating transit agencies in the province.
2. Participation in the joint procurement RFP be subject to approval by the General Manager, Transit, or designate, of the final RFP document and subsequent bid analysis and pricing.
1. Staff report back to Regional Council to award the contract to the selected manufacturer of 12.2 metre (40 foot) low-floor transit buses.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary agreements, including a governance agreement, with the Ministry of Transportation, Metrolinx and other participating transit agencies, subject to the approval of Legal Services as to form and content.

2. PURPOSE

This report seeks authorization to continue to participate in the joint procurement program with MTO and Metrolinx for the purchase of 12.2 metre (40 foot) low-floor transit buses as well as other future joint bus procurement initiatives and execute the necessary agreements.

3. BACKGROUND

The initial joint bus procurement program proved to be successful

Council, at its September 2006 meeting, authorized staff to participate in a joint procurement RFP for 12.2 metre low-floor transit buses in conjunction with the Ministry

of Transportation of Ontario and other participating transit agencies in the province. York Region Transit (YRT), Durham, London, Windsor, Barrie and Burlington also participated in the initial program.

The benefits of participating in the joint procurement process included:

- Reduced unit costs.
- Cost avoidance in the procurement process.
- Improved delivery time and improved scheduling.

York Region procured 30 buses in 2007 and 19 buses in 2008 through this process. It is estimated that the Region saved approximately \$15,000 per bus, for a total savings of \$735,000 over two years.

YRT participated in the Steering and Technical Committees

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 the General Manager or designate from the participating transit agencies.

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 specification and was assisted by an industry technical expert to reconcile the differences between industry specifications and those of the individual transit agencies.

This Ministry also conducted an extensive consultation process with transit stakeholders, including the Association of Municipalities of Ontario, Municipal Finance Officers Association, Ontario Municipal Administrators Association and the bus manufacturers.

4. ANALYSIS AND OPTIONS

The new joint procurement process will follow the success of the initial program

Given the success of the initial program, it is proposed that the Region continue to participate in a new joint procurement plan with the Ministry of Transportation and Metrolinx and 16 other transit agencies. It is intended that Metrolinx will assume the responsibility of the joint procurement program in the future.

YRT staff will continue to participate in the Steering Committee and Technical Committee to help guide the process and ensure the Region's interests are being protected.

The Region may withdraw from the process without cost, provided that notice is received by the Steering Committee five business days prior to the award of the contract. The subject joint procurement buses are for 2009 and 2010.

A Governance Agreement needs to be executed for York Region to continue participation in the program

A governance agreement will need to be executed in order for the Region to participate in the joint procurement program. The governance agreement has been reviewed by appropriate Region staff including the Transit, Legal Services and Supplies and Services.

The agreement authorizes the Ministry of Transportation and Metrolinx representative, through the direction of the Steering Committee, to provide contract administration on behalf of the purchasing transit agencies. The Ministry will not have authority to execute the bus supply contract without 60% approval from the Steering Committee members.

A competitive procurement process will be followed with monitoring by a Fairness Commissioner

The MTO and participating municipalities support the use of an open and competitive procurement process. An RFP document will be released and bid submissions will be evaluated. An evaluation team comprised primarily of municipal representatives will review proposals and award the contract. A Fairness Commissioner will be used to ensure the award decision is made fairly by monitoring the process, reviewing documentation and ensuring consistency and fairness in the weighting and application of the evaluation criteria. The individual transit systems will place their own respective orders with the bus supplier.

The MTO and Metrolinx are planning for additional joint procurement programs for other bus types

Based on input from transit agencies in Ontario, MTO and Metrolinx have started the process to develop an RFP document for both 12.2 metre low-floor hybrid electric buses and 9.1 metre low-floor diesel buses. Both types of buses are included in the Region's 2008 Business Plan and Budget and in the 10-year capital forecast.

The subject governance agreement will cover the purchase of all buses jointly procured through to and including 2010. That includes the purchase of the first group of hybrid electric buses that have been authorized by Regional Council.

5. FINANCIAL IMPLICATIONS

The 2008 Business Plan and Budget contains a ten year capital plan which identifies the quantity and estimated purchase price for 36 12.2 metre low-floor conventional transit buses in 2009 and 33 buses in 2010.

The total cost to purchase 69 12.2 metre buses over two years is approximately \$35.9 million. It is estimated that the joint procurement exercise could result in potential savings of approximately 4% to 7% on the total purchase price. If a 4% savings is realized, the savings to the Region would be approximately \$1.4 million over two years.

Staff will be reporting back to Council on the results of the bid process and will seek the necessary funding approvals at that time.

6. LOCAL MUNICIPAL IMPACT

The local residents will benefit through an anticipated reduction in the bus purchase cost. Also, there will be replacement of older buses with new low-floor buses equipped with air conditioning, improved accessibility features and new engine emission standards introduced in 2007.

7. CONCLUSION

YRT staff participated in the Joint Procurement Process in 2007 and 2008 for the purchase of a 12.2 metre (40 foot) low-floor transit bus and found the process and the outcome to be beneficial. Staff are seeking authorization to continue to participate in the joint procurement process and to execute the necessary agreements. Final award of the contract to the successful bidder would be subject to Regional Council approval.

For more information on this report, please contact Rick Takagi, Manager, Operations at Ext. 5624 or Dave Partington, Supervisor, Fleet at Ext. 5373.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)