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METROLINX JOINT PROCUREMENT TRANSIT BUSES AND SERVICES

The Transportation Services Committee recommends the adoption of the recommendations contained in the following report dated April 13, 2011 from the Commissioner of Transportation Services.

1. RECOMMENDATIONS

It is recommended that:

1. Staff be authorized to continue participating in joint bus procurement programs for the acquisition of conventional and specialized transit buses and associated products in 2011 and future years in conjunction with Metrolinx and other participating transit agencies in the Province at the discretion of the General Manager, Transit.
2. The General Manager, Transit, or designate, be authorized to appoint Region staff to the Steering Committee and the Technical Advisory Committees on the joint bus procurements in keeping with current practices.
3. Staff report back to Council to award the purchase of buses and equipment under the joint procurement program.

2. PURPOSE

This report seeks authorization to continue participation in future joint bus procurement programs with Metrolinx and other transit properties and assign staff to the steering and technical committees, subject to approval by the General Manager, Transit.

These measures are being proposed to eliminate the initial stage of the current two-stage process. Once completed, this will reduce lead times for procuring buses and materials through joint procurement with Metrolinx but continue to allow Council to approve the successful bid award.

3. BACKGROUND

Prior joint bus procurement programs have proven to be successful

Since 2006, staff have submitted a report to Committee and Council to seek authorization to participate in each joint bus and parts procurement process with Metrolinx/MTO and other participating transit systems in Ontario.

Staff have participated in four joint procurement processes with Metrolinx since the initial program. The benefits of participating in this joint bus procurement program include:

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

There is interest to continue participating this year for the purchase of conventional buses as well on future procurements. However, there is opportunity to streamline the process and reduce delays. Staff currently follow a two-stage process where the first stage seeks approval to participate in the joint procurement and execute a standard agreement on the purchasing protocol. The second is the submission of a report to Council to obtain approval to enter into a purchase agreement with the successful bidder.

There are opportunities to streamline the process for purchasing buses and associated products through joint procurement with Metrolinx by eliminating the first stage.

4. ANALYSIS AND OPTIONS

Metrolinx and other transit systems are working on the joint procurement of conventional transit buses for delivery in 2011 and 2012

Ontario transit systems, including YRT/Viva, are interested in working with Metrolinx to jointly procure nine-metre and 12-metre low-floor conventional buses through an RFP process for delivery in 2011 and 2012. Participants of the joint procurement include YRT, Brampton, Hamilton, London, Windsor, Burlington, Kingston, North Bay, St. Catharines, Welland and Milton. This is the first stage of a two-stage process and requires execution of a governance agreement which guides the procurement process.

YRT staff have participated on the Steering Committee and Technical Committee in all past joint procurements

The Steering Committees guide the procurement process and is comprised of one Metrolinx representative and one representative from each of the purchasers, including York Region. The Technical Committees identify the bus specification requirements and evaluate the bid submissions based on a predetermined scoring process. Again, YRT/Viva staff participate in the Committees.

It is beneficial to streamline the joint bus procurement process to expedite the acquisition of future transit bus purchases

Staff are seeking approval to participate in the current joint purchasing program as well as future programs should it be beneficial to the Region as determined by the General

Manager, Transit. This proposal will reduce lead times and administrative time for staff as it eliminates the need to seek approval from Council for tasks in the first step of a two-step process.

Staff will continue to seek Committee and Council approval to purchase buses from the successful bidder in compliance to Purchasing By-Law 2009-41.

5. FINANCIAL IMPLICATIONS

Past participation in joint bus procurement programs has provided a cost savings of approximately \$16,000 per conventional bus and \$3,000 for a specialized bus. It is anticipated these savings will continue on future joint purchases.

The 10 year capital forecast indicates the need for 421 expansion and replacement conventional YRT buses at an average budget cost of \$535,000 and 61 expansion and replacement specialized Mobility Plus buses at a budgeted unit cost of \$300,000.

There are no financial implications at this time as this report is simply seeking approval to participate in a joint procurement process. Should the Region participate in the joint procurement, the bid results and recommendation for award will be submitted for the consideration of Council at that time.

6. LOCAL MUNICIPAL IMPACT

The streamlining of the joint bus procurement process as outlined in this report will facilitate a more speedy acquisition of transit buses for the expansion of existing transit services and the replacement of buses which have come to the end of their vehicle design life.

7. CONCLUSION

Staff have participated in the joint procurement process with other transit systems and Metrolinx/MTO since 2006 for the purchase of buses and found the process and the outcome to be beneficial. Staff are seeking authorization to streamline the process by eliminating the first stage of the current two-stage process. This is accomplished by authorizing the General Manager, Transit, to participate in the program and assign staff to the working committees. Also, authorization is being requested to have a governance agreement executed that outlines the procurement process. Staff will continue to seek Council approval to award any purchasing to the successful bidder.

For more information on this report, please contact Rick Takagi, Manager, Capital Assets at Ext. 5624.

The Senior Management Group has reviewed this report.