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YORK REGION TRANSIT BUS PROCUREMENT AUTHORIZATION

The Transit Committee recommends the adoption of the recommendations contained in the following report, August 24, 2007, from the General Manager, Transit:

1. RECOMMENDATIONS

It is recommended that:

1. Pre-budget approval in the amount of \$4,304,000, plus GST, be authorized to proceed with the supply of ten 12.2 metre (40 foot) low-floor transit buses from New Flyer Industries Canada ULC in accordance with Master Agreement OSS-073514 and as contained in the draft 2008 Business Plan and Budget.
2. Pre-budget approval in the amount of \$2,116,000, plus GST, be authorized to proceed with the supply of six 9.1 metre (30 foot) low-floor transit buses from City View Truck and Bus in accordance with Tender T-07-63 and as contained in the draft 2008 Business Plan and Budget.
3. The Regional Chair and Regional Clerk be authorized to sign the necessary contracts, subject to the approval of Legal Services as to form and content.

2. PURPOSE

This report seeks authorization from Transit Committee and Regional Council for pre-budget approval to order replacement and a portion of expansion conventional buses in 2007 for delivery in 2008.

3. BACKGROUND

There are 273 York Region Transit (YRT) conventional transit buses and 90 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. A small number of expansion buses are also needed to deal with issues impacting existing routes.

Typically, it is necessary to order conventional buses approximately one year in advance of the date required due to back orders and manufacturing time. As such, it is necessary to proceed with an order in 2007 for delivery in 2008.

4. ANALYSIS AND OPTIONS

The draft 2008 Business Plan and Budget contains funding for the purchase of 32 conventional transit buses in 2008. The number of buses needed for service expansion in 2008 assumes approval of all service growth and enhancement initiatives currently in the draft 2008 Business Plan and Budget. The bus quantity may be modified depending on the final level of service improvements approved in the budget process. Replacement buses are needed to replace vehicles which have met or exceeded their design life of 18 years. Table 1 provides a breakdown of the number and size of buses needed for expansion and replacement needs in 2008 above those that are currently on order.

Table 1
YRT Conventional Bus Purchase Needs in 2008

Year and Bus Size Required	Expansion Buses	Replacement Buses	Total
2008 – 12.2 metre (40 ft.)	7	12*	19
2008 – 9.1 metre (30 ft.)	8	5	13

* 5 buses are diesel-electric hybrids.

4.1 Joint Bus Procurement

Following a competitive procurement process, Regional Council at its April 2007 meeting authorized the purchase of 12.2 metre low-floor conventional transit bus from New Flyer Industries. The buses were purchased under a joint bus procurement process coordinated by the Ministry of Transportation (MTO). Participating transit agencies included York Region, Region of Durham, London, Barrie, Timmins and Windsor.

The bus purchase agreement contains an option to order additional buses for delivery in 2008. The unit cost remains unchanged and there is benefit to pursue the 2008 bus order with the same supplier.

The number of expansion buses needed in 2008 is subject to change as service improvements are under review as part of the Business Plan and Budget process. However, staff are proposing the Region purchase seven replacement buses now as well as three expansion buses for traffic congestion relief. This will allow for timely delivery in 2008. The five remaining replacement buses will be diesel-electric hybrid buses as approved by Council in May 2007. This bus purchase will be pursued under a separate competitive bid process. Additional buses can be ordered for expansion purposes once service expansion plans have been approved as part of the 2008 Business Plan and Budget.

The joint bus procurement exercise with MTO included 12.2 metre (40 foot) transit buses only and is not intended for bus rapid transit vehicles, such as those used in the Viva service, for 9.1 metre or smaller vehicles or for diesel-electric hybrid buses. Diesel-electric hybrid buses may be considered under a joint procurement program at a later date. As such, it was necessary to pursue an order for 9.1 metre (30 foot) buses and hybrid buses under separate procurement processes.

4.2 Tender for 9.1 Metre Buses

Following a competitive bid process, Tender T-07-63 was awarded to City View Bus and Truck in August 2007 and 13 buses are on order as part of the 2007 Business Plan and Budget. The contract contains an option for the Region to order up to 17 additional buses in 2007 for delivery in 2008. There is also a second option to order up to nine buses in 2008 for delivery in 2009. Staff are seeking pre-budget approval to order six buses. Five are required to replace buses that have reached or exceed the 18-year design life. It is anticipated that one bus is needed to deal with schedule compliance concerns created by traffic congestion. Proceeding with this order will ensure the six buses are available for service in September of 2008. If additional services are approved by Regional Council, the replacement buses would be used to supplement the fleet until the expansion buses arrive at a later date.

The expansion bus order for 2008 would occur as an option under this tender and the quantity of buses would be dependent on what is approved in the 2008 Business Plan and Budget.

4.3 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 consider 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 2008 Business Plan and Budget contains funding in the amount of \$18.7 million to purchase 17 replacement buses and 15 expansion buses. Staff are seeking pre-budget approval to order 12 replacement buses needed to replace buses which are at or exceed the 18-year design life. Five additional replacement buses will be diesel-electric hybrid buses and covered under a separate bid process. Pre-budget approval is also being requested for four expansion buses that will be needed to deal with schedule compliance concerns due to traffic congestion.

The existing contract with New Flyer Industries for 12.2 metre (40 feet) buses has an option to order additional buses for delivery in 2008. The unit cost is approximately \$430,000 including PST, plus \$4,000 for training and manuals. Pre-budget approval is being requested for 10 buses with a total value of approximately \$4,304,000, plus GST.

The existing contract with City View Truck and Bus for 9.1 metre (30 feet) buses has an option to order additional buses for delivery in 2008. The unit cost is approximately \$352,550, plus GST. Pre-budget approval is being requested for six buses with a total value of approximately \$2,116,000.

The Province has established a new subsidy program that replaces the former Ontario Transit Vehicle Program (OTVP). Under the new program, known as the Ontario Bus Replacement Program (OBRP), municipalities are eligible to receive subsidy for buses needed for replacement purposes up to a funding cap of \$50 million for all eligible transit properties in Ontario. In 2007, the subsidy equalled 24% of the total capital cost. There are a total of twelve 12.2 metre and 9.1 metre buses that are proposed to be ordered as identified in this report for retirement in 2008. With this subsidy, the Region would be eligible to receive up to \$1.2 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.

The potential cost savings by purchasing buses through the joint procurement process may permit the Region to purchase additional buses for replacement or expansion purposes.

7. CONCLUSION

Pre-budget approval is being recommended in the amount of approximately \$6.4 million in order to place an order for a portion of the buses identified in the draft 2008 Business Plan and Budget. This will allow for timely delivery in 2008.

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

The Senior Management Group has reviewed this report.