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YORK REGION TRANSIT OPERATIONS AND MAINTENANCE CONTRACTOR REPORT CARD

The Transit Committee recommends:

- 1. The presentation by Rick Takagi, Manager, Operations be received; and**
- 2. The recommendation contained in the following report, August 25, 2006, from the Commissioner of Transportation and Works be adopted:**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to inform Transit Committee and Regional Council of the Contractor Report Card program that has been developed by York Region Transit (YRT) staff. This program will provide an enhanced management tool to review and compare the performance of contractors who operate conventional and Viva bus rapid transit services in the Region, and to identify areas for performance improvement.

3. BACKGROUND

York Region employs four private sector operations and maintenance contractors to provide conventional transit and Viva bus rapid transit services. The buses are owned by the Region and the contractor is responsible for operating the service and maintaining the buses in accordance with Regional specifications. Each contractor operates on designated routes within a general geographic service area.

Following Regional Council approval, performance standards and measurements were introduced into the conventional transit operating contract specifications during a tendering process in 2003. A contractor's performance is measured using benchmarks in key areas. Analysis is performed on the performance data and the contractors are allocated financial incentives and disincentives based on performance above or below the benchmarks. The contract for the Viva service was awarded in 2005 and initially included a series of disincentives but no incentives. It was decided that the incentives would be negotiated with the Viva contractor for implementation at the beginning of the third year of operation (September 2007). Those negotiations have just recently begun.

The previously four YRT operations and maintenance contracts expired this year and were merged into three contracts. Their terms were renegotiated to include additional performance measurements, updated benchmarks and higher financial incentives and disincentives. The total maximum value of the incentive package for each contract is approximately \$144,000 annually and \$138,000 annually for disincentives.

With the approval of the updated performance-based contracts, along with enhanced data collection methodologies, a Contractor Report Card program has been developed to track contractor performance relative to key indicators. This report will be used to regularly monitor contractor performance and identify areas in need of improvement (*Attachment 1*).

4. ANALYSIS AND OPTIONS

4.1 Report Card

The new Contractor Report Card measures contractor performance in the following key areas.

- Schedule adherence
- Vehicle maintenance
- Safety
- Customer satisfaction
- Personnel training and appearance
- Reporting requirements

Each key area has several performance measures that are used to score and rank each contractor. In total, there are 23 performance measures and each has a benchmark to determine if an incentive or disincentive is applied. The report card is scheduled to be produced on a quarterly basis.

4.2 Next Steps

To date, staff have used the report card to identify areas which fall below the benchmark and to work with the contractor to develop action plans to address the areas of concern. A formal process document is also being developed which will emphasize a cooperative approach between YRT and contractor staff in addressing concerns. This will include looking at best practises and jointly developing action plans for improvement. There will also be a monitoring program to evaluate the success of the action plans.

4.3 Relationship to Vision 2026

The development of the Contractor Report Card program satisfies a number of Vision 2026 principles related to customer-centred services, partnerships and safety. The report card provides a tool to monitor and improve service quality and safety in partnership with the Region's operations and maintenance contractors.

5. FINANCIAL IMPLICATIONS

There are no financial implications with the introduction and utilization of the Contractor Report Card program.

6. LOCAL MUNICIPAL IMPACT

Transit customers from the local municipalities will benefit from the Contractor Report Card program as service will continually be monitored and a mechanism provided to identify areas in need of improvement.

7. CONCLUSION

The introduction of the Contractor Report Card will provide staff with another management tool to continually monitor the performance of transit operations and maintenance contractors, and identify opportunities for quality improvement.

The Senior Management Group has reviewed this report.

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