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VIVA VEHICLE PROCUREMENT

The Rapid Transit Public/Private Partnership Steering Committee recommends the following:

- 1. The presentation by Jon Hulse, Chief Engineer, York Region Rapid Transit Corporation and Rick Takagi, Manager, York Region Transit, be received; and**
- 2. The recommendations contained in the following report, June 5, 2008, from the Vice-President, York Region Rapid Transit Corporation and the Commissioner of Transportation Services, be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize the further purchase of six (6) articulated rapid transit vehicles under the terms of the original agreement as amended with Van Hool N.V. at a total cost of \$5,650,560, including PST, subject to final negotiations with Van Hool, including the required level of technical support and spare parts sourcing.
2. The terms of the original agreement continue to apply to the purchase of additional buses, subject to any terms negotiated by staff, which are more favourable to the Region.
3. Council authorize entering into a contract with INIT Inc., for the supply, installation, integration and testing of Computer Aided Dispatch and Automatic Vehicle Location systems for the new Viva buses in the amount of \$227,000, including PST, pursuant to the sole source provisions of the Purchasing By-law.
4. The Regional Chair and Clerk be authorized to execute an amending agreement between the Region and Van Hool and between the Region and INIT Inc., subject to approval by Legal Services.

2. PURPOSE

The purpose of this report is to seek authorization to extend the existing vehicle procurement contract with Van Hool for an additional six (6) articulated 18m vehicles to support the fleet requirements up to the end of 2009. The report also identifies the anticipated Viva fleet requirements expected as a result of the Viva Phase II initiatives and the Spadina and Yonge Subway extensions to the Vaughn Corporate Centre in 2015

and the Richmond Hill Centre in 2016. In addition, Council authorization is being recommended to enter into a contract with INIT Inc., vendor of the Computer Aided Dispatch (CAD) and Automatic Vehicle Location (AVL) system for the installation of CAD/AVL systems on the proposed six new Viva buses.

3. BACKGROUND

In 2004, a contract was awarded to Van Hool to manufacture and supply rapid transit vehicles to operate the Viva service. There are sixty (60) 12m vehicles and thirty (30) 18m articulated vehicles currently in the fleet to meet existing service needs and operation in mixed traffic in five key corridors. Continued growth in passenger demand and changes in service requirements have required additional vehicles, and as a result a further order was placed in 2007 for eleven (11) 18m articulated vehicles expected to be delivered in December 2008. Further growth in passenger demand and changes in service requirements will mean additional vehicles must be procured at the earliest opportunity to be available for revenue service by September 2009.

Staff are preparing an RFP for the manufacture and supply of Viva vehicles that will be needed starting in 2010. It is anticipated that this public bid document will include the supply of vehicles for a five year period. The number of vehicles needed each year will be required to accommodate growth with the planned construction of rapidways and the Spadina and Yonge Subway extensions.

The CAD/AVL system supplied to the Region by INIT Inc has been in operation in York Region on Viva buses since the initial system launch in September 2005, following a competitive bid process. The INIT in-vehicle system and other components are installed on 90 Viva buses and installation is ongoing on the entire YRT bus fleet. INIT's integrated central system consolidates the various functionalities and other software solutions for analyzing, planning, implementing and improving internal operating processes with the mobile system in the vehicle.

4. ANALYSIS AND OPTIONS

Additional vehicles required to accommodate ridership growth and maintain and enhance service levels planned for 2009

A total of six (6) articulated buses are needed in 2009 to meet anticipated growth on the Viva Purple (Highway 7 corridor) and Viva Blue (Yonge Street corridor). Most of this growth is planned to accommodate an increase in users generated by York University due to a proposed York University transit pass. This will increase the fleet size to 107 buses, comprised of sixty (60) 12m buses and forty seven (47) 18m articulated buses.

There are benefits to order additional Van Hool vehicles for service needs in 2009

The Viva service currently utilizes a fleet of vehicles manufactured and supplied by Van Hool. There are several advantages to continue a relatively small order of six buses with Van Hool as follows:

- Since the additional vehicles are required to be in service by 2009 Q3, it would not be possible to issue a full request for proposals and negotiate a contract to ensure the necessary competition from the market place.
- Any request for proposals would likely be delayed while the decisions on the level of Canadian Content for Transit Vehicles, currently under consultation, are made.
- The Viva vehicle need for 2009 is relatively small and common parts inventory, equipment, maintenance and driver training would continue to be standardized.

Canadian Content will be considered on future orders

In March 2008, the Province of Ontario announced that all transit buses purchased with provincial funding must now have 25% Canadian content. This was done to promote economic development and protect Ontario's skilled manufacturing jobs. Since that time, there have been meetings with Ministry staff and Region staff are seeking confirmation that the additional six Viva vehicles can be purchased without any special consideration for Canadian content. Additional Viva vehicles needed in the future will likely require some form of Canadian content requirements.

Further technical support is being negotiated with Van Hool prior to the proposed order

There is a need to improve the technical support and parts sourcing currently offered by Van Hool. There have been delays in resolving technical matters as well as issues related to pricing and sourcing of some parts. Negotiations are currently underway to resolve these issues and the proposed order for six additional buses should not proceed until satisfactory resolution has been reached.

There is justification to enter into a sole source contract to supply the CAD/AVL system on the additional Viva vehicles

Approximately 400 YRT and Viva vehicles will be equipped with a CAD/AVL system supplied by INIT Inc. by the end of 2008. The contract with INIT is close to meeting contract value and additional units cannot be purchased at this time under this contract. There is significant advantage to purchase six additional units to outfit the proposed vehicle order. The following are some of the key advantages to sole source this order.

- The unit costs under the proposed sole source order will be the same as the unit cost under the existing contract.
- Cost savings as system design documentation, testing, spare parts, project management and future upgrades have already been achieved.

- Staff training on operations and maintenance currently exists.
- The CAD/AVL system is currently interfaced with another scheduling software and the variable message signs at each Viva station.

5. FINANCIAL IMPLICATIONS

The unit cost for the articulated vehicles from Van Hool is \$941,760 including PST. The total cost for the planned six vehicles totals \$5,650,560 including PST. This negotiated price reflects an increase of approximately \$63,000 above the last bus purchase price which was initially quoted in early 2007. The price increase is primarily due to the significant price increase to certain metal prices. The contract requires a 10% deposit on the equipment order and payment of the remaining balance at the time of delivery.

The 2009 budget included an allocation to vehicle procurement. Table 1 shows the current budget status, and the budget available for the proposed vehicle procurement.

Table 1
Proposed Viva Vehicle Procurement

Budget Year	Budgeted Amount (000's)	Number of Vehicles Budgeted	Vehicle Purchase	Sole Source Contract Value (000's)	Notes
2007	\$14,162	14	11 on order	\$8,948	Complete contract value spread over 3 years 2007-2009
2008	\$6,417	6	6 proposed	\$5,650	

The cost for the supply, installation, integration and testing of Computer Aided Dispatch and Automatic Vehicle Location system for the six new Viva buses is based on the existing contract with INIT Inc. for the installation of such systems on conventional YRT buses and totals approximately \$227,000, including PST.

Sufficient funds in the amount of \$227,000 are including in the 2008 Business Plan and Budget to proceed with the INIT CAD/AVL system.

6. LOCAL MUNICIPAL IMPACT

Rapid transit service throughout the region will continue to be enhanced to meet the growth requirements.

7. CONCLUSION

The extension of the vehicle procurement contract with Van Hool for an additional six (6) articulated vehicles at a total cost of \$5,650,560, including PST, will allow Viva to meet the fleet requirements up to the end of 2009. Also, a contract is recommended with INIT Inc., for the supply, installation, integration and testing of Computer Aided Dispatch and Automatic Vehicle Location systems for the new Viva buses in the amount of \$227,000, including PST. The development of the fleet requirements beyond 2009 to support the construction of rapidways as well as the Spadina and Yonge Subway extensions, will allow York Region to plan the competitive tender for the next generation of fuel efficient rapid transit vehicles necessary to ensure that Viva can provide the best possible service.

For additional information please contact Mary-Frances Turner, Vice-President, York Region Rapid Transit Corporation at (905) 886-6767 ext. 2226.

The Senior Management Group has reviewed this report.