

Clause 7 in Report No. 1 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on January 22, 2015.

Award of Bus Purchase Joint Metrolinx Procurement
Request for Proposal 2013-TPI-008

Committee of the Whole recommends adoption of the following recommendations contained in the report dated December 18, 2014 from the Commissioner of Transportation Services:

1. Recommendations

It is recommended that:

1. Council approve award of the contract for the supply of 16 low-floor conventional transit buses and parts to Nova Bus, A Division of Volvo Group Canada Inc. in the amount of \$8,551,670, excluding HST, for a term of three years, in accordance with Request for Proposal 2013-TPI-008, a joint procurement initiative of 12 Ontario transit systems and Metrolinx, to be included in the 2015 budget.
2. The Commissioner of Transportation Services be authorized to purchase additional buses in the future, (currently estimated to be 28 buses) under the terms and conditions of the contract, subject to approval of funding in the budget each year.
3. The Commissioner of Transportation Services be authorized to execute the necessary agreements, including the Municipal Bus Purchase Agreement with Nova Bus and the Governance Agreement with Metrolinx.

2. Purpose

This report seeks authorization to award a contract for the supply of conventional transit buses required to expand services and replace buses that have reached or exceeded their design life.

3. Background

Council authorized staff participation in joint bus procurement with Metrolinx and other Ontario transit agencies

Council, at its June 2008 meeting, authorized staff to continue to participate in a joint procurement Request for Proposal for 12 metre long, low-floor transit buses following the success of earlier joint procurement bus purchases. The process was co-ordinated by Metrolinx and included the participation of several transit agencies in the province. The latest joint bus procurement RFP was issued in the spring of 2014.

4. Analysis and Options

The purchase of 16 new buses is necessary to replace buses that have reached or exceeded their design life and to meet future service needs

There are currently 377 York Region Transit conventional transit buses and 123 Viva bus rapid transit vehicles in the Region's transit fleet. There are 12 conventional buses that will have exceeded their 12-year design life and are scheduled for replacement in 2015. In addition, four buses are needed for schedule compliance and upcoming service needs.

The joint bus procurement process follows the success of the initial program

Between 2006 and 2013, York Region Transit and other Ontario transit systems purchased buses through a Metrolinx (formerly Ontario Ministry of Transportation) initiative to jointly develop specifications and competitively procure conventional transit buses.

The key benefits of doing this type of joint bus procurement include:

- Reduced unit cost with savings estimated at \$10,000 per bus
- Cost avoidance in procurement process and bus assembly inspection as this cost is covered by Metrolinx, savings estimated at \$880 per bus
- Improved scheduling of bus delivery

YRT/Viva staff participated in the Technical Committee that developed the specifications, on the Evaluation Team that evaluated the bids, and on the Steering Committee that oversaw the procurement process. The Steering

Committee is made up of representatives of the participating transit agencies. Participating transit agencies include Hamilton, Durham Region, Burlington, Windsor and Barrie, plus seven other Ontario agencies.

In order for the Region to participate in the joint procurement program, a governance agreement is required between any participating transit agency and Metrolinx. The agreement authorizes Metrolinx, through the direction of the Steering Committee, to provide contract administration on behalf of the purchasing transit agencies.

A competitive procurement process was used under jurisdiction of Metrolinx and monitored by a Fairness Commissioner

The RFP document to jointly procure the buses was released by Metrolinx to potential bidders and closed in April 2014. The RFP followed Metrolinx's procurement process. The RFP was for a multi-year contract term which permits the purchase of buses between 2014 and March 2017. An evaluation team comprised of transit agencies, including York Region and a Metrolinx staff member, has reviewed and scored the proposals. A Fairness Commissioner from RFP Solutions monitored the procurement and concluded the process was fair.

The bid evaluation supports the award to Nova Bus

There are two Canadian firms that manufacture large conventional buses in Canada. Bid submissions were received from both firms. Bids are typically not received from manufacturers outside Canada due to the market size, the need to set up technical support locally and government regulatory requirements.

The submissions were fully evaluated on the merits of meeting mandatory compliance, scoring of rated items and price evaluation.

The bid evaluation concluded that the Nova Bus bid had the highest total score. The lower price from Nova Bus offset their marginally lower technical score. The base price for each bus supplied from Nova bus was \$33,909 lower than the New Flyer bid price. The unit price per bus for YRT is \$530,030 excluding HST.

Following the bid evaluation and approval from the Steering Committee, Metrolinx executed a Master Agreement in June 2014 with Nova Bus for the purchase of low-floor conventional buses. Each participating transit system will be required to enter into a Municipal Bus Purchase Agreement directly with Nova Bus. This Agreement provides details of delivery times, options and other terms and conditions consistent with the Master Agreement. The transit systems will be entitled to engage in the joint procurement to the extent permitted by the amount of funding approved in their respective budgets.

Nova Bus manufactures the buses in Canada and meets the Canadian content requirement

Nova bus will manufacture the buses at their plant in St Eustache, Quebec and will have over 50 per cent Canadian content. This significantly exceeds the minimum 25 per cent Canadian content requirement which is set by the Province. The buses will be compliant with current and upcoming Accessibility for Ontarians with Disabilities Act (2005) standards. The buses scheduled for retirement are high-floor buses which require a lift for customers in a wheelchair. The new AODA compliant low-floor buses have a ramp for easier and timelier boarding and other features including, interior and exterior audible announcements and interior bus stop Variable Messaging Signs. The new buses also meet stringent 2014 exhaust emission standards. Delivery of the buses is scheduled for the fall of 2015.

There are provisions in the contract to purchase additional buses between 2015 and March 2017. The price of the bus in future years is based on the current unit bus price plus a cost of living adjustment. In addition to the 16 buses needed by the Region in 2015, an additional 28 buses are identified in the proposed 2017 outlook. It is recommended that the Commissioner of Transportation Services be authorized to purchase additional buses under the terms and conditions of the contract.

Link to Council-approved plans

2011 to 2015 Strategic Plan

The purchase of the buses through joint procurement supports the 2011 to 2015 Strategic Plan as it continues to sustain critical infrastructure.

5. Financial Implications

The proposed 2015 Capital Budget contains funding for the purchase of 16 conventional buses in 2015

It is proposed that the 16 buses be procured under the joint procurement program at a total cost of \$8,551,670, excluding HST. The unit cost for each bus, including options, is \$530,030. Spare parts and specialized tooling in the amount of \$71,190 to support the 16 new buses is included in the total purchase price.

Sufficient funds are available in the proposed 2015 Capital Budget for this bus purchase.

In addition to the 16 buses in 2015, 28 additional buses are required by 2017 as identified in the proposed budget outlook.

6. Local Municipal Impact

Local residents who use public transit will benefit from new buses with improved accessibility features and cleaner operating engines.

7. Conclusion

A joint procurement process was used with Metrolinx and other Ontario transit agencies to reduce costs and improve buying power for the purchase of transit vehicles. Based on a competitive bus procurement process, it is recommended that Nova Bus be awarded the contract to supply conventional transit buses.

For more information on this report, please contact Ann-Marie Carroll, General Manager at ext.75677 or Rick Takagi, Director, Transit Operations at ext.75624.

The Senior Management Group has reviewed this report.

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