

Clause No. 10 in Report No. 5 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting on March 27, 2014.

**AWARD OF BUS PURCHASE – METROLINX JOINT PROCUREMENT
REQUEST FOR PROPOSAL 2010-TPI-044**

Committee of the Whole recommends adoption of the following recommendations contained in the report dated February 19, 2014 from the Commissioner of Transportation and Community Planning:

1. RECOMMENDATIONS

It is recommended that:

1. Council approve award of the contract for the supply of 34 low-floor, 12.2 metre long (40-foot) conventional transit buses and parts to New Flyer Industries Canada in the amount of \$18,007,800, excluding HST, in accordance with Request for Proposal 2010-TPI-044, a joint procurement initiative of 15 Ontario transit systems and Metrolinx.
2. The Commissioner of Transportation and Community Planning be authorized to execute the necessary agreements, including the Municipal Bus Purchase Agreement with New Flyer Industries and the Governance Agreement with Metrolinx, subject to the approval of Legal Services as to form and content.

2. PURPOSE

This report seeks authorization to award a contract for the supply of 34 low-floor conventional transit buses required to expand services for York Region Transit (YRT/Viva).

3. BACKGROUND

Council authorized ongoing staff participation in joint bus procurement exercises 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 (RFP) for 12.2-metre (40-foot) low-floor transit buses following the success of earlier joint procurement bus purchases. Participants included

Metrolinx and other transit agencies in the province. The latest joint bus procurement RFP was awarded in 2011 and included provisions for orders to 2014.

4. ANALYSIS AND OPTIONS

The purchase of 34 new buses is necessary to maintain current service levels and future service needs

There are currently 339 YRT conventional transit buses and 116 Viva bus rapid transit vehicles in the Region's transit fleet. New buses are needed for schedule compliance, future service needs and to have sufficient spare buses to complete scheduled major mechanical and structural repair programs. These new buses will also eventually replace older units which are at least 12 years old and will have reached or exceeded their design life. Retired buses are sold through a competitive bid process after all the useful components have been removed.

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

Annually, between 2006 and 2010, York Region Transit and other Ontario transit agencies purchased buses through an Ontario Ministry of Transportation initiative to jointly develop specifications and competitively procure 12.2-metre low-floor conventional transit buses. This procurement process is now managed by Metrolinx.

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

- Reduced unit costs
- Cost avoidance in procurement process and bus assembly inspection
- Improved scheduling and buying power

Given the success of the initial programs, Council authorized staff to participate in future joint procurement programs with Metrolinx and other transit agencies.

YRT staff participated in the Technical Committee which developed the specifications, on the evaluation team which evaluated the bids, and on the Steering Committee which oversaw the procurement process. The Steering Committee is made up of representatives from the participating transit agencies.

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

A competitive procurement process was used and monitored by a Fairness Commissioner

The RFP document to jointly procure the buses was released to potential bidders and closed in April 2010. The RFP was for a multi-year contract term which permits the purchase of buses between 2011 and 2014. An evaluation team was created to review and evaluate the proposals and was comprised of a Metrolinx staff member and representatives from several of the transit agencies, including York Region. A Fairness Commissioner from Knowles Canada Consulting Services (Hill International) was used to ensure the integrity of the award decision through monitoring the process, reviewing documentation and ensuring consistency and fairness in the weighting and application of the evaluation criteria.

The bid evaluation in 2011 supported the award to New Flyer Industries Canada (New Flyer) which received the highest total score

Three bid submissions were received at bid closing. The submissions were fully evaluated on the merits of meeting mandatory compliance, scoring of rated items and price evaluation. The results of the bid evaluation are noted below in Table 1.

Table 1
Bid Evaluation Results

Bidder	Technical Score (out of 20,860)	Financial Score (out of 11,233)	Total Score (out of 32,093)
New Flyer Industries Canada	17,640	10,471	28,111
Daimler Bus North America	17,433	10,008	27,441
Nova Bus	16,609	10,591	27,200

The bid evaluation concluded that the New Flyer bid had the highest total score. New Flyer's superior warranty provisions and supply of products at no additional cost to the base price offset their slightly lower financial score. The value of the warranty and products supplied by New Flyer at no cost to the Region results in a savings of approximately \$440 per bus over the Nova Bus bid submission.

Following the bid evaluation and approval from the Steering Committee, Metrolinx executed a Master Agreement in 2011 with New Flyer for the purchase of 12.2-metre, low-floor conventional transit buses. Each participating transit system will be required to enter into a Municipal Bus Purchase Agreement directly with New Flyer. 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.

It will be necessary to add on equipment options to the base bus design to meet specific needs for York Region Transit

The base price of the bus is \$390,000. The joint procurement was designed to allow each transit agency to order equipment specific to their individual needs. As such, there are optional items that will be ordered to meet current YRT bus standards. These items include tires, passenger seats, fire suppression equipment, air conditioning, computer-aided dispatching, automatic vehicle location, closed circuit television cameras, fare equipment, vehicle health monitoring system, block heaters, grab rails and safety guards and training programs. The cost of these options totals \$91,841 per bus. There is also a calculation to reflect changes in currency exchange between the Canadian and American dollars which totals \$39,159. Spare parts and specialized tooling is required to support the 34 buses being purchased. The total cost for this is \$293,800. New Flyer has reserved production slots for these vehicles and delivery is scheduled prior to the end of 2014.

5. FINANCIAL IMPLICATIONS

The 2014 Capital Budget contains funding for the purchase of 34 conventional transit buses in 2014

It is proposed that the 34 buses be procured under the joint procurement program at a total cost of \$18,007,800, excluding HST. The unit cost for each bus, including options, is \$521,000. Spare parts and specialized tooling in the amount of \$293,800 to support the 34 new buses is included in the total purchase cost.

Sufficient funds are available in the 2014 Capital Budget for this bus procurement.

6. LOCAL MUNICIPAL IMPACT

Local residents who use public transit will benefit from improved transit service through the purchase of new low-floor buses equipped with improved accessibility features and cleaner operating engines.

7. CONCLUSION

Based on a competitive bus procurement process, it is recommended that New Flyer Industries Canada be awarded the contract to supply 34 low-floor (12.2-metre long) transit buses.

For more information on this report, please contact Rick Takagi at ext. 75624.

The Senior Management Group has reviewed this report.