



## STAFF REPORT ACTION REQUIRED

### Procurement Authorization – Purchase Sixty (60) Low Floor Wheel-Trans Mini-Buses

<b>Date:</b>	September 5, 2017
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

#### Summary

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This report recommends that the TTC Board authorize the procurement of 60 new low floor Wheel-Trans mini-buses from Creative Carriage Ltd. for delivery in 2018.

The TTC is currently contracted with Creative Carriage for the procurement of 20 new low floor Wheel-Trans mini-buses, with the pilot vehicle which arrived on August 15, 2017 and the remaining 19 to be delivered prior to December 31, 2017.

This procurement is being done in collaboration with Metrolinx as part of the Transit Procurement Initiative (TPI) program involving a total of 11 transit agencies in Ontario.

The procurement of these new low floor Wheel-Trans mini-buses will be partially funded through the Federal Government's Public Transit Infrastructure Fund (PTIF).

These vehicles were identified through fleet replacement planning as part of the Wheel-Trans 10 Year Strategy. The fleet replacement program was established with the objective of modernizing the fleet to accommodate the current and expected mix of ridership and to reduce operational and maintenance costs.

#### Recommendations

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It is recommended that the Board:

1. Authorize the procurement of 60 new low floor Wheel-Trans mini-buses to Creative Carriage Ltd. in the amount of \$11,400,000.00 inclusive of all applicable taxes, as follows:

- a. \$11,100,000.00 inclusive of all applicable taxes for the purchase of 60 new low floor Wheel-Trans mini-buses for delivery in 2018, which includes options and alternatives.
- b. \$300,000.00 inclusive of all applicable taxes as an upset limit change allowance for potential contract amendments for the 2018 purchases.

## **Financial Summary**

The 2017 – 2026 Capital Budget and Plan approved by City Council on February 15, 2017 includes sufficient funding in 2018 for the supply of 60 new low floor Wheel-Trans mini-buses. Funding for this project is included under 4.11 Purchase of Buses/Wheel Trans.

Under PTIF, capital projects commenced after April 1, 2016 and completed by March 31, 2019 may receive up to 50% funding of eligible costs. The purchase of new low floor Wheel-Trans mini-buses meets the criteria for funding eligibility under the program and as such \$5.7 million in costs (50% of the \$11.4 million award) less HST rebate reductions are eligible for funding under the PTIF program, as reflected in the approved Capital Plan.

This procurement of 60 buses will bring the total number of low floor Wheel-Trans mini-buses purchased under the PTIF program to 80 buses. The total amount of PTIF funding applied to these 80 bus purchases will be \$7.1 million (less HST rebate reductions) or 50% of projects costs, as reflected in the approved Capital Plan.

The Chief Financial Officer has reviewed this report and agrees with the financial summary.

## **Accessibility/Equity Matters**

All buses to be procured are fully accessible and compliant with all Federal and Provincial regulations.

## **Decision History**

At its February 25, 2016 meeting, the Board received a presentation entitled: Wheel-Trans 10 Year Strategy for information and were asked to adopt the strategy in principle with staff reporting back for approvals on specific components of the strategy:

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2016/February\\_25/Reports/W-Trans\\_10\\_Year\\_Strategy\\_Update\\_combined.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/February_25/Reports/W-Trans_10_Year_Strategy_Update_combined.pdf)

At its September 6, 2016 meeting, the Board received an information report on the Federal Public Transit Infrastructure Fund (PTIF) which included a list of preliminary projects and purchase of wheel-trans buses was included on the list:

[https://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Committee\\_meetings/Budget/2016/September\\_6/Reports/2\\_Federal\\_Public\\_Transit\\_Infrastructure\\_Fund\\_PTIF.pdf](https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Committee_meetings/Budget/2016/September_6/Reports/2_Federal_Public_Transit_Infrastructure_Fund_PTIF.pdf)

At its September 25, 2016 meeting, the Board received the progress update on the TTC's Wheel-Trans 10 Year Strategy and approved the recommendations in the report including commencing a Family of Service pilot:

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2016/September\\_28/Reports/4\\_Wheel-Trans\\_10-Year\\_Strategy\\_-\\_September\\_2016\\_Update.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/September_28/Reports/4_Wheel-Trans_10-Year_Strategy_-_September_2016_Update.pdf)

## **Issue Background**

### Wheel-Trans 10 Year Strategy

The Wheel-Trans 10 Year Strategy was developed in response to the acknowledged need to offer our customers spontaneity of travel, to be inclusive and part of the community, to help ensure and foster dignity, expand their opportunities for travel, improve customer service for what is a growing customer base (including their families and caregivers), while seeking significant cost avoidance opportunities and efficiencies for the TTC and, ultimately, the City. In addition, the strategy was also guided by new legislative requirements contained within the AODA regulations, the recommendations provided by the City of Toronto Auditor General, the demand forecast (which predicts unprecedented growth in demand for specialized transit services now currently solely provided by Wheel-Trans) and a comprehensive review of industry best practice.

With the TTC's conventional transit services increasingly accessible, with 100% accessibility by 2025, changes can be made to the service delivery model for Wheel-Trans to make better use of limited resources while also adapting and adhering to new provincial legislation regarding conditional eligibility through the implementation of a Family of Services approach. Family of Services is a multi-modal trip that utilizes Wheel-Trans and conventional transit modes (bus, subway or streetcar services) to complete a trip for Wheel-Trans customers.

One of the objectives outlined in the report is to design and implement the new service delivery model for accessible services (both specialized and conventional) provided by the TTC. This includes facility and vehicle improvements that will need to be made to accommodate Wheel-Trans customers of the future who will also be travelling on the conventional fixed route network.

## Fleet and Asset Management Plan

A comprehensive fleet program review was completed by WSP Parsons Brinckerhoff in May, 2016. The purpose of the report was to develop a data-driven, business needs, systematic approach to replace the existing TTC Wheel-Trans fleet. The scope of the report determined the condition of the existing fleet of vehicles, identified vehicles that are available in the marketplace that meet the service requirements of the Wheel-Trans program, ‘right sizing’ of the fleet to support the Family of Services concept, and recommended an optimal replacement strategy for the Wheel-Trans vehicles. The objective was to provide replacement vehicles that were more suited to the expected mix of ambulatory and non-ambulatory riders with the goal of decreasing operating and maintenance costs.

In summary, the recommendations of the report indicated that the TTC should, as a means of maintaining a 200 bus fleet:

- procure a smaller vehicle (less than 7 m in length);
- adopt a 5 year lifecycle, with no midlife refurbishment and move to a steady state procurement (40 vehicles per year); and
- procure an “off the shelf” product rather than adopting a uniquely built vehicle.

## Transit Procurement Initiative a program of Metrolinx

The Transit Procurement Initiative (TPI) is a Metrolinx program and it is one of North America’s most innovative transit procurement programs. TPI has worked with 42 transit agencies across Ontario at various times since the program began in 2006. Since the inception of the program with the Ministry of Transportation in 2006, and subsequent transfer to Metrolinx in 2008, TPI has helped small, medium and large transit systems across the province save money through joint procurements. Synergies are created by combining the experience and knowledge of bus fleet managers with vehicle specification, procurement and operational experts, creating a performance-based specification to maximize operational efficiency, increase purchasing power, and decrease capital and operational costs.

A summary of Metrolinx’s role on behalf of the transit agencies in the joint procurements is listed below:

- Surveying the transit agencies on their needs for a transit related good or service;
- Conducting market research;
- Developing high level project terms of reference, including a decision to hire a fairness monitor (if required) and determine scope of inspection services needed for the project;
- Establishing steering and technical committees;
- Preparing technical specifications;

- Preparing and issuing the Request For Proposal (RFP) and managing all aspects of the RFP process;
- Establishing an evaluation committee;
- Administering evaluation of bids with Metrolinx procurement department oversight at the consensus meeting; and
- Signing the master agreement with proponents.

In July, 2016, the TTC entered into the Multi-Year Governance Agreement established by Metrolinx in order to join the Transit Procurement Initiative to be eligible to participate in any joint procurement initiatives undertaken by TPI.

### Mini-Bus Procurement Strategy

At the beginning of 2016, TPI was in the early stages of the development of a joint procurement initiative for the supply and delivery of low floor mini-buses. A review of the high level terms of reference for this low floor mini-bus project aligned with the needs of the TTC. As such, the TTC joined the TPI on the mini-bus joint procurement.

The high level terms of reference for the Metrolinx mini-bus project included the following: low floor vehicle, original equipment manufacturer (OEM) based commercial van, modified through a second stage conversion process, diesel engine with option for gasoline, 6 to 7 metres in length, high roof body, up to 3 wheelchair positions with up to 5 seats, fully accessible and a side ramp with option for a rear ramp.

A total of 11 transit agencies participated in this joint procurement project (Burlington, Cornwall, Durham Region, Halton Hills, Kenora, Milton, North Bay, Sarnia, St. Catharines, Thunder Bay and Toronto). Each transit agency was represented on the steering committee and the technical committee, with each entitled to one vote. The TTC also participated in the evaluation committee, which included Burlington and Milton.

Metrolinx released RFP-2016-TPI-009 on September 19, 2016. The RFP was issued publicly via MERX. The RFP closed on October 27, 2016. There were 15 proponents that downloaded the specifications, however only one proposal was received. An administrative review of the bid was carried out on November 2, 2016 to determine compliance with mandatory requirements and the technical evaluation was complete on November 18, 2016. The one proposal did not meet the minimum requirement of 70% (the proponent achieved a technical score of 69.4%). Since the minimum requirement was not met, Metrolinx wrote to the proponent on November 22, 2016 notifying them of the intent to cancel the RFP-2016-TPI-009. Procedurally, since the technical threshold was not achieved and there was only one bidder, Metrolinx was able to enter into discussions/negotiations with the proponent.

Discussions and negotiations were held with the proponent, Creative Carriage Ltd., and TPI presented the updated proposal, supported by the evaluation committee's findings to the mini-bus steering committee on November 28, 2016. The additional clarifications and negotiations solidified areas of weakness of the original proposal. The updated

proposal received sufficient support from the steering committee, therefore, Metrolinx signed the master agreement with Creative Carriage Ltd on December 29, 2016. The duration of the contract is for 2 years and Creative Carriage Ltd. provided pricing for the 2 years.

Creative Carriage Ltd. has been a supplier since 2010 under other Metrolinx joint procurements, delivering 97 buses to local transit agencies at a value of over \$16 million.

### Mini-Bus Selected

As identified above, the successful bidder was Creative Carriage Ltd. who will supply the RAM 2500 ProMaster (see Appendix A) with the following features:

- High roof body;
- Low floor modification;
- Side and rear ramp;
- Bi-fold side door;
- Can accommodate up to 3 wheelchairs and 4 passengers; and
- Complete bumper to bumper warranty of 3yrs/60K with extended OEM Chassis warranty of 5yr/160K for both basic and powertrain components.

The mini-bus is designed to meet all requirements laid out in CSA Standard D409-16 for accessible vehicles.

The procurement of these new vehicles will be a one-for-one replacement of the existing Wheel-Trans fleet.

### Pilot Vehicle

As previously identified, the TTC issued a contract to Creative Carriage for 20 mini-buses in March, 2017. A demonstration vehicle was brought on property to solicit feedback from TTC operators, TTC maintenance personnel and members of the Advisory Committee on Accessible Transit (ACAT). Their comments and suggestions were incorporated, where possible into the production of the pilot vehicle which arrived on August 15, 2017. The remaining 19 mini-buses are scheduled to arrive prior to December 31, 2017.

## **Comments**

Under PTIF, the federal government has agreed to fund 50% of eligible costs for capital projects commenced and completed between April 1, 2016 and March 31, 2019. With the procurement of these 60 mini-buses, it will bring the total to 80 mini-buses procured by TTC under the PTIF program which saves the TTC and the City 50% of the purchase price.

It is recommended that the Board authorize the procurement of 60 low floor mini-buses from Creative Carriage Ltd. for delivery in 2018.

Upon approval of this procurement, a delivery schedule will be developed by Creative Carriage Ltd. to establish the delivery dates for the 60 mini-buses in 2018.

## **Contact**

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## Appendix A- RAM 2500 ProMaster

