



December 3, 2012

City Council Committee Report

To: Mayor & Council

**Fr: Richard Perchuk, Manager of Operations
Mike Mostow, Fleet Supervisor**

Re: Acquisition of Transit Buses – Conventional & Handi Transit

Recommendation:

That Council of the City of Kenora hereby authorize the Procurement of one conventional transit bus and one specialized transit bus on an exclusive basis pursuant to a process and on terms and conditions set out in the RFP with Metrolinx; and

That Mike Mostow, Fleet Manager be authorized to perform any action and provide any required recommendations, instructions and approvals to complete the Procurement within the scope of this; and further

That the Mayor and City Clerk be authorized to sign the attached Schedules E, F, G and H of this Agreement.

Background:

In the 2010 capital budget, Council had authorized the purchase of a conventional transit bus (\$300,000) and a handi-transit bus (\$94,000). Through the efforts of the Kenora Transit Authority, information was gathered from other transit authorities on the specifications and costs. It was determined that current production costs of 30-35 foot conventional transit buses are in the \$425,000 to \$440,000 range. Upon further investigation it was determined that a majority of Ontario transit authorities purchase their buses through a joint procurement agreement with Metrolinx and the Ministry of Transportation. Through this joint procurement program, conventional transit buses are being purchased in the \$390,000 range for 30-35 passenger buses as opposed to \$425,000. Kenora joined the program in order to purchase a 30 foot City View – Eldorado bus with delivery in 2010. The City's fleet contains two (2) Eldorado transit buses. They are the only 9 meter (30 foot) buses on the market that meets the Ontario regulations for accessibility.

There is no cost to the City to participate in the joint procurement program for either of the buses as the program is sponsored through MTO.

A new Governance Agreement, containing Schedules E, F, G and H require execution, as outlined in the attached metrolinx email dated November 22.

Financial:

There are four sources of funding available to the City for transit funding:

- MTO transit grants (transition, transit, and economic outlook & fiscal review)
- Ontario bus replacement program
- City transit reserves
- Dedicated gas tax

Based on current funding sources and levels of City reserves, the following represents the funding plan recommended by the Kenora Transit Authority to purchase both buses in 2013. It will be necessary to include the purchase of a new Transit and Handi Transit bus as a 2013 Capital Budget submission for approval.

Summary

The joint procurement program is regularly used by a majority if not all transit authorities in Ontario and is offered at no cost. In addition, Metrolinx retains and pays for bus inspection services for the entire time the bus is on the line to assist in obtaining a quality product. There is an immediate savings to the City and delivery of the buses in 2013.

Budget: 2013 Capital Budget expense

Communication Plan/Notice By-law Requirements:

Resolution required.

Distribution: R. Perchuk, M. Mostow