

**REPORT NO. 278** of the  
**ENVIRONMENT, TRANSPORTATION & PUBLIC SAFETY**  
**STANDING COMMITTEE**  
of its meeting held June 17, 2015

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**Present:**

**Councillor P. Borrelli**  
**Councillor F. Francis**  
**Councillor C. Holt**  
**Councillor H. Payne**  
**Councillor B. Marra (Chair)**

That the following recommendations of the Environment, Transportation and Public Safety Standing Committee **BE APPROVED:**

Moved by Councillor Holt, seconded by Councillor Payne,

I. **THAT** approval **BE GIVEN** for the Chief Administrative Officer and the City Clerk to sign a Bus Purchase Agreement with Nova Bus for the procurement of buses in accordance with the Multi-Year Governance Agreement for Joint Transit Procurement facilitated by Metrolinx, 2013-2018, subject to the Agreement being satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the Executive Director of Transit Windsor.

II. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue a Purchase Order to Nova Bus in the amount of \$923,776 (plus HST) for two (2) 40 foot clean diesel buses and the chartfield #7121003 established for the 2012 fleet replacement **BE CHARGED** for this purpose.

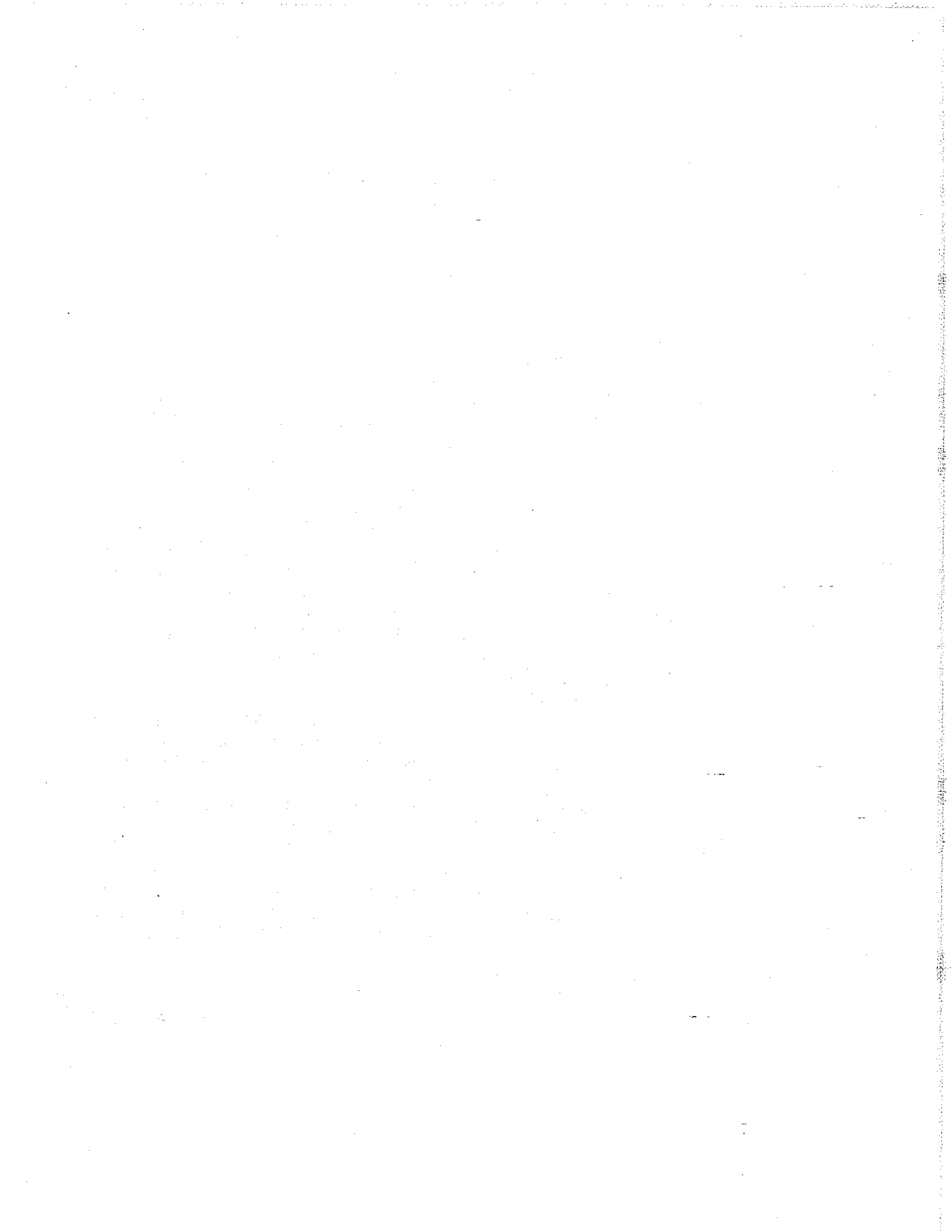
III. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue a purchase order to Nova Bus in the amount of \$58,928 (plus HST) for tools and spare parts and the chartfield #7121003 established for the 2012 fleet replacement **BE CHARGED** for this purpose.

IV. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue a Purchase Order to Nova Bus in the amount of \$2,771,328 (plus HST) for six (6) 40 foot clean diesel buses and the chartfield #715006 established for the 2015 fleet replacement **BE CHARGED** for this purpose.

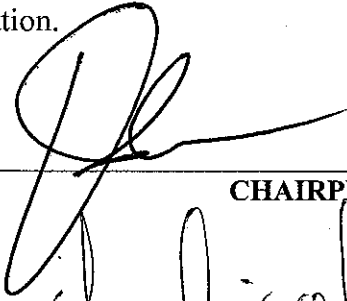
V. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue the purchase order to Nova Bus in the amount of \$70,000 (plus HST) for tools and spare parts and the chartfield #715006 established for the 2015 fleet replacement **BE CHARGED** for this purpose.

Carried.

**Livelihood #17773, MT/12237**



Clerk's Note: The administrative report authored by the Senior Manager of Fleet & Support Services, Transit Windsor dated June 3, 2015 entitled "*Transit Windsor 2015 Bus Acquisition*" is **attached** as background information.

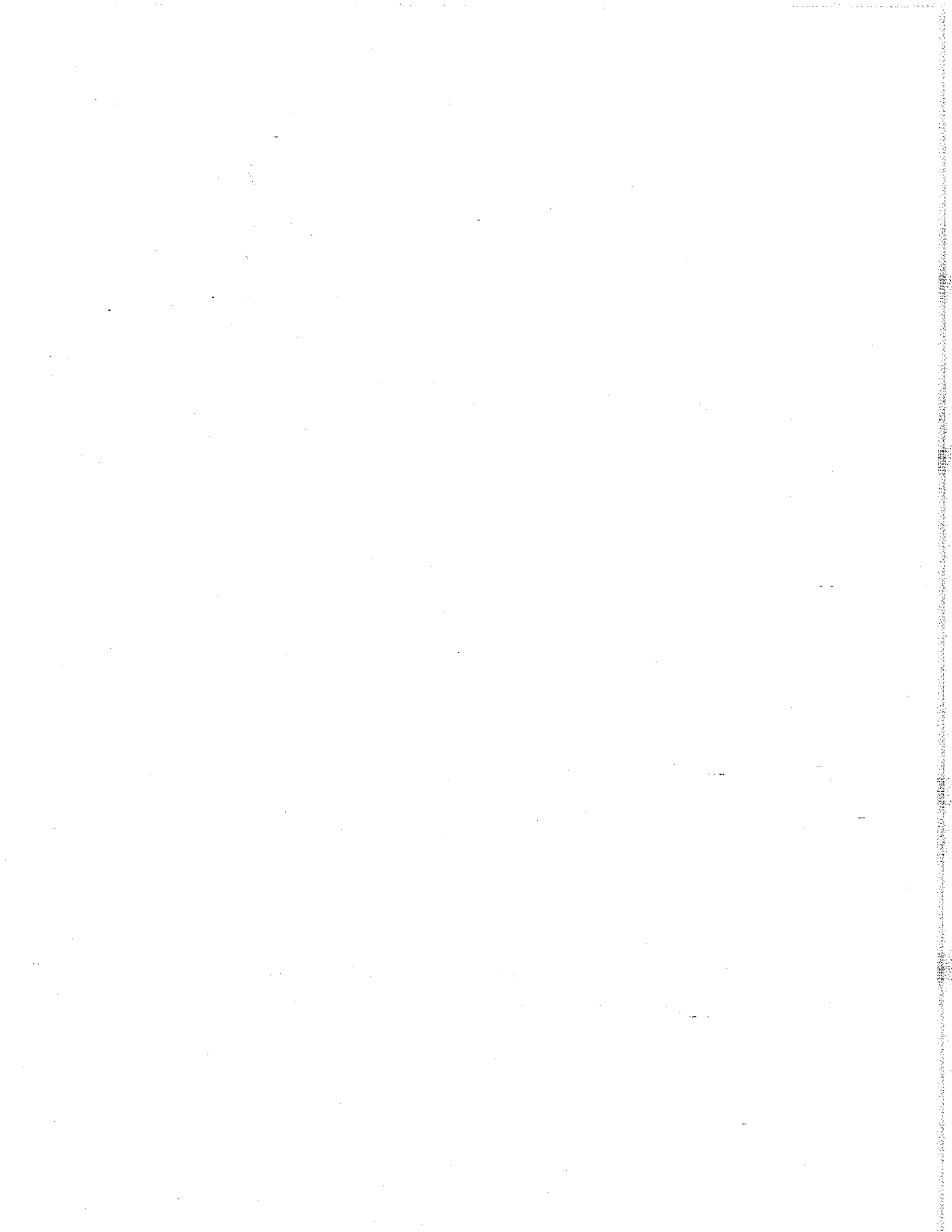


CHAIRPERSON



SUPERVISOR OF COUNCIL SERVICES

NOTIFICATION:	
NAME	CONTACT INFORMATION



**THE CORPORATION OF THE CITY OF WINDSOR**  
**Transportation Division – Transit Windsor**

**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, business and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together"*

<b>LiveLink REPORT #: 17773 MT/12237</b>	<b>Report Date: June 3, 2015</b>
<b>Author's Name: Tony Houad</b>	<b>Date to Standing Committee: June 17, 2015</b>
<b>Author's Phone: 519-944-4141 Ext 229</b>	<b>Classification #:</b>
<b>Author's E-mail: thouad@citywindsor.ca</b>	

**TO: Environment, Transportation and Public Safety Standing Committee**

**SUBJECT: TRANSIT WINDSOR 2015 BUS ACQUISITION**

**1. RECOMMENDATION:**

City Wide:  Ward(s): \_\_\_\_\_

- I. **THAT** approval **BE GIVEN** for the Chief Administrative Officer and the City Clerk to sign a Bus Purchase Agreement with Nova Bus for the procurement of buses in accordance with the Multi-Year Governance Agreement for Joint Transit Procurement facilitated by Metrolinx, 2013-2018, subject to the Agreement being satisfactory in form to the City Solicitor, in financial content to the City Treasurer, and in technical content to the Executive Director of Transit Windsor.
- II. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue a Purchase Order to Nova Bus in the amount of \$923,776 (plus HST) for two (2) 40 foot clean diesel buses and the chartfield #7121003 established for the 2012 fleet replacement **BE CHARGED** for this purpose.
- III. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue a purchase order to Nova Bus in the amount of \$58,928 (plus HST) for tools and spare parts and the chartfield #7121003 established for the 2012 fleet replacement **BE CHARGED** for this purpose.
- IV. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue a Purchase Order to Nova Bus in the amount of \$2,771,328 (plus HST) for six (6) 40 foot clean diesel buses and the chartfield #715006 established for the 2015 fleet replacement **BE CHARGED** for this purpose.

- V. **THAT** the Purchasing Manager **BE AUTHORIZED** to issue the purchase order to Nova Bus in the amount of \$70,000 (plus HST) for tools and spare parts and the chartfield #715006 established for the 2015 fleet replacement **BE CHARGED** for this purpose.

## **EXECUTIVE SUMMARY**

N/A.

## **2. BACKGROUND:**

Transit Windsor's Ten Year Fleet Replacement Program, approved by the Board of Directors in the 1990s, was based on replacing six buses each year and refurbishing three to five buses per year to extend their useful life.

Historically, the Province provided subsidies to transit agencies to support the retirement of buses. However, the Ontario Bus Replacement Program (OBRP), which provided up to a one-third subsidy on replacement buses, was eliminated in 2010.

In 2006, the Ontario Ministry of Transportation (MTO) and a number of transit authorities established a Steering Committee to develop a joint bus procurement initiative. Transit Windsor is one of the founding Committee members.

The objective of the joint bus procurement initiative was to develop a common procurement specification and request for proposals (RFP) that would assist in:

- Obtaining more favourable pricing, given order size and standardization of specifications.
- Securing improved delivery dates.
- Improving the procurement process in terms of time requirements, time availability, and completeness of the request for proposal document, including bus specifications.
- Sharing resources in dealing with technical issues associated with the bus, particularly for medium to smaller transit systems.
- Improving product quality, given the potential for vehicle inspection during the bus build process.

On April 13, 2006, Transit Windsor received approval in principle to participate in the joint bus procurement initiative via resolution T.W. 40/2006:

*"I) That the Transit Windsor Board of Directors approve in principle Transit Windsor's participation in the joint bus procurement initiative, subject to the execution of a 'memorandum of agreement' relating to the joint procurement initiative and finalizing and issuance of the request for proposal document by July 24, 2006; and*

*II) That the Transit Windsor Board of Directors direct Administration to report back to the Board of Directors for final approval to proceed."*

On September 12, 2006, Transit Windsor received approval to proceed via resolution T.W. 87/2006 as follows:

*“The Transit Windsor Board of Directors hereby authorizes the future signing by the Chair and General Manager of a “Governance Agreement for the Joint Procurement of Transit Buses” (the Agreement) with the Ministry of Transportation for the purpose of providing a Transit Bus(es) as specified in the Request for Proposals (RFP) and that;*

*The Transit Windsor Board of Directors authorizes the General Manager to perform any action, and provide any required recommendations, instructions and approvals to complete the Procurement within the scope of the Agreement, and to appoint alternate members to the Steering Committee to perform the above in their absence.”*

In 2006, staff from the Legal and Purchasing Department reviewed the bus procurement agreement and had no objections. The agreement was acceptable as to form and provided a system for the joint procurement of buses. The Legal Department noted that the Agreement would not bind Transit Windsor to an actual purchase if Transit Windsor did not wish to proceed. The document was signed by Transit Windsor’s Chair and the General Manager and delivered to the Ministry of Transportation.

In 2008, MTO transferred responsibility for the Joint Bus Procurement Initiative to Metrolinx, the provincial entity responsible for transit in the GTA, and the initiative was renamed the Transit Procurement Initiative (TPI). Metrolinx is responsible for ensuring that the buses comply with or exceed all applicable Canadian Federal and Ontario Provincial regulations, codes, standards, permits, approvals, authorizations, and other requirements in effect at the date of manufacture, including but not limited to CMVSS (Canadian Motor Vehicle Safety Standards), CSA (Canadian Standards Association), the Ontario HTA (Highway Traffic Act) and Ontario Regulation 629 as modified by Ontario Regulation 184/96. The buses must be designed and manufactured in accordance with all applicable emergency egress, fire safety and smoke emission regulations. Additionally, the buses must be compliant with all Canadian Federal and Ontario provincial regulations with respect to engine exhaust emissions and the engines must comply with the 2010 Canadian Federal Emission Standards.

On July 26, 2013, the Transit Windsor Board of Directors adopted the following resolution (59/2013):

*“Participation in Metrolinx Initiative for the 2014-2016 Transit Fleet Procurement*

- I. *That the Transit Windsor Board of Directors **APPROVE** Transit Windsor’s continued participation in the Transit Procurement Initiative for 2014-2016 with Metrolinx for the purpose of purchasing buses, noting the ability to opt out of the agreement at any time; and*
- II. *That the General Manager or designate **BE AUTHORIZED** to sign the Governance Agreement and any other required document for this purpose.”*

The Multi-Year Governance Agreement for Joint Transit Procurement facilitated by Metrolinx, 2013-2018, was reviewed by the City of Windsor's Legal Department and signed by Transit Windsor's Chair and the General Manager.

The purpose of the Governance Agreement is to establish a process to effectively manage the various components associated with issuing a joint request for proposal, including setting the term, participants, bid assessment, contract award, monitoring of production, bus delivery, and post evaluation. While the Governance Agreement commits Transit Windsor to the initiative, there are clauses that allow the termination of participation without cause, prior to or after the award of the contract. The agreement is predicated on the following key principles:

1. The procurement process will be open and competitive.
2. Bid submissions will be assessed based upon a predetermined evaluation criteria/system, with the award of the master agreement to a single supplier based on the highest overall score.
3. Participation by transit systems in the joint bus procurement initiative is voluntary up to and including seven calendar days before the award of the contract (master agreement) by Metrolinx to the selected supplier.
4. The decision on whether or not to exercise the option year and the extent to which the option year is exercised (i.e. number of buses) rests exclusively with the respective transit systems.
5. The joint bus procurement initiative will be overseen by a Steering Committee.
6. The Steering Committee will be comprised of one representative of each participating transit system and Metrolinx, with each participant having one vote.

The conduct of an open procurement satisfies the requirements of the Purchasing Bylaw for joint procurement activities.

Transit Windsor's Senior Manager of Fleet & Support Services is a member of the Steering Committee whose responsibilities include:

- Developing and approving common transit bus specifications and terms and conditions of the RFP.
- Issuing the RFP.
- Hiring a Fairness Commissioner to oversee the RFP process.
- Evaluating proposals.
- Approving the procurement implementation schedule.
- Establishing a cost sharing agreement, if applicable, between all parties and Metrolinx.

On February 12, 2014 Metrolinx, through its TPI (Transit Procurement Initiative) division, issued an RFP for 12 meter (40 foot) buses. That RFP closed on April 15, 2014. The RFP process will award the contract to an exclusive supplier over the term of the Master Agreement (one year with an option to renew for one year). The option to renew for the second year is entirely at the discretion of each individual transit authority. The RFP submissions were evaluated by the Steering Committee and the Committee recommended the award of the contract to the highest rated proponent identified by the evaluation process (not necessarily the lowest



bidder). Based on the technical and costing evaluation criteria, Nova Bus was the successful bidder. The contract duration is as follows:

Base Year	June 9, 2014 to March 31, 2015
Option Year #1	April 1, 2015 to March 31, 2016
Option Year #2	April 1, 2016 to March 31, 2017

After Metrolinx has signed the contract with the successful proponent, each purchaser (transit authority) will enter into a Bus Purchase Agreement directly with Nova Bus. The agreement will identify the number of vehicles, warranty terms, options, pricing, delivery, and other appropriate terms and conditions. Until the actual Purchase Agreement is executed, Transit Windsor is not obligated to purchase a specific number of vehicles. The Purchase Agreement will only be issued based on the number of buses approved, if any, by City Council.

Metrolinx is responsible for appointing a Project Engineer/Inspector to represent the Steering Committee and purchasers from the time the contract is awarded to the successful bidder to the date that the vehicles are accepted by each Purchaser.

### 3. DISCUSSION:

For various reasons, Transit Windsor did not purchase buses between 1992 and 1996, 2001 and 2003, and 2007 and 2008. As a result, additional demand has been placed on the existing fleet and preventative maintenance costs have increased as the older buses are kept in service much longer.

Transit Windsor currently operates a fleet of 112 buses comprised of the following:

#	Vehicle Class	# of Buses
1	Classics*	10
2	Orion VI	11
3	Orion VII (2002)	6
4	Orion VII (2004)	13
5	Nova (1997)	5
6	Nova LFS (2005)	10
7	Eldorado – 30'	2
8	New Flyer – Invero	16
9	New Flyer – Hybrid - DE	18
10	New Flyer – Hybrid Xcelsior - XDE	11
11	New Flyer – Xcelsior - D	10
	<b>Total</b>	<b>112</b>

\*High floor buses

The average age of the entire fleet is 11.1 years. 48 buses are 12 years or older and 64 buses are under 12 years.

Vehicles Listed by Age		
Year	Age (years old)	Quantity
2014	1	6
2013	2	4
2011	4	11
2009	6	18
2006	9	2
2005	10	10
2004	11	13
2003	12	4
2002	13	18
1999	16	5
1998	17	6
1997	18	5
1991	24	2
1990	25	1
1989	26	3
1988	27	1
1987	28	1
1986	29	2

Windsor City Council recently decided not to pursue the electric bus project which has released \$1.5 million capital dollars for fleet replacement from the 2012 budget (refer to Council report #17772, submitted under separate cover).

Based on the 2012 and 2015 capital dollars available for fleet replacement, Transit Windsor is recommending that City Council approve the purchase of eight (8) new clean diesel buses, the delivery date of which would be in the first quarter of 2016.

These new buses will replace the older high floor buses, thereby improving the accessibility profile of the Transit Windsor fleet and removing from service some of the vehicles that have exceeded their useful life.

With such a large and varying fleet of buses, an average age of 11+ years, and continual fiscal pressures, the City of Windsor has commissioned a full lifecycle costing study to determine the optimal cycle of maintenance, renewal and refurbishment of the Transit Windsor fleet. That study is now underway and the deliverables will include recommendations (including costs) for any bus deemed in poor condition that it requires immediate attention or replacement within the next two year period, and criteria for determining the threshold at which a bus moves beyond its serviceable life and requires replacement. The results of the lifecycle costing study will help

inform Transit Windsor about future recommendations regarding fleet maintenance and replacement.

**4. RISK ANALYSIS**

A comprehensive risk matrix is attached as Appendix A.

**5. FINANCIAL MATTERS:**

Currently, approved funds are available in the 2012 and 2015 capital fleet replacement account. Currently, no capital funding has been allocated for fleet replacement in years 2016, 2017, and 2018. The 2015 Approved 5-Year Capital Budget includes a provision of \$3,010,500 for fleet replacement in 2015 and a similar amount in 2019.

**2012 Capital Fleet Replacement Account #7121003:**

2012 Capital Budget Balance	\$1,500,000
Less: Two (2) 12 meter (40 foot) diesel buses @ \$461,888 per unit	(923,776)
Subtotal	76,224
Less: Tools and spare parts	(58,928)
Less: Net HST impact	(17,296)
Remaining balance	\$ 500,000

**2015 Capital Fleet Replacement Account #715006:**

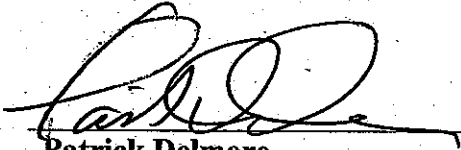
2015 Capital Budget Balance	\$3,010,500
Less: Six (6) 12 meter (40 foot) diesel buses @ \$461,888 per unit	(2,771,328)
Subtotal	239,172
Less: Support Vehicle Acquisition in 2015	(65,000)
Subtotal	\$ 174,172
Less: Tools and spare parts	(70,000)
Less: Net HST impact	(51,151)
Remaining Balance for Support Vehicle Acquisitions	\$53,021

**6. CONSULTATIONS:**

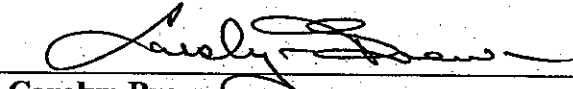
Transit Windsor  
 Financial Department  
 Legal Department  
 Purchasing Manager

**7. CONCLUSION:**

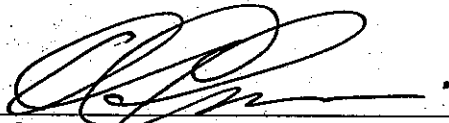
The acquisition of eight (8) new clean diesel buses will enhance the composition of Transit Windsor's fleet by replacing older high floor buses that attract higher maintenance costs with new low floor accessible buses.



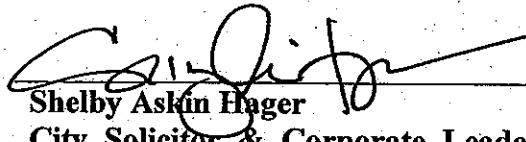
**Patrick Delmore  
Executive Director  
Transit Windsor**



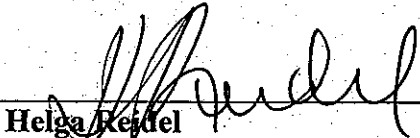
**Carolyn Brown  
Corporate Leader - Transportation Services**



**Onorio Colucci  
Chief Financial Officer & City Treasurer  
Corporate Leader Finance & Technology**



**Shelby Askin Hager  
City Solicitor & Corporate Leader Public  
Safety & Economic Development**



**Helga Reidel  
Chief Administrative Officer**

**APPENDICES:**  
Appendix A – Risk Matrix

**NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX
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**Transit Windsor 2015 Bus Acquisition  
APPENDIX A - RISK MATRIX**

<b>Risk Description</b>	<b>Impacted Objective(s)</b>	<b>Risk Level</b>	<b>Mitigating Strategy / Status</b>	<b>Responsibility</b>
Council non approval	Maintain life cycle costing plan, make gains on requirements to be fully accessible to ridership with wheelchair needs	Moderate	Ensure Council is provided adequate knowledge to make decision	Executive Director
Impact to public for those with wheelchair needs	Make gains on requirements to be fully accessible to ridership with wheelchair needs	Moderate	Ensure Council is provided adequate knowledge to make decision	Executive Director, Senior Manager Fleet & Support Services
Public perception of aging fleet on street	Environmental impact running clean diesel technology	Moderate	Ensure Council is provided adequate knowledge to make decision	Executive Director, Senior Manager Fleet & Support Services
Ability to put service on street	Provide adequate number of buses on the street	Moderate	Ensure Council is provided adequate knowledge to make decision	Executive Director, Senior Manager Fleet & Support Services

