



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **W.H. Jackson, Director of Utility Services**

Meeting Date: **September 26, 2016**

Subject: **Report USTR16-010**
Establishing a Budget for the Purchase of Replacement
Handi-Vans

Purpose

A report to recommend pre-commitment of 2017 Capital funding to permit purchase of five replacement Handi-van vehicles.

Recommendation

That Council approve the recommendation outlined in Report USTR16-010 dated September 26, 2016, of the Director of Utility Services, as follows:

That \$500,000 in 2017 Capital funding be pre-approved to allow for the purchase of 5 replacement Handi-vans as part of the vehicle replacement program.

Budget and Financial Implications

Proposed funding sources for the replacement Handi-vans are summarized in Table 1.

With the introduction of the Federal Transit Infrastructure fund in the 2016 budget, an estimated \$5.4 Million in new federal transit funding is anticipated to be available to the City covering the 2016/2017 and 2017/2018 federal/provincial fiscal years. The Federal funding program requires 50% matching contribution from municipalities, and while staff are confident that the purchase of replacement transit vehicles would qualify, each municipality will be required to submit an application for funding in October of 2016, with announcements of successful project submissions expected by December of 2016.

In the event that our application for funding is not approved the purchase would be scaled back to 2 vehicles to fit within our available funding from the Transit Reserve, with a subsequent budget request in 2018 to complete the replacement program.

The uncommitted balance in the Transit Reserve, after the recommended \$250,000 draw, will be \$273,773.

Table 1 – Proposed Funding Sources

Funding Source	Total
Total Cost	\$500,000
Federal Transit Infrastructure Fund*	\$250,000
Transit Reserve Fund	\$250,000
2017 Requirement	\$0

* Subject to approval of the application

Background

Handi-van service is a door-to-door, shared ride specialized public transit service designed for persons with disabilities who are unable to use the accessible, fixed route conventional transit system. The City operates a fleet of 11 Handi-vans, with 7 vehicles typically in service during peak periods. Service is provided between 6:00 am and 11:20 pm, Monday to Friday, 6:40 am to 11:20 pm on Saturdays, and 8:00 am to 7:20 pm on Sundays and most Statutory Holidays, operating during the same hours as the Conventional Transit Service as required under the Accessibility for Ontarians with Disabilities Act (AODA). Eligibility to use the Handi-van service is based on an assessment of a customer's ability to use the conventional transit service and customers must apply to register for this service.

Public Transit Operations Review Recommendations

Council, at its meeting of November 13, 2012 approved the November 5, 2012 Report USDIR12-016, "Peterborough Public Transit Operations Review-Final Report and Implementation Plan".

The Public Transit Operations Review (Transit Review) was initiated in September 2011 and concluded with the adoption of the Final Report in November 2012. The Project undertook a comprehensive review of Peterborough's transit services and developed a service plan covering the period 2012-2017 including assessment and recommendations on Conventional Route Transit, TransCab and Handi-Van services.

The Report contains a total of eighty-seven recommendations and action items for all facets of the services delivered.

Following approval of the Transit Review, Council at their meeting of December 10, 2012 approved Report USDIR12-019 outlining a series of recommendations to implement the initial recommendations of the Transit Review, including the purchase of 6 new Handi-vans to replace aging vehicles in the fleet and improve service reliability.

In February 2016 an additional Handi-van was added into service between 1:00 pm and 4:00 pm on weekdays to partially address the number of unserved trip requests during this period. This service increase was accommodated within the existing transit budget using savings from managing overtime costs in other areas of the operation and using one of the existing vans from our spare vehicles. With 8 vehicles in service during peak periods our spare ratio is currently reduced to 27% compared to the industry standard of about 30%.

Of the remaining 5 vehicles in the Handi-van fleet, one was purchased in 1999 and essentially no longer used in active service. The other four vehicles were purchased in 2009 and are now seven years old, which is the typical lifespan for these vehicles, and they are essentially at the end of their useful life. Given the age of the spare vehicles in the fleet and the resulting increase in maintenance and breakdowns that can be expected to occur as the vehicles age, replacement of the 5 oldest Handi-van vehicles will reduce maintenance costs, improve fuel efficiency, and allow for the continuation of the current service strategy utilizing a lower ratio of spare vehicles to reduce the costs of delivering the service.

Report USTR16-009 provided a review of the Handi-van service and recommends a service strategy that includes increased hours of Handi-van service through use of spare vehicles in the fleet, rather than purchasing new vehicles. The ability to implement this service strategy and operate with a lower spare ratio requires the replacement of the spare vehicles in the fleet to ensure service reliability.

The pre-commitment of 2017 funding now will allow staff to prepare and issue a tender to procure five new Handi-van vehicles before the end of the year. Vehicle manufacturers can often take up to 12-16 months to deliver new transit vehicles depending on the level of demand in the industry. With the new Federal Transit Infrastructure Funding program it is anticipated that many municipalities will be placing orders for new transit vehicles, and this may increase delivery times from the historical average. The pre-approval of the 2017 Capital funding would allow the City to begin the procurement process in the hopes of securing delivery of the replacement vehicles in 2017.

Next Steps

Upon approval of the recommendation, staff will prepare and issue a tender for replacement of five Handi-van vehicles.

Summary

The Public Transit Operations Review contains eighty-seven recommendations to guide public transit service delivery over the five year life of the Plan including a strategy to replace the current transit fleet.

The 5 oldest Handi-van vehicles in the fleet are at the end of their useful service life and require replacement. Replacement of 5 oldest Handi-van vehicles in the fleet will reduce maintenance costs, improve fuel efficiency, and allow for the continuation of the recommended service strategy utilizing a lower ratio of spare vehicles to reduce the costs of delivering the Handi-van service.

The pre-commitment of 2017 funding now will allow staff to prepare and issue a tender to procure five new Handi-van vehicles before the end of the year in the hopes of securing delivery of the replacement vehicles in 2017.

Submitted by,

W. H. Jackson
Director, Utility Services

Contact Name:
Kevin Jones
Manager, Transportation
Phone: 742-7777 Ext. 1895
Toll Free: 1-855-738-3755
Fax: 876-4621
E-Mail: kjones@peterborough.ca