



City of
Peterborough

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

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

Meeting Date: **April 18, 2017**

Subject: **Report USTR17-011**
Approval for Budget Transfer to Purchase One Low Floor -
Community Bus

Purpose

A report to recommend a transfer of capital budget and to sole source the award of the purchase of one low floor transit vehicle for the new Community Bus service.

Recommendations

That Council approve the recommendations outlined in Report USTR17-011, dated April 18, 2017 of the Director of Utility Services as follows:

- a) That Creative Carriage Ltd., PO Box 600, 6 Ridgeview Street, St. George, Ontario N0E 1N0 be awarded a purchase the contract to supply one Spirit of Freedom Low Floor Accessible Bus by Arboc at a cost of \$145,000 plus \$17,940 HST for a total cost of \$162,940; and
- b) That the 2017 Capital budget for Buses for Persons with Disabilities (Reference 5-11.03) be increased from \$675,000 to \$775,000 and the additional \$100,000 be transferred from the Transit Reserve fund.

Budget and Financial Implications

The total net cost of \$147,428.80, after the applicable HST rebate, can be accommodated within the uncommitted balance of the amended 2017 Capital budget for Buses for Persons with Disabilities (Reference 5-11.03).

The uncommitted balance in the Transit Reserve, after the recommended \$100,000 draw will be \$449,824.

Background

Sole Source Purchase in Accordance with Previous Council Direction and Purchasing By-law

Section 6.3 of the City's Purchasing By-law 14-127 requires a competitive procurement process be undertaken where the value of the goods and/or services is expected to exceed \$25,000.

Section 14.3 of the City Purchasing By-law 14-127, also includes a provision for the City to participate with other government agencies in co-operative purchases when it is in the best interest of the City to do so as determined by the Director of Corporate Services.

At its meeting of February 13, 2017 Council in considering Report USTR17-001 authorized staff to join the Metrolinx Transit Procurement Initiative and to sign the Multi-Year Governance Agreement for joint procurements issued by Metrolinx. This co-operative purchasing agreement includes the 8m High Floor and Low Floor Specialized Transit Vehicles that are intended to be used for the Handi-van replacements and the new Community Bus.

In 2015, Metrolinx awarded RFP-2014-TPI-005 to Creative Carriage Ltd. for the Supply and Delivery of 8m Low Floor Specialized Transit Buses over a two-year term ending March 31, 2017. Metrolinx recently negotiated a contract extension with Creative Carriage Ltd. to extend this contract to the end of 2017.

Staff have examined the vehicles supplied by Creative Carriage Ltd. and are comfortable with the quality of the vehicles procured under the Metrolinx contract and with the pricing of the vehicles.

Based on the contract awarded to Creative Carriage Ltd., by Metrolinx, it is recommended that a purchase order be issued to Creative Carriage Ltd. to supply one Spirit of Freedom Low Floor Accessible Bus by Arboc at a cost of \$145,000 plus \$17,940 HST for a total cost of \$162,940. Delivery for this new bus is expected by early fall 2017 allowing for implementation of the new service in late fall 2017.

Budget Transfer

Council, at its meeting of October 3, 2016, in considering Report USTR16-010 approved the pre-commitment of 2017 capital funding to purchase five Handi-van replacement vehicles as part of the vehicle replacement program.

Council, at the same meeting in considering Report USTR16-009 approved the pre-commitment of 2017 capital funding to purchase one new low floor specialized transit vehicle to implement Phase 1 of the Community Bus. The combined funding for the five Handi-vans and one Community Bus of \$675,000 was incorporated into the 2017 Capital Budget (Reference 5-11.03). Up to 50% of this budget, is being provided as part of the Public Transit Infrastructure Fund recently announced by the Federal Government.

Subsequent to the approval of the 2017 budget, a purchase order in the amount of \$667,792.65, including HST, was issued to purchase the five replacement Handi-vans. The total net cost of this purchase, after applicable HST rebate, is \$604,604.27, leaving an uncommitted balance of \$70,395.73 in the 2017 Capital account. The cost of each Handi-van replacement vehicle was approximately \$21,000 higher than originally budgeted for, in part due to recent changes in the value of the Canadian dollar and the improvements that have been incorporated into the newer vehicles compared to the vans the City last purchased in 2012.

The net cost of the new Community Bus vehicle is \$147,428.80, after the applicable HST rebate. Transferring \$100,000 from the Transit Reserve fund into Capital Budget 5-11.03, will leave an uncommitted balance of \$170,395.73 in the capital budget account which will be sufficient to purchase and outfit the new Community Bus.

Timelines

If the recommendations are approved, the purchase will be confirmed via a purchase order before the work commences.

Summary

The purchase of one 8m Low Floor Specialized Transit Bus was approved by and a capital budget was established and approved as part of the 2017 budget approval process. The authorization to join the Metrolinx Transit Procurement Initiative was also approved by Council allowing for a co-operative purchasing approach to the procurement of new and replacement transit vehicles in accordance with Section 14.3 of the City Purchasing By-law 14-127. Higher than forecast prices for the purchase of 5 Handi-van replacement vehicles, requires additional funding from the transit reserve fund to complete the purchase of the new Community Bus vehicle as approved by Council.

Submitted by,

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Director Utility Services

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