

Subject: Transit Bus Procurement

Department: Infrastructure Services

Division: Transportation and Development

Report #: INS-2024-022

Meeting Date: 2024-04-29

Recommendations:

That report INS-2024-022, Transit Bus Procurement, be received,

And that Council direct staff to proceed with the purchase of an additional 9 metre low floor bus,

And that Council approve the reallocation of funding from Project 35001.0000 Transit Transfer Station to Project 35000.0000 9 metre Low Floor Buses of approximately \$330K,

And that Council approve the allocation of General Capital Reserve Funds to Project 35000.0000 9 metre Low Floor Buses from a minimum of \$121,602 to a maximum of \$300,000.

And that Council provide pre-budget approval for the use of funding from Project B1223.0000 Specialized Transit to support Project 35000.0000 9 metre Low Floor Buses to a maximum of \$312,344.

Background and Analysis

The purpose of the report is to update Council that one (1) new 9-metre (30ft) bus, which was previously approved by Council has been ordered. It is recommended that Council approve the purchase of a second 9-metre (30 ft) low floor fully accessible transit bus through the current request for proposals (RFP) process.

This report will also update Council on our latest discussions with senior levels of government (the province) as it relates to transit funding including other initiatives like transit shelters, on-demand services and additional infrastructure to support the transit system.

Earlier this year, the Town issued a request for proposals (RFP) for the purchase and delivery of a single 9-metre (30 ft) transit bus, with the option to procure a second bus at the same price. Proposals for the acquisition closed February 28, 2024. The Town received one (1) proposal from Grande West Transportation Inc. A proposal review team determined that the specifications outlined in the bid submission met or exceeded the Town's requirements and therefore, recommended opening the financial component proposal of the bid. The price provided for the bus is \$633,000 (excluding taxes). The supplier has indicated that delivery time of approximately 12 months should be expected and is out of the control of staff.

The purchase of one (1) 9-metre, low floor bus was previously approved by Council and requires no further funding.

In 2020, the Town was successful in obtaining ICIP (Investing in Canada Infrastructure Program) – Public Transit Stream funding for upgrades to its transit system. The total project was approved at a cost of \$2,093,750, with \$558,403 being Town funded and \$1,535,347 being shared by the Provincial and Federal government.

The original scope included one (1) 9-metre (30ft) low floor bus, one (1) specialized transit bus, a transit transfer station, bus stops and shelters, and route expansion. The grant was approved as one (1) individual project, so the Town was permitted to reallocate grant funding as required between the various sub-components of the initial project. This has been reflected in the capital budget over the last few years.

The 2021 budget included a project for two (2) 9-metre (30ft) buses and the route expansion totalling \$1,265,910; \$337,618 was Town funded and the remaining \$928,292 was funded from the Provincial and Federal government.

In 2021 the project was not completed, and therefore carried forward ("CF") into 2022 (no additional funding was approved by Council). The process at that time, for carrying forward projects with grant funding, was to only reflect the Town portion of the project, hence only \$337,618 was shown in the budget in 2022.

In April 2022, as part of staff report INS 2022-016 and Resolution 2022-152 Council approved the purchase of mini-buses for the on-demand transit system. As such, it was determined that only one (1) 9m bus was required. As a result, the budget was reduced to a total of \$500,000 and the remaining \$765,910 was reallocated to the Transit Transfer Station Project. Once again, only the Town portion of \$133,350 is shown as allocated in the budget documents.

Breaking down the \$500,000 capital cost, the Town is expecting \$366,650 in ICIP Funding (not shown in budget) and therefore, the Town portion would be \$133,350. This was not additional approved funding, but rather carry-forward funding reduced from the \$337,618 shown in 2022. The remaining \$204,268 was reallocated within the budget.

In summary, the existing Transit Capital Program includes the following funding for transit buses:

Expenses:	
One (1) 9m Bus	\$500,000.00
Funding:	
ICIP Public Transit Fund	\$366,650.00
Town of Orangeville	\$133,350.00

In 2023, Town staff submitted a second application to ICIP Public Transit, which was approved. The Project was for the Battery Electric Bus (“BEB”) Feasibility Plan, followed by the installation of 2-3 charging stations to support future deployment of electric buses in Orangeville. The total project cost was approved for \$455,950 with \$334,348 being government funded and \$121,602 being Town funded. The BEB study was sufficiently covered by previously approved Town funding as well as support from the Zero Emission Transit Fund grant. As for the 2-3 charging stations, we are still several years out for implementation and given the constraints on our current fleet and likely future opportunities for grants related to electric fleet, staff felt as though this grant funding would be better suited for the replacement of our current fleet.

In 2024, the province announced that municipalities who had received ICIP funding could apply for a scope change and “flex” the remaining unspent funding to better suit the needs of their transit systems, including moving funds from one project to another. After several meetings with the province, Town Staff submitted a scope change to seek approval to move unspent funds.

The revised or new project scope would include:

- the Transit Transfer Station (Transit Hub, previously completed),
- two (2) 9-metre (30 ft) low floor buses.
- route expansion including construction of concrete pad bus stops and shelters.
- Reallocation of funding from the BEB study/Charging Station project into the Replacement Bus/Transfer Station/Route Expansion project.

The transfer of funds (within the program) would provide the Town with sufficient funding to complete this project.

The significant change to the 2020 funding application project is to replace the Specialized Transit Bus with a 9-metre (30 ft) low floor bus. This project is currently earmarked in the 2025 budget as project B1223.0000. At this point in Orangeville’s Transit’s operations, staff are of the opinion that the allocated funding would be better spent updating the accessible low floor buses to better service more of the residents of Orangeville. Moving forward and in subsequent years, staff will be reviewing On-

demand transit that includes an accessible component for those residents with mobility issues who may not be able to use or access “standard” transit. As a result of this proposed change, The Town would not be going forward with the specialized transit bus as noted in the 2025 budget, but rather utilize that funding for the purchase of the additional bus in the current year. Staff will commit to revisiting this during 2025 and ensuring that specialized transit options are brought forward for Council’s consideration during the 2026 Budget process.

To take advantage of the time sensitive opportunity that was announced earlier by the ICIP Grant Program, Transportation Staff in cooperation with Finance submitted a scope change and transfer request to the Province on March 15, 2024. Staff spoke with the province to obtain an update when this report was initially written. At the time of submitting this report to the Clerk for circulation to Council, the Province had indicated that the report was received and was being reviewed by the funding team. Staff have not heard any further updates at this time.

Currently, the Town has sufficient funding in the budget for the purchase of one (1) 9-metre (30 ft) transit bus, with reallocation of some unspent funding in the Transfer Station Project. In order to move this initiative forward and be able to purchase the additional 9-metre (30 ft) transit bus, Staff recommend that Council provide approval with costs and funding outlined in the financial impact section below.

With regard to external funding supports, there are currently two (2) outcomes possible for the purchase of the additional 9-metre (30 ft) low floor bus:

1. The Provincial and Federal Government approve the scope change submitted by staff, as outlined in the report above; or
2. The Provincial and Federal Government **does not** approve the scope change outlined in the report above.

The Financial implications under both of these outcomes are further outlined in the financial impact section of this report.

Staff will continue efforts to further grow the transit system by exploring options to extend coverage, add transit infrastructure like shelters and concrete pads while maintaining a reliable source of transportation for residents and transit riders.

As noted above and to re-iterate, the initial funding for one (1) 9-metre (30 ft) bus was previously approved by Council and therefore requires no further funding. The purchase or acquisition of the second 9-metre (30 ft) bus would require additional funding to a maximum of \$300,000, from General Capital Reserve Funds as described in the financial impact section below.

Strategic Alignment

Strategic Plan

Strategic Goal: Municipal Services Objective: Respectful of Cost and Impact to Community

Sustainable Neighbourhood Action Plan

Theme: Transportation System

Strategy: Promote more sustainable and efficient transportation options

Notice Provisions

N/A

Financial Impact

The total cost to purchase two (2) 9-metre (30 ft) low floor buses is \$1,288,282, including the non-refundable portion of HST. Adding a 10% contingency, the cost would be \$1,417,110. As noted above, the current funding allocation for budget purchases is just \$500,000.

The Transit Transfer Station project has been completed, however, there will be some minor spending left in 2024. There is approximately \$330,000 remaining in this project, including grant funding.

Below are summaries of the potential funding scenarios, based on the response outstanding from senior government agencies.

Funding Scenario 1 - Provincial and Federal Government **approve** the scope change:

Expenses:		
Two (2) 9-metre (30 ft) Low Floor Buses	\$1,288,282	
Contingency (10%)	\$128,828	
		\$1,417,110
Funding:		
Existing ICIP Public Transit Funding	\$366,650	
Additional ICIP Public Transit Funding	\$334,348	
Existing Levy Funded Allocation	\$133,350	

Additional Contribution from General Capital Reserve Fund*	\$121,602	
Re-allocation of Transit Transfer Station Funding – Levy Portion	\$135,000	
Re-allocation of Transit Transfer Station Funding – ICIP Portion	\$195,000	
Pre-Budget Approval of 2025 Funding – Levy Portion	\$83,302	
Pre-Budget Approval of 2025 Funding – ICIP Portion	\$229,042	
		\$1,598,294
Excess Funding Available**		\$181,184

*Mandatory Town contribution for ICIP funded project spending

**Any excess funding at project conclusion could be re-allocated for future Bus Stops / Transit Shelters

Funding Scenario 2 - Provincial and Federal Government **decline** the scope change:

Expenses:		
Two (2) 9-metre (30 ft) Low Floor Buses	\$1,288,282	
Contingency (10%)	\$128,828	
		\$1,417,110
Funding:		
Existing ICIP Public Transit Funding	\$366,650	
Existing Levy Funded Allocation	\$133,350	
Additional Contribution from General Capital Reserve Fund*	\$300,000	
Re-allocation of Transit Transfer Station Funding – Levy Portion	\$135,000	
Re-allocation of Transit Transfer Station Funding – ICIP Portion	\$195,000	
Pre-Budget Approval of 2025 Funding – Levy Portion	\$83,302	
Pre-Budget Approval of 2025 Funding – ICIP Portion	\$229,042	
		\$1,442,344
Excess Funding Available**		\$25,234

**Any excess funding at project conclusion could be re-allocated for future Bus Stops / Transit Shelters

To summarize, by accepting the recommendations of this report, Council would be approving the following, to allow for the immediate order of two (2) 9-metre (30 ft) low floor buses:

1. Re-allocation of Transit Transfer Station funding of approximately \$330,000
2. Use of General Capital Reserve Funds from a minimum of \$121,602 to a maximum of \$300,000.
3. Pre-budgetary approval of Project B1223.0000 Specialized Transit, and reallocation of \$312,344.

Respectfully submitted

Prepared by

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Attachment(s):

N/A