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**Subject: Transit Bus Procurement**

**Department: Infrastructure Services**

**Division: Transportation and Development**

**Report #: INS-2025-016**

**Meeting Date: 2025-03-10**

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### **Recommendations**

**That report INS-2025-016, Transit Bus Procurement, be received; and**

**That Council direct staff to proceed with the purchase of two (2) new 12-metre (40-foot) low floor buses through the Metrolinx Transit Purchase Initiative (TPI), and**

**That Council approve the change of project scope for Project 35000.0000 from 9-metre (30-foot) Low Floor Buses to 12-metre (40-foot) Low Floor Buses, and**

**That Council reallocate expenditure budget of \$450,000, funded from the General Capital Reserve, from Project 35009.4600 Replacement of 2018, 9-metre (30 foot) bus to Project 35000.0000 12-metre (40-foot) low floor buses, and**

**That Council direct staff to draft the 2026-2035 capital program to include the acquisition of a 12-metre (40 foot) low floor bus in 2026 to replace Transit Bus No. 2018-01.**

### **Overview**

Orangeville Transit has operated since the early 1990's and currently has three routes, which connect at the Transit Hub. The busses are reaching the end of their service life. As such, two new busses were ordered in 2024. In October 2024, the company through which the busses were ordered ceased operations and will not be able to provide the busses.

In November 2024, the Town participated in a joint tender with Metrolinx. There were no bidders to supply the specified 30-foot busses. There was a Canadian company that bid to provide 40-foot (12 meter) busses leading Staff to recommend that the Town purchase two of the 40-foot busses. There would be sufficient funds to purchase the two 40 busses as there were funds budgeted for two 30-foot busses in 2024 and one 30-foot bus in 2025.

The two 40-foot busses are a “heavier” duty than the 30-foot busses and would have a longer service life. It is anticipated the busses will take approximately 18 months to be manufactured and delivered. The Town has received funding toward the purchase of the busses and approval to change the scope from 30-foot to 40-foot buses has been approved by the Provincial government. Approval from the Federal government is pending.

It is Staff’s recommendation that the two 40-foot fully accessible busses, which is manufactured in Canada be approved. The longer busses will also help accommodate additional riders during peak ridership times.

## **Background**

At the April 29, 2024, Council meeting, Council approved the purchase of two 30-foot (9-meter) low floor transit buses. Staff immediately acted on Council’s direction and issued the purchase order with the manufacturer for the two buses.

In October 2024, Staff learned that the manufacturer, who the Town issued purchase orders for the new buses, had ceased operations and was no longer able to provide and supply the vehicles that had been ordered. The Town did not provide a deposit and did not lose any funds as a result of the manufacturer ceasing operations.

Staff then began working with Metrolinx to secure additional suppliers of 30-foot low floor buses through a process referred to as the Transit Procurement Initiative (TPI).

In November 2025, Metrolinx, through the TPI initiative, issued requests for proposals for a series of buses that included many different lengths, styles, fuel sources and requirements. This procurement call closed in January of 2025. Unfortunately, there were no proposals received through the TPI program for the shorter length buses that the Town would typically use to service its routes.

With the cooperation of the Metrolinx TPI group, staff have gathered more information regarding the 30-foot buses and have come up with the following:

- There are new manufacturers in the bus production industry who have not completed the industry standard lifespan testing that municipalities and transit groups require and specify in procurement documents. This makes these type of transit buses a relatively unknown and unproven vehicle.
- There is typically lower and less readily available production and sales in Canada for these types of “smaller” buses.
- Reliability in Canadian weather is an unknown measurement resulting in unknown metrics when it comes to this type of purchase.
- Production of buses are more readily available in the U.S. making importing and pricing uncertain, due to pending tariffs and cross border commerce.

## 40-foot bus information

Metrolinx, TPI has an open contract (that currently runs until January 28, 2027), for 40-foot or 12 metre diesel buses produced by New Flyer (NFI Group Inc.). New Flyer buses are produced in Canada and have a good reputation with other transit agencies across the province and country. Through further evaluation of the bid documents provided by Metrolinx, Staff noted the following as it relates to the 40-foot, diesel low floor buses:

- New Flyer is producing close to 1,000 of these units in the next 3 years making them readily available for purchase.
- The New Flyer Model is part of the NFI Group, which is based out of Winnipeg Canada, has a proven track record and have been in the business for at least 90 years.
- The buses Orangeville would be purchasing are constructed at their Canadian facility, which would reduce the potential for additional duty or tariffs in the future, although some parts including the engine and transmission would be sourced from the US and may be subject to import tariffs.
- Since these buses are used by many transit agencies, parts are readily available.
- Increased ridership supports the motion to purchase larger buses to accommodate the greater number of passengers Orangeville Transit has been experiencing since the inception of the Fare-Free Transit program.
- Operating 40-foot versus 30-foot buses does not significantly increase operating costs.
- Any minor increase in operating costs to bus will be offset as the transit vans will not need to be deployed during peak hours.
- The New Flyer Buses are more robust, last longer and are more likely to require less maintenance burden.
- The New Flyer Buses are larger and better in winter and snowy road conditions.

## Analysis

### Current Funding and Cost Breakdown

- In May of 2024 2-30-foot low floor buses were ordered at a price of \$633,000 each (exclusive of taxes) for a total of \$1,266,000.
- Since the supplier ceased operations and entered receivership, the Town is no longer obligated to that supplier and manufacturer of the buses it had issued a purchase order for, making those funds now available to be used elsewhere.
- Project 35000.0000 (30-foot, 9 metre low floor buses), includes a total of \$1,598,294 previously approved for the purchase of two new transit buses.
- As part of the 2025 Budget, Council approved an allocation of \$725,000 (funded from general capital reserves) for the purchase of an additional bus under project 35009.4600. Bringing the total allocation budgeted for the 3 buses to \$2,323,294.

- As part of the procurement process with Metrolinx the Town has secured competitive pricing from New Flyer for 40-foot low floor diesel bus at a cost of approximately \$905,000 each exclusive of taxes. Please see the breakdown below for the estimated cost of two ready to use buses.

Item	Quantity	Unit Price	Price
New Flyer 12 metre low floor diesel bus Model - XD40	2	\$905,000	\$1,810,000
Contingencies plus CONSAT electronics/equipment and installation	2	\$100,000	\$200,000
Total Price (excluding HST)			\$2,010,000
Total Price (including non-recoverable portion of HST)			\$2,045,376

### Bus Routing Changes

Staff are preparing a report for an upcoming Council meeting with recommended changes to the current bus routing based on the public consultation and input that has been undertaken for the last few months.

One of the recommendations that will be included in the report is to keep the buses on the main roads that are wider and better equipped to accommodate bus transit routes and activity. Narrower roads, such as Little York are difficult to maneuver with the 30-foot buses and would be even more difficult with the proposed 40-foot buses. Some of the changes will also include not going into private property including Sobeys, Walmart and 43 Bythia due to issues with bus movements, vehicle/pedestrian conflict and other safety concerns. In the upcoming report Staff will identify mitigation measures being considered for the 43 Bythia location. Additional timing and expanding coverage from 67% to approximately 90% of the municipality (including the Veteran's Way area) are some of the other highlights that will be detailed in the report

### Funding from Senior Levels of Government

In 2024, the province approved a Town requested scope change and funding reallocation as detailed in report INS-2024-022. Earlier this year Staff requested a further scope (funding) change to pivot from 30-foot buses to 40-foot buses. The request was sent to the senior levels of government on January 28, 2025.

At the time of submitting this report to Council, the Province had indicated that the report was received and approved by MTO and was sent to HICC (Housing, Infrastructure and Communities Canada) for review and final approval. MTO representatives noted that this request was expedited and to be treated with urgency as it is a time sensitive matter. Staff have not received any further updates at the time of writing this report.

Currently, the Town has sufficient funding in the budget for the purchase of one (1) 40-foot transit bus (pending a scope change) in project 35000.0000. To move this initiative forward and be able to purchase the additional 40-foot transit buses, Staff recommends that Council provide approval with costs and funding as outlined in the financial impact section below.

### Possible Outcomes

With regard to external funding supports, there are currently two (2) outcomes possible for the purchase of the additional 12-metre (40 ft) low floor bus:

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

The risk of the HICC denying the request is low. Should the request be denied, staff will bring a report back to Council to advise on next steps and options for Council's consideration. 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) 12-metre (40 ft) is available pending a scope change. This was previously approved by Council and therefore requires no further funding.

The purchase or acquisition of the second 12-metre (40 ft) bus would require additional funding to a maximum of \$450,000, from Project 35009.4600 (2025 New Bus Purchase) as described in the corporate implications section below.

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### Corporate Implications

The estimated cost to purchase two (2) 12-metre (40 ft) low floor buses, including the non-refundable portion of HST, is \$2,045,376. This total includes an equipment/contingency provision of \$203,520 for the installation of additional equipment and electronics and for some level of unanticipated costs. The current budget available, inclusive of unspent project carry forwards for project 35000.0000, 9-metre low floor

buses is \$1,598,294 and the budget shortfall is approximately \$450,000. Project 35009.4600 Replacement of 2018, 9-metre bus has an approved budget allocation of \$725,000 in 2025 funded from the General Capital Reserve. Staff propose to reallocate \$450,000 from this project toward the purchase of these two 12-metre buses and draft the 2026-2034 capital program to include a third 12-metre replacement bus in 2026. The following table details the budget allocation required to cover the increased cost of procuring two buses and revised funding sources for the project in 2025:

<b>Budget Requirement:</b>	
Two (2) 12-metre (40 ft) Low Floor Buses	\$1,841,856
Equipment/Contingency	\$203,520
<b>Total Budget Requirement</b>	<b>\$2,045,376</b>
<b>Budget Available:</b>	
Project 35000.0000 9-metre low floor buses	\$1,598,294
Reallocation from project 35009.4600 Replacement of 2018, 9-metre bus, subject to Council approval	\$450,000
<b>Subtotal Budget Available</b>	<b>\$2,048,294</b>
<b>Funded by:</b>	
ICIP Public Transit Funding	\$1,125,040
Property Taxes (Levy) in Reserve	\$286,319
Development Charges Reserve	\$186,935
General Capital Reserve	\$450,000
<b>Total Funding</b>	<b>\$2,048,294</b>

## Conclusion

There has been a number of market changes in bus manufacturing. The town currently uses 30-foot low floor transit buses that have historic supply and availability issues and use parts that are typically manufactured outside of Canada and are becoming difficult to source.

The Town had previously committed to purchasing two 30-foot buses in 2024 with another approved for the 2025 budget. With the supply of 30-foot buses limited and likely no longer available to the Town, Staff requested a scope change to the current funding previously approved through Investing in Canada Infrastructure Program (ICIP)– Public Transit Stream for upgrades to its transit system in 2024.

Earlier this year and when Staff learned that procurement of 30-foot buses was no longer a probability, a further request change was submitted to senior levels of government. In speaking with representatives from the province, it is Staff's understanding that the probability of the federal government approving the pending scope change is high.

Should Council approve the recommendations of this report, Staff would quickly move to place an order for 2 new 40-foot New Flyer buses to be purchased through Metrolinx Transit Procurement Initiative. The buses are manufactured in Canada and would take up to 18 months to receive.

A report will be coming forward at an upcoming Council meeting with additional information on proposed route changes that will keep the busses on the main roads (public road), which will expand the service coverage and improve the on-time efficiency of the routes.

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## **Strategic Alignment**

### **Strategic Plan**

Strategic Goal: Future-Readiness

Objective: Accommodate ridership and residents with a fully accessible bus

### **Sustainable Neighbourhood Action Plan**

Theme: Transportation System

Strategy: Promote more sustainable and efficient transportation options

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## **Notice Provisions**

None

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Respectfully submitted,  
Tim Kocialek, P.Eng., PMP  
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**Attachment(s):** N/A