

The Regional Municipality of York

Committee of the Whole
Transportation Services
November 5, 2020

Report of the Commissioner of Transportation Services

Award of York Region Transit West-North Division Operations and Maintenance Contract

1. Recommendations

1. Council approve the award of the contract for transit operations and maintenance of the West-North Transit Division to TOK Transit Limited, pursuant to Request for Proposal P-20-50.
2. The Region enter into an agreement with TOK Transit Limited to deliver services described in Request for Proposal P-20-50, for a term of seven years, commencing May 1, 2021, and expiring on August 1, 2028, with an option for the Region to renew for an additional term of up to three years, based on the contractor's performance during the initial contract term.
3. The Region pay the contractor a total estimated cost for the seven-year term of \$398,791,804, excluding HST, with the amount payable to the contractor in each year based on planned estimated billable hours and subject to Council budget approval.
4. Council authorize the Commissioner of Transportation Services to execute the agreement on behalf of the Region, including the option to renew the contract as specified above, subject to contractor meeting performance targets identified in the contract throughout the initial term.

2. Summary

This report seeks Council approval to award and enter into a contract with TOK Transit Limited for the operations and maintenance of the West-North Transit Division under Request for Proposal (RFP) P-20-50. Council approval is required under the Purchasing Bylaw because the proposed contract price exceeds \$2,000,000, and the term of the proposed contract is greater than five years.

Key Points:

- York Region Transit (YRT) delivers its Family of Services using private contractors under long-term performance-based contracts, except for five core routes operated by the Toronto Transit Commission under contract with the Region.

- YRT's revised contract strategy, approved by Council in September 2019, identifies that transit's operations and maintenance contracts would be procured through a Request for Proposal process.
- In June 2020, a Request for Proposal P-20-50 was issued for the York Region Transit newly-consolidated West-North Transit Division.
- Six proposals were submitted and evaluated in accordance with the Region's purchasing bylaw.
- The proposal submitted by TOK Transit Limited achieved the highest total score and, as such, is the successful proponent pursuant to the RFP requirements and the terms of the Region's Purchasing Bylaw.
- The new operations and maintenance contract for the West-North Transit Division is effective May 1, 2021, and will expire August 1, 2028, with the option for the Region to renew for an additional term of up to three years, subject to TOK Transit's satisfactory performance during the first seven-year term.
- Due to COVID-19 pandemic, staff adjusted the base billable hours included in Request for Proposal P-20-50 to better reflect the current operating environment. Terms of the contract include flexibility to adjust billable hours annually 20% without initiating the need to adjust the hourly operating price.

3. Background

York Region Transit delivers its family of services using private contractors

YRT contracts out bus operation and maintenance for its conventional, Bus Rapid Transit and Mobility On-Request services to private contractors, except for five core routes operated by the Toronto Transit Commission under contract with the Region.

The current North Division contract expires on April 30, 2021, and the Southwest Division contract expires on August 1, 2021

YRT's North Transit Division is currently contracted to TOK Transit Limited for a term expiring on April 30, 2021. The North Transit Division operates out of a Region-owned facility located at 18106/18110 Yonge Street in the Town of Newmarket bordering East Gwillimbury.

YRT's Southwest Transit Division is currently contracted to Transdev Services (Canada) Inc. for a term expiring on August 1, 2021. The Southwest Transit Division operates out of a Region-owned facility located at 8300 Keele Street in the City of Vaughan.

In [September 2019](#), Council approved changes to the Transit Operating and Maintenance Contract Strategy that included the consolidation of the North and Southwest Transit Divisions

The new division will operate approximately 66 conventional routes across all nine municipalities in the Region. Routes will operate to and from eight YRT terminals and provide

connections to Brampton Transit, GO Transit and the Toronto Transit Commission. YRT-owned buses will continue to operate and be maintained from the same two bus garage locations.

4. Analysis

The contract procurement was a three-phased process that included an international best practice review, an RFI and an RFP

In preparation for the release of a Request for Proposal for the Operations and Maintenance Contract for the West-North Transit Division, staff completed an international transit best practices review and, in February 2020, released a Request for Information (RFI) 20-49.

The purpose of the RFI was to generate interest and obtain input from industry experts and service delivery contractors. Eight companies participated in the RFI process and were given the opportunity to provide comments and suggestions in developing the final operations and maintenance contract.

Staff also held an open house and facilities tour for proponents to discuss contract details, such as contract terms, performance measures, operational best practices, vehicle maintenance programs, safety and training, customer service and facilities.

June 2020, Request for Proposal P-20-50 was issued for the Operations and Maintenance Contract for the West-North Transit Division

In June 2020, Request for Proposal P-20-50 was issued and included two parts: Part A, the RFP document, and Part B, the draft operations and maintenance contract document.

Updates to the contract include:

- Consolidation of the existing North and Southwest Transit Divisions into the new West-North Transit Division
- Changes to Transit Commercial Vehicle Operator's Registration management program imposed by the Ministry of Transportation
- Revisions to the transit standard operating procedures manual to reflect changes in the operating environment and new technologies
- Revisions to contract performance management measures
- Bus electrification program

Request for Proposal P-20-50 received interest from six local and international proponents

RFP-20-50 followed an electronic submissions system. Six proposals were received:

- First Transit, Inc.
- Miller Transit Limited
- MVT Canadian Bus, Inc.
- PWTransit Canada Ltd.
- TOK Transit Limited
- Transdev Canada, Inc.

Proposals were evaluated using a two-envelope system with a weighting of 70% for the technical component (60% for the written submission and 10% for the interview), and 30% for the financial as identified in the Transit Contract Strategy. All six proponents participated in the technical, interview and financial components of the evaluation. Proponents had to achieve a minimum score of 36 points out of 60 in the technical component to proceed to the next step of having their financial component evaluated. All six firms met this criterion.

In addition to a financial evaluation (price per billable hour), a thorough technical evaluation was completed. The technical evaluation included proponents providing information regarding the contract in key areas such as operations, maintenance, staffing and safety. This contributed to the proponent technical scores and is relevant to the successful delivery of transit services in the West-North Transit Division.

Proposals were evaluated in accordance with Regional policy, bylaws and practices. The proponent with the highest overall score is deemed the selected proponent, unless there are two or more proposals within five points of the highest overall score, in which case the dollar cost methodology is invoked and the proponent with the lowest dollar cost per technical point is deemed to be the selected proponent. Proponent technical and financial scores are summarized in Table 1.

Table 1
Evaluation Summary

Proponent	Technical Score out of 70	Financial Score out of 30	Total Score out of 100	Cost per Technical Point (\$)
TOK Transit Limited	52.00	28.22	80.22	7,669,073.16
PWTransit Canada Inc.	46.20	30.00	76.20	8,119,786.11
Transdev Canada Inc.	46.05	29.32	75.37	8,334,235.64

Proponent	Technical Score out of 70	Financial Score out of 30	Total Score out of 100	Cost per Technical Point (\$)
MVT Canadian Bus Inc.	45.30	26.81	72.11	
First Transit Ltd.	47.65	24.33	71.98	
Miller Transit Limited	44.90	22.52	67.42	

*KPMG in the role of a Fairness Monitor participated in both the RFI and RFP process

The proposal from TOK Transit Limited achieved the highest total score in response to Request for Proposal P-20-50

TOK Transit Limited's proposal achieved the highest total score as well as lowest dollar cost per technical point calculation, and is therefore the successful proponent, pursuant to the requirements of RFP-20-50 and terms of the Region's Purchasing Bylaw. Further, TOK Transit Limited's submission demonstrated the experience and knowledge required for this assignment.

5. Financial

The estimated total cost for Request for Proposal P-20-50, Transit Operations and Maintenance for the West-North Transit Division is \$398,791,804

Request for Proposal P-20-50, Transit Operations and Maintenance Contract for the West-North Transit Division, was calculated based on the proposed start-up activities and estimated billable service hours for years one through seven. Contract costs are in line with current contractual rates the Region pays operations and maintenance contractors to deliver YRT conventional services. The average hourly rates for existing Transit Operations and Maintenance contracts are \$81.11 for 2020 and \$82.72 for 2021. The TOK Transit Limited proposal provides a competitive hourly rate of \$81.59 for year one, starting May 1, 2021.

The estimated cost for the initial seven-year contract term is \$398,791,804, excluding HST. This includes start-up activities and all planned operating and maintenance costs. Buses will be provided by the Region.

Estimated contract costs are in line with Council-approved 2021 and 2022 outlooks. Annual contract costs will be subject to service design and annual operating budget approval.

Billable hours were reduced in RFP-20-50 from initial projections to address the effect of COVID-19 on transit ridership on the YRT network. YRT operations and maintenance contracts are long-term and include provisions that provide flexibility to adjust billable hours when significantly reduced or increased, which reduces potential impact to the Regional tax levy.

6. Local Impact

Local municipal residents who use public transit will benefit from the high standards imposed upon the operating contractors, particularly in the areas of service delivery and vehicle maintenance.

7. Conclusion

The proposal submitted by TOK Transit Limited achieved the highest score and is the successful proponent pursuant to the requirements of RFP-20-50 and terms of the Region's Purchasing Bylaw.

Staff recommends the contract for transit operations and maintenance of the West-North Transit Division be awarded to TOK Transit Limited as the successful proponent under Request for Proposal P-20-50, for a total estimated cost of \$398,791,804.

It is further recommended the Commissioner of Transportation Services be authorized to execute the agreement on behalf of the Region, including the option to renew the contract, as specified in this report, subject to the contractor meeting the performance targets identified in the contract throughout the initial term.

For more information on this report, please contact Ann-Marie Carroll, General Manager, York Region Transit at 1-877-464-9675 ext. 75677. Accessible formats or communication supports are available upon request.

Recommended by: **Paul Jankowski**
Commissioner of Transportation Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

October 27, 2020
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