

The Regional Municipality of York

Committee of the Whole
Transportation Services
September 8, 2022

Report of the Commissioner of Public Works

Award of York Region Transit South-East Division Operations and Maintenance Contract

1. Recommendations

1. Council approve award of the contract for transit operations and maintenance of the South-East Transit Division to Miller Transit Limited, pursuant to Request for Proposal P-421-21, for the total estimated contract value of \$517,218,580 excluding HST, with the amount payable to the contractor based on billable hours for each contract year, subject to Council budget approval.
2. The Region enter into an agreement with Miller Transit Limited to deliver services described in Request for Proposal P-421-21, for a term of seven years, commencing on July 2, 2023, and expiring on August 30, 2030, 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 agreement's initial term.
3. Council authorize the Commissioner of Public Works, on behalf of the Region, to execute the agreement with Miller Transit Limited to deliver services described in Request for Proposal P-421-21, together with such further documents that may be required, including any amendments to extend the agreement for an additional three-year term as specified above, subject to the contractor meeting the agreement's performance targets.

2. Summary

This report seeks Council approval of award of contract to Miller Transit Limited for operations and maintenance of the South-East Transit Division under Request for Proposal P-421-21 (RFP-421-21). Council approval is required under the Procurement Bylaw because the proposed contract term is greater than five years.

Key Points:

- York Region Transit (YRT) delivers its 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

- Transit Contract Strategy, approved by Council in September 2019, identifies YRT operations and maintenance contracts are to be procured through a Request for Proposal process
- Request for Proposal P-421-21 was issued in February 2022 for the newly consolidated South-East Transit Division
- Six proposals were received and evaluated in accordance with the Region's purchasing bylaw
- The proposal submitted by Miller Transit Limited achieved the highest total score and, as such, is the successful proponent pursuant to RFP-421-21 requirements and terms of the Region's Procurement Bylaw
- The new operations and maintenance contract for the South-East Transit Division would be effective July 2, 2023, and expire on August 30, 2030, with the option for the Region to renew for an additional term of up to three years, subject to Miller Transit Limited's satisfactory performance during the first seven-year term

3. Background

York Region Transit delivers services using private contractors

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

Current Bus Rapid Transit Division contract expires in July 2023 and South-East Transit Division contract expires in October 2023

YRT Bus Rapid Transit Division is currently contracted to TOK Transit Limited for a term expiring on July 1, 2023. The BRT Division operates out of the Region-owned facility located at 55 Orlando Avenue in the City of Richmond Hill.

YRT South-East Transit Division is currently contracted to Miller Transit Limited for a term expiring on October 2, 2023. The division operates out of a privately-owned facility located at 8050 Woodbine Avenue in the City of Markham.

Council approved changes to the Transit Contract Strategy, which consolidated Bus Rapid Transit and South-East Transit Divisions

In [September 2019](#), Council approved changes to the transit operations and maintenance contract strategy, including consolidating four private contractors into two, resulting in operating efficiencies and cost savings.

In November 2020, Council approved the award of the newly consolidated West-North Transit Division operations and maintenance contract to TOK Transit, integrating the previous North and South-West Transit Division contracts.

The newly consolidated South-East Transit Division integrates the existing BRT Division and South-East Transit Division contracts and will operate 52 routes across York Region. Routes will service eight terminals and provide connections to Brampton Transit, GO Transit, Durham Region Transit and the Toronto Transit Commission. YRT-owned buses will continue to operate and be maintained from the recently expanded facility at 55 Orlando Avenue.

4. Analysis

Contract procurement was a two-phased process and included a Request for Information followed by a Request for Proposal

In preparation for the release of a Request for Proposal for the Operations and Maintenance Contract for the South-East Transit Division, Request for Information I-341-21 was released in October 2021.

The purpose of the Request for Information was to generate interest and obtain input from industry experts and service delivery contractors. Five companies participated in this process and provided comments considered when developing the final operations and maintenance contract.

An open house and facilities tour for proponents was held in October 2021 to discuss contract terms, performance measures, operational best practices, vehicle maintenance programs, safety and training, customer service and facilities.

Request for Proposal issued in February 2022 for the operations and maintenance of the South-East Transit Division

In February 2022, RFP-421-21 was issued and included two parts: Part A, the RFP document, and Part B, the draft operations and maintenance contract document.

This newly consolidated contract included:

- Integration of the existing BRT and South-East Transit Divisions into the new South-East 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 received interest from six local and international proponents

RFP-421-21 followed an electronic submissions system. Six proposals were received:

- First Transit, Inc.
- Keolis Ontario
- Miller Transit Limited
- PWTransit Canada Ltd.
- Trentway-Wager Inc. o/a Coach Canada
- Transdev Canada, Inc.

As the current service provider for the West-North Transit Division, TOK Transit was not eligible to submit a proposal, based on the transit operations and maintenance contract strategy which precludes a service provider from having more than one operation and maintenance contract.

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 component, as identified in the Transit Contract Strategy. All six submissions were technically evaluated. As a result of this evaluation, three proponents participated in the interview and financial components. Proponents had to achieve a minimum score of 36 points out of 60 in the technical component to have their financial component evaluated. Three firms met this criterion.

In addition to a financial evaluation (price per billable hour), a thorough technical evaluation was completed. The technical evaluation assessed key areas such as operations, maintenance, staffing and safety. This contributed to the proponent's technical scores and is relevant to successful delivery of transit services in the South-East 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 this 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.

MNP LLP Corporation acted as fairness monitor throughout the RFI, RFP and evaluation processes.

Table 1
Evaluation Summary

Proponent	Technical Score out of 70	Financial Score out of 30	Total Score out of 100	Total Price (exclusive of HST)	Cost per Technical Point (\$)
Miller Transit Limited	57.70	28.39	86.09	\$517,218,580.29	\$8,963,926.87
Transdev Canada Inc.	51.45	30.00	81.45	\$489,477,926.99	\$9,513,662.33
First Transit Inc.	44.05	27.44	71.49	\$535,055,929.58	n/a*

*First Transit Inc. was not part of the lowest cost per technical point evaluation as they were outside of the 5-point threshold set out in Procurement Bylaw 2021-103

Miller Transit Limited's proposal achieved the highest total score. Lowest cost per technical point was invoked as per Procurement Bylaw 2021-103 as Transdev Canada Inc. was within five points of Miller Transit Limited. Miller Transit Limited further achieved the lowest cost per technical point and is, therefore, the successful proponent pursuant to the requirements of RFP-421-21. Miller Transit Limited's submission demonstrated the experience and knowledge required for this assignment.

Miller Transit Limited has successfully been delivering transit service through the existing South-East Contract that will expire in October 2023.

5. Financial

Estimated total contract value for Transit Operations and Maintenance for the South-East Transit Division is \$517,218,580

The estimated total contract value was calculated based on proposed start-up activities and estimated billable service hours for years one through seven. Contract costs proposed by Miller Transit Limited are in line with current contract rates the Region pays operations and maintenance contractors to deliver YRT conventional services.

The estimated contract value for the initial seven-year contract term is \$517,218,580, excluding HST. This includes start-up activities and all planned operating and maintenance costs. Buses will be provided by the Region. The Region may, in its sole discretion, extend the contract for an additional term of up to three years, on the same terms and conditions.

Estimated contract costs are in line with Council-approved 2023 transit operating cost outlooks. Annual contract costs will be subject to service design and annual operating budget approval.

6. Local Impact

Residents using public transit will benefit from an experienced service provider that has demonstrated an ability to achieve the high standards required of operating contractors, particularly in the areas of service delivery, vehicle maintenance and customer service.

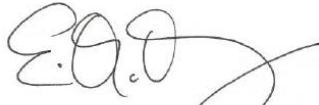
7. Conclusion

This report seeks Council approval of award of contract to Miller Transit Limited for operations and maintenance of the South-East Transit Division under Request for Proposal P-421-21. Miller Transit Limited's proposal achieved the highest score and is the successful proponent pursuant to the requirements of RFP-421-21 and the terms of the Region's Purchasing Bylaw.

Staff recommend the contract for transit operations and maintenance of the South-East Transit Division be awarded to Miller Transit Limited for a total contract value of \$517,218,580, excluding HST, for a term of seven years commencing on July 2, 2023, and expiring on August 30, 2030.

It is further recommended the Commissioner of Public Works be authorized to execute a seven-year agreement with Miller Transit Limited on behalf of the Region, together with such further documents that may be required, including any amendments to extend the agreement for an additional three-year term, as specified in this report, subject to the contractor meeting the performance targets as identified in the agreement.

For more information on this report, please contact Kyle Catney, Director, Transit Operations, York Region Transit at 1-877-464-9675 ext. 75637. Accessible formats or communication supports are available upon request.



Recommended by:

Erin Mahoney, M. Eng.
Commissioner of Public Works



Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

August 25, 2022
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