



STAFF REPORT

REPORT OF THE ACTING DIRECTOR OF PUBLIC WORKS FOR THE CONSIDERATION OF COUNCIL

DESCRIPTION

Re: The Procurement of Three Standard Fleet Buses

RECOMMENDATION

THAT That the report from the Acting Director of Public Works be received;

AND THAT staff be directed to place an order for three transit buses at a cost of \$146,500 per unit plus applicable taxes and fees;

AND THAT costs to be drawn from the Licensed and Unlicensed Vehicle Reserve in anticipation of utilizing additional associated funding to support the purchase in the future.

BACKGROUND

On February 21, 2023, staff advised the public services standing committee in the memo that replacement of the standard transit fleet was required in the short term. After this meeting, staff followed up with vendors to begin the process of obtaining firm pricing and delivery dates for new bus units.

Upon engaging with vendors, it became clear that there was an opportunity to procure three new transit buses of the same make as the City's existing fleet at a competitive price with an attractive delivery date of Q3 2023.

ANALYSIS

Copies of the secured vendor quotes are attached to this report for Council's review.

| Vendor | Per Unit Price | Anticipated Delivery Date |
|----------------------------|----------------|---------------------------|
| Girardin | \$146,500.00 | Q3 2023 |
| Macnab Transit Sales Corp. | \$155,727.00 | Undetermined |

Staff advises that the current fleet of Handi-transit / accessible busses are currently serviceable and are not requiring replacement at this time. This order for new busses would only support replacement of the standard bus fleet. Additionally, staff recommends that the city retain a bus from the existing fleet to use in the event of breakdown and to assist with levelling the use of the fleet overall to extend its anticipated lifecycle in to reduce operational cost.

Replacement of the buses with similar units affords the city some opportunity to standardize parts replacement and maintenance between units in the fleet. The current fleet and the proposed new units are from a provider that the city changed to from a previous one in an effort to improve the reliability of service. These units have proven themselves to be dependable, and parts availability is good.

The proposed vendor has units in stock to support the cities order, which is the primary reason why they are able to commit to commissioning the units for Q3 2023. The other vendors that staff have engaged with do not have stock in hand and are unable to give firm timelines on delivery. Staff has confirmed with competing vendors that they will hold pricing from Q4 2022 for similar (different make) units, and anticipates that delivery from other sources could take up to one year. This timeline would likely exceed the useful life of the existing units.

Once delivery of the new units takes place, staff is recommending that we dispose of two units through sale to the open market. An informal market survey conducted by staff has revealed that the city could anticipate receiving in the range of \$30-\$40,000 for each used bus sold.

FINANCIAL IMPACT

Treasury department advises that there is currently a balance in excess of \$1.3M in the Licensed and Unlicensed Vehicles Reserve available to support this purchase.

Additionally, the city has an approved associated grant from the TCIP funding program that would support the purchase of new buses. This grant and approval involves a wide variety of transit related activities, and staff is currently working on ascertaining the specifics of how this funding supports specific purchases as it moves forward with realizing the associated project.

Due to the anticipated prolonged delivery time should the city delay in placing an order, staff recommends that Council authorize placing an order for three new standard bus units using reserve



funds at this time and that staff follow up with applying any applicable additional funding that can be secured in support of the purchase retroactively.

The recommended vendor advises that there is a pending price increase on March 1, 2023, amounting to 3 to 4%, which is why staff has brought forward this report in an accelerated manner.

Procurement of these units will be incorporated into the 2023 budget process as it continues to unfold.

LINKS TO STRATEGIC PLAN

This project directly relates to the following key section of the strategic plan:

- Economic development and diversification, stabilization, and investment readiness
- Continued investment into infrastructure
- Health and community wellness

SUMMARY

Staff recommends that Council authorize the procurement of three new standard transit buses at a cost of \$146,500 per unit plus applicable taxes and fees. Staff also recommends that upon delivery, two existing units be sold from the fleet, with one being retained to ensure future continuity of service. Funds currently exist in the Licensed and Unlicensed Fleet Reserve to support the purchase, and staff advises that additional funding will be applied as appropriate, moving forward.

