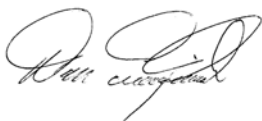


**Halifax Regional Council
December 9, 2008**

TO: Mayor Kelly and Members of Halifax Regional Council



SUBMITTED BY:

Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer

DATE: November 27, 2008

SUBJECT: Replacement of Transit Vehicles for 2009-10

ORIGIN

This report originates from Council's direction to seek alternative means to expand transit service prior to the 2010 commissioning of the new Transit Garage approved for Ragged Lake by Halifax Regional Council on September 30, 2008.

RECOMMENDATION

It is recommended that Halifax Regional Council:

- 1) approve the extension of Tender No. 06-043 to expedite the early replacement of six transit vehicles in the amount of \$2,500,000 from 2009-10 budget year, Capital Account CVD00435.
- 2) direct staff to investigate opportunities to expand off peak Metro Transit service utilizing the replacement vehicles and return to Council through the normal 2009-10 budget process for funding approval.

BACKGROUND

Fleet Services forecasts that the typical transit vehicle will operate for approximately 20 years and retire with an excess of 1,000,000 kilometers travelled. At the beginning of its service life a new vehicle typically operates approximately 90,000 km/yr and in the last years it decreases to approximately 30,000 km/yr, with a lifetime average of 50,000 kilometres or 2,600 hours of service annually. As the vehicle ages its reliability decreases and it requires more maintenance, thus spending less time on the road.

An annual replacement program for vehicles is essential for the continued reliability of the fleet and to support the operational needs of Metro Transit. HRM currently has a contract and pricing agreement with New Flyer for the purchase of transit vehicles. This is the last year for the contract and the manufacturer has confirmed there is room on the manufacturing line that would allow for the vehicles to be built and delivered in the spring of 2009. This would require HRM to create a purchase order that would shorten the typical 12 month delivery time.

DISCUSSION

Through the recent presentation to Council regarding Metro Transit's various plans for 2008-09 through 2012-13 fiscal years, Halifax Regional Council identified a desire to increase Metro Transit services in the 2009-10 fiscal year. To address this desire and to alleviate some of the current stresses on the system, Metro Transit will be investigating opportunities to increase service without increasing the daily peak vehicle compliment. As has been stated at previous Council sessions, there is no maintenance and storage capacity remaining at Metro Transit's current facilities. Some examples of potential service increases include:

- Route 1 Spring Garden - Weekday mid-day frequency increase from 15 minute service to 10 minute service.

This route is currently experiencing passenger overloads during the midday. A service frequency increase would alleviate this issue. This frequency increase would also allow Metro Transit to designate this route as an Accessible Low Floor (ALF) route. Route 1 is Metro Transit's busiest route, and it would be a significant improvement in convenience to passengers requiring ALF service to be able to use this route.

- Route 66 Penhorn - Weekday mid-day frequency increase from 60 minute service to 30 minute service.

This route connects the Burnside Industrial Park with Dartmouth, Bedford and Sackville. This frequency increase will improve service to Burnside, providing a much needed and often requested service increase to an under-serviced area.

- Route 66 Penhorn - Weekday evening service extension to Cobequid Terminal.

There is currently no evening service on the Route 66 beyond Highfield Terminal, limiting travel options between Burnside and Bedford/Sackville in the evening. The most common

concern raised by employers and employees of the Burnside Industrial Park is the span of service day, with employees who complete or start a shift in the evening unable to use Route 66 for their commute. This adjustment to the service will correct this issue.

- Route 20 Herring Cove - Saturday service extension to downtown Halifax.

This adjustment will provide a seamless connection between Herring Cove and downtown Halifax on Saturdays. This route is one of Metro Transit's most highly used routes. Currently, large volumes of passengers wishing to travel downtown from Route 20 are forced to transfer at Mumford Terminal, often overcrowding other routes, predominantly Route 1 Spring Garden. This adjustment will provide the dual benefit of increasing convenience for Route 20 passengers, and reducing crowding on Route 1.

- Route 16 Parkland - Introduce Saturday service.

This all day service will provide a direct connection from the Dartmouth Bridge Terminal and Highfield Terminal to Mount Saint Vincent University and then to the Lacewood Terminal, serving the Parkland Drive corridor, which has a relatively high population density. This key connection is not available today.

Metro Transit is seeking pre-approval to fully commit capital funds assigned to conventional bus replacement in 2009-10 from CVD00435.

With the pre-approval of these vehicles Fleet Services will be able to amend the current purchase order and acquire an additional six replacement vehicles allowing Metro Transit to target implementation of service for August 2009. These replacement vehicles will allow Metro Transit to increase the average annual kilometres per bus. This increase in annual kilometres per bus is required to implement the off-peak service improvements. Typically, there is a 12 month lead time required to manufacture transit vehicles. With a pre-approval to fully commit capital funds, Fleet Services can place the bus order immediately to secure an early entry to the assembly line, meaning that the vehicles will be delivered in time to enter service in August 2009. If this order were placed through the standard annual budget approval process, the vehicles would not arrive in time to implement the proposed service improvements in 2009.

BUDGET IMPLICATIONS

There are no implications with regards to the Capital and Operating Budgets for 2008/09. There are budget implications for 2009/10 as the pre-commitment of these funds must be taken into account in the overall Capital Budget capacity. Metro Transit will investigate opportunities to expand off peak service and will return to Council through the normal budget procedures for approval of operating funds if required.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

The Municipality's Multi-Year Financial Strategy requires that capital spending funded by debt be restricted to 80% of the previous years debt payments. If this report is approved, there will be \$2,500,000 in capital spending pre-allocated for the 2009-10 fiscal year. There are no restrictions within the Capital Spending Policy as approved in the Multi-Year Financial Strategy (MYFS) which precludes the pre-approval of these funds. And this earmarking does meet a capital spending strategy related to the Municipalities goals and priorities and Council's Focus Areas.

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Halifax Regional Council could choose to wait for the budget approval process to order the vehicles. Waiting until April 2009 to proceed with committing to the order would mean that delivery of the vehicles would not take place until April 2010. This would not allow Metro Transit to implement the proposed services during the 2009-2010 fiscal year.

ATTACHMENTS

Transit Vehicle Delivery Timelines

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Transit Vehicle Delivery Timelines

Recommendation (Advanced Funding Approval)

[illegible]

Alternative (Traditional Funding Approval)

[illegible]