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Item No. 10.1.1
Halifax Regional Council
September 29, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Paul Dunphy".

Paul Dunphy, Acting Deputy Chief Administrative Officer - Operations

DATE: September 7, 2009

SUBJECT: Award - RFP #09-069 - Forty-Five (45) Sixty Foot Transit Buses

ORIGIN

The report originates from the Early Tender Transit Vehicles presented to Halifax Regional Council on December 9, 2008 wherein Council approved the early tender of sixty foot articulated transit vehicles for the 2010-11, 2011-12, and 2012-13 budget years, with 100% advanced capital funding for 2010-11 from Capital Budget Account No. CVD00434 Conventional Bus Expansion and CVD00435 Conventional Bus Replacement.

RECOMMENDATION

It is recommended that Halifax Regional Council award RFP #09-069 to the highest scoring proponent, Nova Bus for a total price of \$32,957,535 (net HST included) for a three year contract with funding from CVD00434 & CVD00435 as outlined in the Budget Implications section of this report. Funding for the 2011-12 and 2012-13 budget years will be contingent upon the approval of the capital budget by Halifax Regional Council in those years.

BACKGROUND

In April 2008, Strategic Transportation Planning, in conjunction with Transportation & Public Works, presented the 5 Year Approach to Transit Enhancements. This presentation identified that there was a high degree of interdependency among projects, primarily as they relate to the construction of a new transit facility. With the construction of the Ragged Lake Transit Centre well under way, staff are focusing on the other plan elements related to the commissioning of the garage. This RFP for the supply of up to forty five articulated vehicles for conventional service, represents one of the key deliverables of the plan. Further RFPs are pending for the supply of MetroLink and Access-A-Bus vehicles and will be before Council in the near future.

DISCUSSION

During the 2009/10 fiscal year there has been no opportunity to expand peak hour service. Ever increasing demands on public transit has placed a significant strain on the current conventional system and will require Metro Transit to react immediately upon the commissioning of the new Ragged Lake Transit Centre in order to address identified needs. Delivery of the articulated conventional transit vehicles will coincide with the commissioning of Ragged Lake Transit Centre and will allow Metro Transit to improve service to the residents of the Halifax Regional Municipality (HRM) by an estimated 26,000 hours of service annually for each of the three approved years. This equates to an increase of more than 10% over the current level of service, and will be further increased by MetroLink and MetroX expansion as contemplated in the plan. The Operating Funding Gap related specifically to these articulated conventional vehicles is an estimated \$2.0 million annually. In the first year of implementation, the cost will be approximately \$1.2 million for fiscal 2010-11 since the new service will be implemented in late August to coincide with Collective Agreement provisions regarding shift selection as well as traditional increased demand when schools and universities recommence.

The RFP anticipates a delivery of fifteen vehicles in each of three years, with ten slated for expansion and five for replacement of existing older vehicles. As noted above, the ten expansion vehicles will allow Metro Transit to increase service by 26,000 hours annually. The five replacement vehicles are consistent with HRM's Fleet Renewal Strategy and asset recapitalization, and ensures the overall reliability and quality of the fleet is maintained. By introducing the fifteen articulated vehicles Metro Transit will be able to increase passenger capacity by 50% on select routes, with forty foot vehicles being redeployed elsewhere throughout the system. Metro Transit will be returning to Halifax Regional Council in October 2009 to present the 5 Year Operational Plan, which will provide a detailed implementation plan for each year.

RFP #09-069 Sixty Foot Transit Buses had two Respondents; New Flyer Industries and Nova Bus. Each respondent was evaluated in the following areas:

1. Technical: Compliance with performance evaluation - 30 points
2. Miscellaneous: Durability, delivery and training - 15 points
3. Financial: Price per vehicle - 30 points
4. Operating: Fuel economy - 10 points
5. Bus Operation: Workstation ergonomics and drive ability - 15 points

A team consisting of staff from Metro Transit and Fleet Services and facilitated by HRM Procurement, reviewed and evaluated the proposals on the criteria in Appendix "A".

Through this evaluation Nova Bus received the highest overall score as detailed in appendix "A".

Nova Bus has been supplying transit vehicles for more than thirty years, and was recently acquired by the Volvo Bus Corporation, the world's second largest motorcoach and transit bus manufacturing group. Nova Bus is a leading North American provider of sustainable transit solutions, including environmentally-friendly buses, high-capacity vehicles and integrated intelligent transportation systems. The company operates 3 plants: two in Canada and one in the United States. Nova Bus has been growing steadily over the last 5 years and has made great strides in product enhancements and vehicle quality.

Therefore it is recommended that Halifax Regional Council award a three year contract to Nova Bus.

BUDGET IMPLICATIONS

Fiscal Year	CVD00434 Expansion 10 Buses	CVD00435 Replacement 5 Buses	Total
2010-11	\$7,194,720	\$3,597,360	\$10,792,080
2011-12	\$7,318,590	\$3,659,295	\$10,977,885
2012-13	\$7,458,380	\$3,729,190	\$11,187,570
Total			\$32,957,535

The budget availability has been confirmed by Financial Services.

Budget Summary:	Capital Account No. CVD00434 - Conventional Bus Expansion	
	Cumulative Unspent Budget	\$7,249,414
	Less: RFP No. 09-069	<u>\$7,194,720</u>
	Balance	\$ 54,694

Capital Account No. CVD00435 - Conventional Bus Replacement	
Cumulative Unspent Budget	\$3,791,908
Less: RFP No. 09-069	<u>\$3,597,360</u>
Balance	\$ 194,548

This project was estimated in the Approved 2010-11 Capital Budget at \$11,072,167. The remaining \$249,692 will be used to purchase radios, automated vehicle location (AVL) equipment and fare boxes necessary to fit up the vehicles for service.

Approval of RFP #09-069 Sixty Foot Transit Buses will allow Metro Transit to implement 26,000 annual hours of service resulting in an estimated annual operating budget increase of \$2,000,000. This OCC will be requested on the 2010/11 CSR for accounts CVD00434 and CVD00435. The operating funds will be spent in Metro Transit operating cost center R631 and R635 once OCC has been transferred.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

Council could choose to defer the acquisition of these fleet expansion and replacement vehicles. This alternative would prohibit Metro Transit from expanding conventional transit services to the residents of the Halifax Regional Municipality upon commissioning of the Ragged Lake Transit Centre in the 2010-11 fiscal year. As well, by deferring approval Metro Transit will incur increased maintenance costs for vehicles forced to continue operating beyond their economic useful life. This alternative is not recommended.

Alternatively, Council could choose to proceed with the acquisition but opt to accelerate the Fleet Renewal Strategy by deploying all fifteen vehicles scheduled for delivery in 2010-11 as replacement vehicles. This would result in a lower overall fleet age, and would not require the additional estimated \$2.0 million in increased operating costs, however there would be no corresponding service expansion in 2010-11. This is also not recommended.

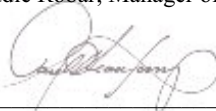
ATTACHMENTS

Appendix A - Evaluation Document

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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Report Approved by:



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Mike Labrecque, Director, Transportation & Public Works, 490-4855

Financial Approval by:



Anne Feist, Operations Manager, Procurement 490-4200

APPENDIX "A"
HALIFAX REGIONAL MUNICIPALITY
Request for Proposals # 09-069
Supply of Up To Forty -Five (45) Sixty Foot Buses

Criteria		MAX SCORE	Company Name	
			New Flyer	Nova Bus
1	Technical: Compliance with performance evaluation, body/structure/interior/doors, power train, suspension, steering, communication information system, electrical, HVAC, etc.	30	29.5	30
2	Miscellaneous: Durability (Altoona and other product testing information), delivery, training.	15	10.5	15
3	Financial: Price per Bus including training, tooling, warranties, maintenance and operating costs.	30	30	30
4	Operating: Fuel Economy	10	8.25	10
5	Bus Operation: Workstation ergonomics, ease of operation, driveability and vehicle controls.	15	12	15
TOTAL		100	90.25	100**
Ranking			2	1
Cost per Unit (net HST included) 2009/10			\$709,867.00	\$719,472.00
Cost per Unit (net HST included) 2010/11			\$731,181.00	\$731,859.00
Cost per Unit (net HST included) 2011/12			\$753,067.00	\$745,838.00
Total Cost (net HST included) of 45 Units			\$32,911,725.00	\$32,957,535.00

** Recommended Proponent