

Subject: NTC Specialty Service Contract Award

Report to: Niagara Transit Commission Board

Report date: **Tuesday, May 21, 2024**

Recommendations

1. That Contract 2023-RFP-238 Transit Specialty Services **BE AWARDED** to 947465 Ontario Ltd. o/a Voyago, Transdev Canada, at \$14,975,908 (includes 13% HST) for twenty-six (26) months from July 1, 2024, to August 31, 2026, with an option to extend the term for one (1) year; and
2. That the Regional Chair and Regional Clerk **BE AUTHORIZED** to execute the Contract and any required documents related thereto in a form satisfactory to the Director of Legal and Court Services.

Key Facts

- The purpose of this report is to seek the Board's approval to award a single commingled on-demand and specialized service Contract 2023-RFP-238 to 947465 Ontario Ltd. o/a Voyago, Transdev Canada, for twenty-six (26) months, from July 1, 2024, to August 31, 2026, at the submission price of 13,253,016 (excluding 13% HST) with an option to extend the term one (1) year.
- A Negotiated Request for Proposal was issued through Procurement and Strategic Acquisitions, and seven (7) bids were received with 947465 Ontario Ltd. o/a/ Voyago Transdev Canada as the highest scoring proponent.
- The Region's purchasing by-law 02-2016, as amended and approved through report NTC 21-2022, in accordance with Schedule B requires the NTC Board to approve all request for proposal awards greater than \$1,000,000.
- The consolidation of five (5) independent micro-transit contracts into one commingled specialized and on-demand transit service delivery model realizes operational, customer, and service continuity across all currently contracted areas for our customers until NTC completes their Facilities, Strategic Asset and Service Network Master Plan.
- This consolidation of micro-transit service delivery realizes a 20% cost reduction over the term of the contract compared to the pre-consolidation independent Municipal transit service delivery models.

- NTC's new Customer Experience department will provide dispatch and booking service for both the new specialty contract service areas (Report NTC 8-2024) and all specialized and on demand services delivered by NRT across Niagara.

Financial Considerations

The 2024 operating budget was approved on December 14, 2023. The budget for Specialty Services was prepared based on the service delivery method of providing in-house specialty services in the larger cities (Welland, Niagara Falls and St. Catharines) and partially contracting out operations and customer support services and dispatching for the five remaining systems comprising Niagara Specialized Transit (NST), Fort Erie Accessible Specialized Transit (FAST), Niagara Region Transit on Demand (NRTOD), Fort Erie Transit on Demand (FETOD), and Thorold Paratransit (TP) that serve either the entirety of Niagara or individual communities.

The 2024 approved annual budget for contracted Specialty Services, excluding Chair-A-Van and Coventry fixed route 322 and the expansion and assumption of the customer experience services, is \$8.0 million. In March of 2024, the formerly contracted Chair-A-Van service supporting Niagara Falls clients was brought in-house (Report NTC 4-2024) and all budget for the previous contract was moved into Operations. In April 2024, the expansion and assumption of customer service was also brought in-house (NTC 8-2024) and the related budget was moved to the customer experience department.

The following summarizes the twenty-six (26) month contract costs compared to available budget and identifies estimated annual savings.

Contract Item	2024 (Jul 1 – Dec 31)	2025 (Jan 1 – Dec 31)	2026 (Jan 1 – Aug 31)	Total Contract
Commingled Specialty Transit Service (26 months)	\$2,676,316	\$6,326,400	\$4,217,600	\$13,220,316
Start-Up (one-time only)	\$32,700	-	-	\$32,700
Total Bid (Inclusive of non-refundable HST)	\$2,756,700	\$6,437,757	\$4,291,838	\$13,486,296
Budget *	\$3,669,253	\$7,958,269	\$5,284,975	\$16,912,497
Savings	\$912,553	\$1,520,512	\$993,136**	\$3,426,202

* 2024 budgeted amount is adjusted for the Fort Erie On Demand contract which ends September 30, 2024. 2025 and 2026 budget estimates assume no inflationary increases for the contracted services from 2024 budget.

** These are the savings from January 1 to August 31. If annualized, savings would approximate \$1.5 million.

Staff will manage the in-year savings and utilize savings to offset potential in-year pressures that arise and will report variances through the quarterly financial updates through the year. Staff will take into consideration the estimated future savings and Board priorities when developing the 2025 and 2026 budgets for Board approval.

Analysis

Co-Mingling Commitment

Prior to amalgamation and throughout the triple-majority process, local area municipalities were provided and approved as part of the Linking Niagara Transit Committee's (LNTC) work a set of Niagara Service Standards Strategy in LNTC-C 3-2021 Appendix 5 <https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=17198> that identified the consolidation of specialized and on-demand services as a key deliverable in moving Niagara's transit success forward. Identified as Phase 2 in the standards, the commingling of services and opportunities to bring inhouse resourcing to support it was described as:

"The preferred approach for this integration is the assumption of existing specialized and demand responsive services and contracts by the Commission, working towards direct 'in-house' delivery of a combined service where it is deemed feasible and advantageous to do so. This approach is preferred as it gives the new Commission direct control over all resources to maximize efficiencies."

The amalgamation of transit services in Niagara represented a significant step towards efficiency and consistency in transportation provision. Previously, transit services across several municipalities, including Fort Erie (FAST and FETOD), Grimsby (NRTOD), Lincoln (NRTOD), Niagara-on-the-Lake (NRTOD), Pelham (NRTOD), Port Colborne (NRTOD), Thorold (TP), Wainfleet (NRTOD), and West Lincoln (NRTOD), were outsourced to various external service providers, leading to a fragmented experience for riders. Additionally, the Regionally supported Niagara Specialized Transit (NST) which

serves residents with disabilities traveling across municipal boundaries in all 12 municipalities, further complicating the service landscape.

The current fragmented approach to specialty transit contracts present challenges in terms of oversight, coordination, and service quality. Consolidating these contracts will centralize management, enhancing accountability and responsiveness to our ridership's needs. Moreover, it will facilitate seamless integration with the broader public transit system including the specialty services provided in-house by NTC, thereby improving opportunities for access and the overall passenger experience.

To address the post-amalgamation contracting and customer experience challenges, contracts for the specialty services of NRT OnDemand, Thorold Paratransit (TP), NST, and FAST were extended by six months, allowing for the comprehensive Request for Proposal (RFP) process to consolidate services under a single provider. The Fort Erie OnDemand service contract, in effect until September 30, 2024, was also included in the RFP.

An RFP process was issued through Regional Procurement and Strategic Acquisitions on January 12, 2024, to solicit proposals for 2023-RFP-238 Delivery of On-Demand and Specialized Transit Services. Seven (7) bids were received and NTC staff then evaluated the proposals based on the criteria within the RFP document and three (3) proponents moved forward with presentations. After further evaluations 947465 Ontario Ltd. o/a/ Voyago Transdev Canada was the highest scoring proponent with a submission price of \$14,975,908 (including 13% HST) for twenty-six (26) months from July 1, 2024, to August 31, 2026, with an option to extend the term for one (1) year.

Staff proposes to implement the new contract in two phases, Phase 1 will commence July 1, 2024, and will consist of all external specialized contracts (FAST, TP, and NST) and Grimsby, Lincoln, Niagara-on-the-Lake, Pelham, Port Colborne, Wainfleet, and West Lincoln on-demand (NRTOD). Phase 2 will commence October 1, 2024, and will incorporate Fort Erie (FETOD) on-demand services. This timeline ensures a seamless transition for the new contractor, allows the NTC to ramp up its internal staffing to support demand for customer service, and maximizes operational efficiency.

The new contract will replace all independent micro-transit contracts with BTS, BTS-FAST, Regional Limousine, VIA, and Coventry. Recognizing that these providers have played an integral part in developing and delivering services to expand upon and enhance transit in Niagara, commingling these contracts and services into one was

intended to streamline operations and to realize operational, customer service, and cost efficiencies.

Hours of operations for contracted services will now be aligned across the designated service areas from 7:00 AM to 11:00 PM, Monday through Saturday to eliminate the previous on-demand and specialized contract inconsistencies resulting in limited access and transfers onto or from connecting services or conventional routes. Moreover, improvements in on-time performance and vehicle capacities are forecast to enhance the overall rider experience. Additional enhancements such as a seamless transfer of client database and profiles, the adoption of a single app solution for riders and the inclusion of fixed-route multimodal approaches is meant to ensure a cohesive and user-friendly experience for riders.

Overall, the award of this commingled contract and the changes noted above promise to remove barriers, connect riders and communities, and provide a reliable and seamless transit experience for all residents of the Niagara Region meeting the Commission's vision recently adopted as "*Connecting Niagara by moving forward together*".

Alternatives Reviewed

The current service delivery model using multiple external service providers could be continued, but the operational, customer, financial, and service efficiencies attained by streamlining to one service provider through a commingled model would not be achieved.

Relationship to Niagara Transit Commission Strategic Priorities

This proposal aligns with the Strategic Core Values of the Niagara Transit Commission, as well as the adopted Guiding Principles of the Niagara Region. Specific elements which directly relate to the proposed are highlighted below:

Customer Focus:	Meeting the needs of all riders, regardless of their abilities, both onboard the vehicle or in their trip-making, the award of this commingling of systems is intended to remove barriers for riders across Niagara.
Service Excellence:	Accountabilities on the contractor regarding wait times, industry performance measures and reliability of the service are proactively built into the RFP and

contract. Seamlessness in our services between contracted and in-house delivery is a target for the harmonization of service hours and potentially days of service provided in the future. The implementation of one app, one customer access for trip-making, and one software for back-of-house will improve the rider experience.

Affordability:

Commingling services will realize a significant savings to the taxpayer. Savings identified may allow the Board to allocate resources through the 2025 budget process to improve service. Creating seamlessness in service as a goal, the Board continues to drive equity between conventional and specialty system ridership.

Other Pertinent Reports

LNTC C-3-2021

Niagara Service Standards Strategy <https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=17198>

NTC 4-2024

In-Year FTE Complement and Budget Adjustment – Chair-A-Van Assumption <https://pub-ntc.escribemeetings.com/filestream.ashx?DocumentId=182>

Confidential NTC 12-2023

A Matter of Labour Relations or Employee Negotiations under Section 239(2) of the Municipal Act, 2001 - Specialty Services

NTC 8-2024

Expansion of Customer Experience Department to Align with the Consolidation of Contracted Specialty Transit Services <https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=37014>

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Appendices

Appendix 1 2023 RFP-238 – Commingled OnDemand and Specialty Services