

Subject: Route 322 Extension Agreement
Report to: Niagara Transit Commission Board
Report date: **Tuesday, February 18, 2025**

Recommendations

1. That the Niagara Transit Commission Board **APPROVE** an extension of the existing Route 322 agreement to June 30, 2026, with Taxitab (Coventry Connections Inc) and the purchase order **BE INCREASED** by \$410,190 (including 13% HST) relating to the extension; and
2. That Staff **BE AUTHORIZED** to execute the extension to this agreement 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 approval to extend the Route 322 service agreement with Coventry Connections Inc. until June 30, 2026.
- Board Approval complies with Section 18(a)(i) of the Niagara Region's Procurement By-law 02-2016 (the By-law) for single source, as amended and approved through Report NTC 21-2022 Schedule B, which requires Board approval for any single source purchases greater than \$250,000.
- This agreement was originally entered into between the City of Thorold and the St. Catharines Transit Commission and assigned to the Niagara Transit Commission (NTC) via amalgamation ending on December 31, 2023, and extended for 2024.
- Route 322 is a fixed conventional route operating in Thorold South since 1998. The contractor, Coventry Connections Inc., has been operating the route since 2013.
- Route 322 is being reviewed in NTC's Master Plan, and the timing of this extension is meant to align with the master plan results and potential changes to this route or service.
- The estimated cost of the extension is \$363,000 (excluding HST) for the period of January 1, 2025, to June 30, 2026. Incremental costs relating to 2025 are within the 2025 approved operating budget and the 2026 estimated costs will be included within the proposed future budget, subject to budget approval.

Financial Considerations

This extension has been negotiated with the existing service provider Coventry Connections Inc. Actual costs to provide this service in 2024 were \$245,641 (including non-recoverable HST). The hourly rates in the agreement have increased 2% from the previous rate and will remain consistent for the duration of the contract. Service is provided daily excluding Sundays and Statutory holidays. The estimated cost of the extension at the present service level from January 1, 2025, to June 30, 2026, is \$369,390 (including non-recoverable HST). These costs are within the approved 2025 operating budget and will be included within the 2026 proposed budget submission.

Analysis

Route 322 is the only NTC fixed route not directly operated by NTC. To maintain consistent service levels in Thorold, NTC has upheld an assigned agreement for its operation. Route 322 has been operating in Thorold South since 1998, and Coventry Connections has been responsible for servicing this route since 2013. It remains an essential part of the fixed-route system. It is served by a 26-foot vehicle and is fully equipped with farebox technology identical to NTC's conventional buses. This route is currently under review alongside all other routes as part of the transit service and route Master Plan.

The contract extension is recommended as it aligns with the timing of the Transit Master Plan results. Due to its relatively small scope, short duration, and potential for operational disruption due to change in provider and the possibility of misaligned technology, a competitive procurement process was not advised.

Alternatives Reviewed

NTC explored absorbing this route into conventional operations, but it is not feasible at this stage due to the lack of available fleet. This route is being reviewed as part of the overall Master Plan and the extended agreement is timed to allow any recommendations regarding Route 322 to be pursued.

Another alternative was to include this route with the specialty procurement issued in 2024. This was not recommended due to the conventional and fixed nature of this service (which did not fit the on-demand model being sought by the specialty provider).

A further alternative was to competitively procure this specific route but given the relatively small scope and short contract duration, it was not recommended when an extension with relatively incremental costs was available.

Relationship to Niagara Transit Commission Strategic Priorities

Affordability: The financial considerations detailed in the report demonstrate a commitment to cost-effective service delivery. By approving a contract extension rather than issuing a new procurement, NTC leverages its existing agreement, with relatively modest increases.



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