

Subject: Purchase Order Increase – Purchase from Nova Bus Inc. of Eight 12-Metre Conventional Buses

Report to: Niagara Transit Commission Board

Report date: **Tuesday, May 20, 2025**

Recommendations

1. That the Niagara Transit Commission Board **APPROVE** an increase of \$75,594 (inclusive of 13% HST) to the co-operative procurement for the purchase of eight 12-metre Conventional Transit Vehicles with Nova Bus Inc. under the Metrolinx TPI Cooperative Purchase Governance Agreement for a total of \$7,306,903 (inclusive of 13% HST).

Key Facts

- The purpose of this report is to seek approval from the Board to increase the purchase order for the purchase of 8 12-metre Conventional Transit diesel buses through the Metrolinx TPI Agreement.
- The vehicles are now being delivered by Nova Bus Inc. and the actual cost has slightly increased by \$8,362 (excluding 13% HST) per bus for a total purchase of \$6,466,285 (excluding 13% HST).
- This increase is compliant with the Niagara Region's procurement By-law No. 02-2016, as amended, specifically Section 22 Co-operative Purchasing, as approved through Report NTC 21-2022 Schedule B, whereby all co-operative purchases greater than \$1 million require Board approval.
- This original vehicle request was identified in approved Report NTC 7-2023 to modify the Investing in Canada Infrastructure Program (ICIP) project to purchase 8 diesel vehicles instead of 7 hybrid as a result of the significant increase in price of a hybrid vehicle.
- The increase is still within the approved budget for the project which is funded by ICIP and Provincial Gas Tax (PGT), resulting in no levy impact.

Financial Considerations

Upon Amalgamation there was an ICIP project assumed and approved for the purchase of 7 hybrid vehicles. After amalgamation it was identified in Report NTC 7-2023 that the price of a hybrid vehicle increased over 16% resulting in the cost of the vehicles to be well over the available project budget. NTC could either purchase only 5 hybrid vehicles or 8 diesel vehicles within the approved budget. Based on an analysis that provided that the cost savings on a hybrid bus was minimal compared to a diesel bus the Board approved the project to be modified to purchase 8 diesel buses.

The original purchase order was created based on a preliminary quote. However, by the time the 8 buses were ordered, which was a few months later, some costs slightly increased resulting in the actual cost of a bus increasing by \$8,509 (inclusive of non-recoverable HST) or a total of \$68,075 (inclusive of non-recoverable HST) for 8 buses. The total costs are still within the project budget and there is no levy impact. The project is funded by ICIP and PGT. See Table 1 for a summary of the costs and project budget.

Table 1: Summary of Costs

Description	Amount	No of units
Original Cost of 8 Diesel Buses (inclusive of non-recoverable HST)	\$6,512,030	8
Increase in actual cost	68,075	
Total Bus Costs (inclusive of non-recoverable HST)	\$6,580,105	8
Budget Available	\$7,000,000	8
Budget available for Other vehicle costs*	\$419,895	-

* Includes branding, CAD/AVL, ITS equipment, and Metrolinx participation fees inclusive of non-recoverable HST.

Analysis

The acquisition of conventional transit vehicles is critical for maintaining service continuity, achieving cost efficiency and providing reliable and timely services and is essential for meeting the needs of customers, including those with specific transit requirements. Upon purchasing a conventional transit vehicle there are specifications that could change or production delays resulting in incremental cost increases

compared to when the vehicles were originally ordered. These vehicles were ordered in 2023 and are only now currently being received in mid-2025.

Alternatives Reviewed

There is no alternative as these vehicles were ordered and are currently being delivered. NTC is in need of the new vehicles due to incremental increasing service repairs and breakdowns on our current fleet. The cost of a new vehicle under the Metrolinx TPI for 2025 is approximately \$1 million so the incremental additional cost is well under the cost of a new vehicle.

Relationship to Niagara Transit Commission Strategic Priorities

Employee Success: By integrating newer vehicles into the fleet, transit operators and maintenance staff will experience reduced downtime and less frequent mechanical issues. This translates to a more predictable and stable work environment. The introduction of advanced vehicle technologies provides opportunities for employees to receive training and certification on the latest systems, enhancing their skill set and career development prospects.

Service Excellence: The acquisition of new vehicles helps to maintain and potentially exceed current service levels. This reduces the incidence of service interruptions due to mechanical failures, ensuring a more dependable service for customers. New vehicles are typically more fuel-efficient and require less maintenance, translating to more efficient operations and better use of resources.

Safety: Ensuring the vehicles are up to date with the latest safety standards means that both drivers and passengers are protected against potential hazards, promoting a secure transit environment.

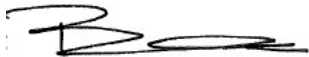
Affordability: By purchasing through the Metrolinx TPI Cooperative Purchase Governance Agreement, NTC can benefit from

economies of scale, achieving lower per-unit costs than would be possible through independent procurement. Efficient procurement and funding strategies, such as the use of Provincial Gas Tax Dollars or the reserve fund, ensure that the NTC maximizes its financial resources without compromising service quality.

Customer Focus: By maintaining a reliable and modern fleet, the NTC can more effectively respond to customer needs and feedback, adapting services to better serve the community.

Other Pertinent Reports

REVISED NTC 7-2023 2023 Bus Procurements – Investing in Canada Infrastructure Program Application – STC-14 Modification



Prepared by:
Brad Charters
Director
Fleet & Maintenance



Recommended and Submitted by:
Carla Stout
General Manager

This report was prepared in consultation with Stephanie Muhic, Senior Program Financial Specialist and Michelle Rasiulis, and reviewed by Anneli Thomson, Legal Counsel.

Appendices

N/A