



The Corporation of the Town of Tecumseh

Planning & Building Services

To: Mayor and Members of Council

From: Brian Hillman, Director Planning & Building Services

Date to Council: November 24, 2020

Report Number: PBS-2020-38

Subject: Tecumseh Transit Service (TTS)
Two-Year Extension of Transit Delivery and Maintenance Services
Agreement with First Canada ULC
OUR FILE: T03 TTS

Recommendations

It is recommended:

That a by-law authorizing the execution of an Amending Agreement to the existing Transit Delivery and Maintenance Services Agreement between the Town of Tecumseh and First Canada ULC, which facilitates a two-year extension to the existing contract for the period January 1, 2021 to December 31, 2022, in accordance with PBS-2020-38, **be approved.**

Background

Tecumseh Transit Service Route

The Tecumseh Transit Service (TTS) is currently into its eleventh year of operation after being introduced to the northerly urban area of the Town in December of 2009. The TTS operates on a circuitous route with a one-hour headway covering 30 kilometres and 43 stops. The current route was introduced in May of 2018 after an extensive public consultation process that resulted in some bus stop locations being removed and others added in an attempt to minimize delays in service.

Transit Delivery and Maintenance Services Agreement

The Town manages the TTS but contracts the operation and maintenance of the two Town-owned buses to First Canada ULC (formerly First Student Canada). First Canada ULC has been the TTS service provider since its inception in 2009. In November of 2015, Council approved the selection of First Canada ULC as the preferred proponent to continue the provision of Transit Delivery and Maintenance Services from January 1, 2016 to December 31, 2020. Although the current Agreement expires at the end of 2020, Section 3 of the Agreement stipulates that it may be extended for an additional term, or part thereof, as agreed upon in writing, between the Town and the Operator.

Comments

Administration is currently investigating the feasibility of various transit delivery models, including:

- Status quo;
- Contract existing service (or a variation thereof) to Transit Windsor;
- Transit On-Demand;
- Service partnership with Lakeshore; or
- Some combination of the above options.

The drastically reduced ridership levels and additional protocols prompted by the COVID-19 pandemic has introduced unique challenges in assessing the feasibility of the aforementioned options. With the current uncertainties surrounding the short-term future of the transit industry, combined with the shift in administrative priorities as a result of COVID-19 and flood emergency response preparedness, it is neither feasible nor recommended that a change in service delivery be pursued at this time. It should also be noted that the Town continues to have a sound service provider relationship with First Canada ULC and there is a high level of user satisfaction with the current TTS delivery model.

Based on the foregoing, Town Administration believes that it is appropriate to enter into a two-year contract extension in accordance with Section 3 of the existing Transit Delivery and Maintenance Services Agreement. Accordingly, a draft Transit Delivery and Maintenance Services Amending Agreement, as prepared by Mr. Edwin Hooker, Town Solicitor, with input from Planning and Building Services and Financial Services, has been prepared and is attached for Council's consideration (see Attachment 1). This two-year time period will allow the necessary time for Administration to investigate and properly assess different transit delivery models for future consideration by Council.

Consultations

Financial Services
First Student Canada
Town Solicitor

Financial Implications

The proposed hourly rate to be paid to First Canada ULC for transit delivery and maintenance services, which includes fuel and basic maintenance costs, is \$62.03 in 2021 and \$63.27 in 2022. This 2% annual increase is consistent with that which has been applied over the past five years and represents an estimated increase in total annual cost of approximately \$4,600 in 2021 and \$4,700 in 2022. The Draft 2021 Transit Budget provision of \$234,500 for Contracts is sufficient to accommodate this increase.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input checked="" type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Chad Jeffery, MA, MCIP, RPP
Manager Planning Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Planning & Building Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Transit Delivery and Maintenance Services Amending Agreement