



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: July 27, 2021

Report Number: PBS-2021-31

Subject: Tecumseh Transit Service (TTS)
Initiation of On-Demand Pilot Program
OUR FILE: T03 TTS

Recommendations

It is recommended:

That PBS-2021-31, entitled Tecumseh Transit Service (TTS) Initiation of On-Demand Pilot Program Report, **be received**;

And that a one-year pilot project for an on-demand transit service **be initiated in accordance with the work program outlined in PBS-2021-31**;

And further that the Mayor and Clerk **be authorized** to sign any required documents necessary to initiate the work program outlined in PBS-2021-31.

Background

At its February 23, 2021 Regular Meeting, Council endorsed the submission of an application for funding through the Canada Healthy Communities Initiative (CHCI) in accordance with the recommendation contained in PBS-2021-07. Accordingly, the Town applied for funding to support a one-year pilot project involving the use of on-demand technology with the Tecumseh Transit Service (TTS). This spring, the Town learned that it would be awarded \$27,150 in funding through the CHCI for this initiative and the official announcement of funding occurred on July 23, 2021.

Comments

Proposed On-Demand Pilot Program

The TTS is currently categorized as a “fixed-service” system in that it operates on a fixed route with permanent stops in accordance with a fixed schedule. This route is adhered to for 12 hours per day, Monday to Saturday, regardless of the demand for a particular stop/destination. For this reason, the bus is often running with few to no passengers throughout the day during off-peak times. On-demand transit service uses computer algorithms in response to service requests to develop instantaneous routing. The requests for service are made through an app on a smartphone or through a call-in option and handled almost instantaneously.

Administration continues to believe that an on-demand approach to the existing fixed route network has the potential to yield increased ridership due to enhanced service levels and reliability. In addition, it may offer the flexibility to extend the service to areas such as the Tecumseh Hamlet (and, in particular, Tecumseh Vista School) and the Amy Croft area of Lakeshore, both of which have been the subject of frequent requests by users.

Subsequent to engaging the services of an on-demand transit service provider in accordance with the Town’s Procurement Policy, the following process, as outlined in PBS-2021-07, will be followed:

Step 1 – Analyze and Simulate (4 weeks – August 2021)

- On-demand simulations
- Network data analysis
- Corridor selection, operating parameter selection
- Approval of the pilot project

Step 2 – Plan Pilot Project (6 to 8 weeks - September/October 2021)

- Set-up and software implementation
- Training of First Student drivers and other staff
- Installation of tablets on buses
- Pre-launch tests with drivers

Step 3 – Launch Pilot Project (12 months – November 2021 to November 2022)

- Limited operating zones
- Marketing and PR push

Step 4 – Permanent Implementation (if successful)

The total duration of the project (Steps 1-3) is estimated to be 15 months, after which Administration will evaluate the on-demand pilot project and report the findings to Council.

Summary

The anticipated benefits of on-demand transit include improved service, increased ridership, improved reliability and trip transparency, enhanced rider COVID-19 safety, reduced pollution and GHG emissions and extended useful life of the Town's fleet. The introduction of an on-demand pilot project would provide the Town with an opportunity to fully appreciate the potential for such a service model by way of direct experience and evaluate it against our current service delivery model and those other models that continue to be available. It should be noted that First Student Canada is amenable to participating in such a pilot project with the Town. In summary, Administration recommends that Council support the commencement of the on-demand transit service pilot project.

Consultations

Financial Services
First Student Canada

Financial Implications

Although the Town requested \$40,000 in funding through the CHCI funding application, this amount was based on a cost range to implement the on-demand pilot program estimated to be between \$25,000 to \$49,000 in accordance with the table below.

Expenditure type	Lower Range	Upper Range	Grant Application
Software set-up	\$2,000	\$15,000	\$10,000
Software service fee	\$12,000	\$18,000	\$15,000
Advertising	\$3,000	\$6,000	\$5,000
Driver training	\$1,000	\$2,000	\$2,000
Call center	\$2,000	\$3,000	\$3,000
Contingency	\$5,000	\$5,000	\$5,000
Total	\$25,000	\$49,000	\$40,000

The expenditure estimates were based on limited information available at the time of submitting the application and it was noted that estimates will be refined should the CHCI application be successful. Further to discussions with an on-demand technology service

provider, Administration is confident that the program can be implemented within the \$27,150 funding threshold.

Should costs of the Pilot Program exceed the CHCI funding award of \$27,150, the Town may be able to access Safe Restart Agreement (SRA) – Transit Phase 3 funds to cost share equally for amounts in excess of \$27,150.

SRA – Transit Phase 3 funding, as referenced in Council Report FS-2021-04 COVID-19 Grant Funding Update, may be used towards 2021 COVID-19 financial pressures and/or specific provincial transit initiatives, which includes on-demand transit. SRA – Transit Phase 3 funds are to be used for costs incurred for the period April 1, 2021 to December 31, 2021, however the Province may grant extensions to the Phase 3 eligibility period for costs incurred after December 31, 2021, but prior to January 1, 2023.

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 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 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
None	None