



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: January 25, 2023

Report Number: DS-2023-03

Subject: Tecumseh Transit Service (TTS)
One-Year Extension of Transit Delivery and Maintenance
Services Agreement with First Canada ULC for 2023
OUR FILE: T03 TTS

Recommendations

It is recommended:

That Report No. DS-2023-03, Tecumseh Transit Service (TTS) One-Year Extension of Transit Delivery and Maintenance Services Agreement with First Canada ULC for 2023, **be received**;

And That By-law No. 2023-16 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 to facilitate a one-year extension for the period January 1, 2023 to December 31, 2023, **be adopted**.

Background

Tecumseh Transit Service

The Tecumseh Transit Service (TTS) operated as an on-demand service as part of a pilot program from March 28 to December 31, 2022. Upon the completion of this pilot program, a report summarizing its performance was brought to Council at its December 13, 2022 Regular Meeting by way of [DS-2022-47](#). Council endorsed the Report's

recommendation to revert to the old, fixed route for Mondays-Fridays and continuing to use the on-demand service on Saturdays, which was implemented effective January 3, 2023. Council also adopted the following recommendation:

“And further that Administration be authorized to negotiate an Amending Agreement to the existing Transit Delivery and Maintenance Services Agreement between the Town of Tecumseh and First Canada ULC, which will facilitate an extension to the existing contract to the end of 2023, which Amending Agreement will be brought forward for consideration by Council under separate report on January 24, 2023”.

The purpose of this Report is to recommend execution of an amending agreement which facilitates a one-year contract extension.

Transit Delivery and Maintenance Services Agreement Extension

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. A two-year extension to the Transit Delivery and Maintenance Service was recently approved by Council, engaging First Canada ULC from January 1, 2020 to December 31, 2022. Section 3 of that 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

With the recent cessation of the on-demand pilot project and the implementation of a hybrid service delivery model as noted above, it is neither feasible nor recommended that a change in the service delivery provider be pursued at this time. It should be noted that the Town continues to have a sound relationship with First Canada ULC and there is a high level of user satisfaction with the TTS drivers. The regional transit landscape, however, is continuing to evolve and Administration anticipates discussions to be held with abutting municipalities over the upcoming year. Given this uncertainty, a one-year extension is recommended at this time.

Based on the foregoing, Town Administration believes that it is appropriate to enter into a one-year contract extension in accordance with Section 3 of the existing Agreement. Accordingly, a Transit Delivery and Maintenance Services Amending Agreement, as prepared by Mr. Edwin Hooker, Town Solicitor, with input from Development Services and Financial Services, has been prepared. The Agreement forms Schedule 1 to By-law 2023-016 for Council's consideration and adoption.

Consultations

Financial Services
 First Student Canada
 Town Solicitor

Financial Implications

The proposed 2023 hourly rate to be paid to First Canada ULC for transit delivery and maintenance services, which includes fuel and basic maintenance costs, is \$65.80. This represents a 4% increase over the 2022 rate and is below the Consumer Price Index annual inflation figure. The 2023 Transit Budget provision of \$281,000 for Contracts (which also includes the estimated fees for the on-demand app and call-in service) 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 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 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.

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Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

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

Prepared by:

Enrico DeCecco, BA (Hons), MCIP, RPP
Planner

Reviewed by:

Chad Jeffery, MA, MCIP, RPP
Manager Planning Services & Local Economic Development

Reviewed by:

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

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer