



## The Corporation of the Town of Tecumseh

Development Services

**To:** Mayor and Members of Council

**From:** Brian Hillman, Director Development Services

**Date to Council:** December 12, 2023

**Report Number:** DS-2023-24

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

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### Recommendations

It is recommended:

**That** Report DS-2023-24, entitled “Tecumseh Transit Service (TTS) One-Year Extension of Transit Delivery and Maintenance Services Agreement with First Canada ULC” **be received**;

And that Administration **be authorized** to undertake the Request for Proposals process to select a Transit Delivery and Maintenance Service provider in coordination with the delivery of the electric transit buses in 2024 and report back to Council with the outcome;

**And further that** By-law 2023-120 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 one-year extension to the existing contract for the period January 1, 2024, to December 31, 2024, in accordance with DS-2023-24, **be considered** for first, second and third and final reading.

## **Background**

### **Tecumseh Transit Service Route**

The Tecumseh Transit Service (TTS) is currently completing its fourteenth 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 approximately 30 kilometres and 35 stops. The current route was introduced in November of 2023 after revisions were made to the route that resulted in some bus stop locations being removed to minimize delays in the service and optimize performance. To date, the changes have had the intended results, with the bus now able to maintain its schedule over much of the day.

### **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.

After an RFP process in late 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. Council subsequently extended the service agreement twice - once for a two-year extension to accommodate a seamless delivery of the on-demand pilot project, followed by an additional one-year extension to provide an opportunity to consider possible relationships with the Municipality of Lakeshore and Transit Windsor.

The current agreement is scheduled to expire on December 31, 2023.

### **Potential Transit Service into Lakeshore**

In the second and third quarter of 2023, Lakeshore Administration explored the viability of a limited transit service extending to Patillo Road based on a potential demand to serve the industrial businesses in that area. The analysis considered three service alternatives, being a potential service extension from Transit Windsor, a potential service extension from Tecumseh Transit and a potential service internal to Lakeshore residents offered by Lakeshore. The analysis concluded that there “are significant challenges and logistics constraints to overcome to support early shift start times and some end-times.” These findings were presented at the November 2, 2023, Lakeshore-Tecumseh Inter-Municipal Committee meeting (“**Inter-Municipal Committee**”).

The Lakeshore Administration's presentation to the November 2, 2023, Inter-Municipal Committee also noted that transit was not identified as a priority by Lakeshore Council from 2023-2027.

Based on the preceding, Town Administration has concluded that a request from Lakeshore for an extension of transit service into Lakeshore by Tecumseh Transit is not anticipated in the near term.

## **Transit Windsor**

As a major transit service provider in the region, with a number of service extensions into neighbouring communities, including LaSalle, Amherstburg and an express-run to Leamington, it is recognized that Transit Windsor could be an alternative service provider for delivery of transit services into Tecumseh. Administration had intended to meet with Transit Windsor upon the conclusion of the Lakeshore transit analysis, which was originally to be completed earlier this year. Given the Lakeshore analysis was only recently completed, discussion with Transit Windsor did not ensue. However, a proposal by Transit Windsor to provide service to the Town can be considered in the context of an RFP process in accordance with the Town's Purchasing Policy. This will allow all service providers an opportunity to submit a proposal, the outcome of which can be evaluated in a fair and transparent manner.

## **Status of New Electric Buses**

The Town was recently awarded \$1,080,000 through the Rural Transit Solutions Fund ("RTSF") to purchase two accessible electric transit buses and a charging station. When the Town initially applied for the funding, the cost of an electric bus was estimated using the best information available at that time. The electric bus industry is continually and quickly evolving, and a greater variety of vehicles are being manufactured. In addition, Town Administration has since found that there are now less expensive models available for purchase that better suit our service needs. As a result, the lower prices would enable the Town to purchase three buses for the same dollar amount as the two buses for which funding was granted.

The acquisition of an additional bus and charger (for a total of three buses and two chargers) would enable the Town to maintain a back-up bus if one of the electric buses needed to be taken off-route for maintenance purposes. It would also allow us to consider expanding our service area and hours in the future, particularly for the on-demand service.

Accordingly, discussions with federal representatives have taken place and a Project Change Request Form has been submitted to the RTSF for the purchase of three electric buses and two chargers. It is anticipated that the Town will be advised whether its request has been approved early in 2024, after which an RFQ for the new electric

buses and charging stations will be issued. The anticipated time frame for awarding the contract to the successful bidder and the subsequent delivery of the new electric buses is the end of 2024.

## **Comments**

Based on the foregoing, it is neither feasible nor recommended that a change in service delivery be contemplated at this time. It should also be noted that the Town continues to have a sound service provider relationship with First Canada ULC.

Town Administration believes that it is appropriate to enter into a one-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 has been prepared and reviewed by Legislative Services and is attached to the By-law in the by-laws section of the agenda for Council's consideration. First Canada ULC is agreeable to the terms of the Amending Agreement.

This one-year period will allow the necessary time for Administration to undertake the RFP process to select a Transit Delivery and Maintenance Service provider in coordination with the delivery of the electric transit buses. It also considers the transition of the management of the TTS to the Town's new Transportation Supervisor in Public Works and Engineering Services in 2024. This transition is being undertaken in accordance with the recommendations of the Tecumseh Organizational Review, dated June 2021.

## **Consultations**

Financial Services  
Legislative Services & Clerk  
First Canada ULC

## **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 \$68.43 in 2024. This 4% annual increase from 2023 reflects the CPI increase and is consistent with that which has been applied over the past year. The Draft 2024 Transit Budget provision of \$250,920 for Contracts is sufficient to accommodate this increase.

## Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input checked="" type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

## 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 & Local Economic Development

Reviewed by:

Robert Auger, LL.B.  
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Reviewed by:

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Reviewed by:

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Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
	None