



## The Corporation of the Town of Tecumseh

Development Services

**To:** Mayor and Members of Council

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

**Date to Council:** February 13, 2024

**Report Number:** DS-2024-03

**Subject:** Tecumseh Transit Service (TTS)  
Rural Transit Solutions Fund (RTSF) Contribution Agreement

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### Recommendations

It is recommended:

**That** Report DS-2024-03, entitled “Tecumseh Transit Service (TTS) Rural Transit Solutions Fund (RTSF) Contribution Agreement” **be received;**

**And that** By-law 2024-012 authorizing the execution of the “Canada-Town of Tecumseh Permanent Public Transportation Program – Rural Transit Solutions Fund Contribution Agreement for the Purchase of Vehicles and Charging Stations for the Transit Service in Tecumseh, Ontario”, in accordance with Report DS-2024-03, receive first, second and third readings and be duly passed; and

**And further that** Administration **be authorized** to undertake the Request for Proposals process to purchase and deliver three electric transit buses and two charging stations and report back to Council with the outcome.

### Background

In April of 2022, the Town applied for funding through the Infrastructure Canada Rural Transit Solutions Fund (RTSF) to purchase two electric transit buses and a charging station to replace the Town’s two existing gas-powered transit buses. The RTSF is federal funding that targets the development of transit solutions in rural communities. It

provided \$250 million in federal funding over five years to support locally driven transit solutions that will help people living in rural communities. The Town of Tecumseh is considered a rural community under the program's criteria.

In November of 2022, the Town was notified that its application was approved in principle and it was awarded \$1,080,00 toward the purchase of the vehicles and charging station having an total estimated value of \$1,350,000.

When the Town submitted the original application, the cost of an electric bus was estimated by Administration using the best information available at the time. As a result of further research and the evolution of the EV industry, the Town subsequently learned that there are less expensive electric bus models that suit the Town's transit service and would enable the purchase of three electric buses for the same amount as the two buses for which funding was granted. An additional bus and a second charging station 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 give the Town flexibility to consider expanding its service area and hours, particularly for the on-demand service component, in the future.

Accordingly, after consultations with federal representatives of the RTSF, a Project Change Request Form was filed proposing the purchase of three electric vehicles and two charging stations for the same amount that applied for under the initial application.

The Town was notified in late December of 2023 that its Project Change Request had been granted and a Contribution Agreement (CA) was forwarded to the Town for execution. The CA, and By-law 2024-12 authorizing its execution, has been placed on the February 13, 2024 regular Council meeting agenda for Council's consideration.

## Comments

In general, the CA establishes the following:

- The federal government agrees to make a contribution payment to the Town for not more than 80% up to a maximum of \$1,080,000 of the total estimated cost of \$1,350,000 in eligible expenditures for the purchase of three electric, accessible transit buses and two charging stations to replace existing gas-powered buses to continue to facilitate the fixed route and on-demand service system for Tecumseh;
- The Town will ensure that contracts are awarded in a way that is transparent, competitive, consistent with value-for-money principles (i.e. in accordance with the Town's Procurement Policy);
- The Town has until the end of 2024 to purchase the vehicles and charging stations.

Town Administration, including Legislative Services, has reviewed the terms of the CA and has no concerns.

## Consultations

Legislative Services & Clerk  
Financial Services

## Financial Implications

The total estimated cost to purchase three electric buses and two charging stations is \$1,350,000. In accordance with the CA, \$1,080,000 of this cost will be covered by the grant awarded the Town through the federal government's RTSF program. The \$270,000 balance will be covered through the Fleet Lifecycle Reserve.

## Link to Strategic Priorities

Applicable	<a href="#">2023-2026 Strategic Priorities</a>
<input checked="" 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:

Brian Hillman, MA, MCIP, RPP  
Director Development Services

Reviewed by:

Robert Auger, LL.B.  
Director Legislative Services & Clerk

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

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