



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: November 26, 2024

Report Number: DS-2024-37

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

Recommendations

It is recommended:

That Report DS-2024-37 entitled “Tecumseh Transit Service (TTS) One-Year Extension of Transit Delivery and Maintenance Services Agreement with First Canada ULC” **be received**;

And 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 one-year extension to the existing contract for the period January 1, 2025 to December 31, 2025, in accordance with DS-2024-37, **be considered** for first, second, third and final reading.

Background

Council, at its September 10, 2024 Regular Meeting, in accordance with the recommendations and rationale contained in Report [DS-2024-30](#), passed the following resolution:

“That Report DS-2024-30 - Tecumseh Transit Service (TTS) January to June 2024 Status Report and One-Year Extension of Transit Delivery and Maintenance Services Agreement with First Canada ULC; **be received;**

And that the negotiation 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, 2025 to December 31, 2025, consideration of which would be brought forward by way of a future report to Council, **be authorized.”**

The current agreement is scheduled to expire on December 31, 2024.

Comments

The Town manages the TTS but contracts the operation and maintenance of the two Town-owned buses to First Canada ULC. First Canada ULC has been the TTS service provider since its inception in 2009 and the Town continues to have a sound service provider relationship with it.

The proposed contract extension for 2025 will involve the operation and maintenance of three electric buses that are expected to be in operation some time in the first quarter of 2025. Although the introduction of electric buses will reduce fuel costs over the contract period, First Canada ULC will incur expenses associated with training drivers and mechanics on the operation and maintenance of these vehicles. These considerations have formed part of the basis for the proposed two percent rate increase over the 2024 contract period.

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 November 26, 2024 Regular Council Agenda for Council’s consideration. First Canada ULC is agreeable to the terms of the Amending Agreement.

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 for part of the year and basic maintenance costs, is \$69.80 in 2025. This 2% annual increase from 2024 reflects the CPI increase and is consistent with that which has been applied over the past year. The Draft 2025 Transit Budget provision of \$279,920 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:

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

Reviewed by:

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

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None.