

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: February 25, 2013

SUBJECT: PROCUREMENT AUTHORIZATION AMENDMENT –
PURCHASE 126 SIXTY FOOT LOW FLOOR CLEAN
DIESEL ARTICULATED BUSES

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize the amendment to Contract C32PM12729 (Supply of Sixty Foot Low Floor Articulated Clean Diesel City Buses) with Nova Bus, a Division of Volvo Group Canada Inc. (Nova) in the amount of \$119,419,831.20 for the following:

1. \$117,021,837.24 inclusive of all applicable taxes for the purchase of 126 Sixty Foot Articulated Low Floor Diesel Buses (Articulated Buses) for delivery in 2014.
2. \$2,397,993.96 inclusive of all applicable taxes as an upset limit for the expenditure of funds for the following related items pertaining to the 126 Articulated Buses:
 - a. Potential Contract Amendments
 - b. Options
 - c. Alternatives
 - d. Recommended Special Tools
 - e. Recommended Maintenance Parts

FUNDING

Sufficient funding for this project is included under 4.11 Purchase of Buses under the State of Good Repair/ Safety category. The procurement of the 126 Articulated Buses was approved in the 2013 Capital Budget Review by Toronto City Council on January 16, 2013.

BACKGROUND

The Strategy and Service Planning Group has identified the need for additional buses based on forecast ridership growth. To address this growth and to improve service on high-demand routes, staff investigated the use of Articulated Buses.

The benefits of higher capacity Articulated Buses have long been recognized. Smaller forty foot buses limit the TTC's ability to transport large passenger loads to and from major

stations at peak times, and are more costly to operate on high ridership routes due to the increase in bus operators needed to operate the service. Each low-floor articulated bus replaces roughly 1.35 forty foot low floor buses. Further, it is expected that on some high ridership routes, such as 29 DUFFERIN, 36 FINCH WEST, and 25 DON MILLS, larger capacity vehicles will allow service to be provided more reliably than at present while being able to accommodate the growing ridership demand on these routes.

DISCUSSION

To address TTC’s need for new buses, specifications were prepared and a Request for Proposals (RFP) was publicly advertised on the Commission’s Web site as of February 8, 2012 with a closing date of April 24, 2012. The three known major Bus Manufacturers were issued copies of the Proposal Documents out of which Nova and New Flyer Industries submitted a Proposal.

As a result of the RFP process, the Commission awarded Contract C32PM12729 on August 2, 2012 to Nova for the procurement of an initial order of 27 sixty foot Articulated Buses scheduled for delivery in 2013 on the basis of the only qualified Proponent meeting all the specified evaluation criteria. At the time of the award, the Commission was advised that subject to approval of the 2013 Capital Budget, an additional 126 Articulated Buses would be purchased.

The Commission is now recommending the amendment to Contract C32PM12729 for the purchase of the additional 126 Articulated Buses.

A contingency allowance of \$2,397,993.96 has been included in the amendment value for the required recommended maintenance parts, recommended special tools, options, alternatives and any contract amendments which can be drawn upon on an as required basis for the additional 126 Articulated Buses.

Contract C32PM12729 current details are as follows:

Original Contract Amount (including Allowance):	\$25,070,000.00
Increase This Amendment (including Allowance):	\$119,419,831.20
Revised Contract Amount (including Allowances):	\$144,489,831.20

JUSTIFICATION

A small fleet of higher capacity low floor buses is required to address the expressed needs of TTC’s customer base. Through the use of Articulated Buses in place of forty foot buses immediate savings can be realized as a result of the reduction in drivers required to operate the smaller quantity of buses to achieve an equivalent ridership capacity. This will result in a

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payback for the premium costs of Articulated Buses after the first few years of operation. It is prudent to proceed with the procurement of Articulated Buses as soon as possible to take advantage of the improved service that they can provide, as well as the operating savings that would be realized immediately upon release for service.

February 12, 2013
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