



TO: GENERAL COMMITTEE

SUBJECT: METROLINX JOINT TRANSIT PROCUREMENT INITIATIVE(TPI) -
MULTI-YEAR GOVERNANCE AGREEMENT

WARD: ALL

PREPARED BY AND KEY CONTACT: J. ZIMMERMAN, SUPERVISOR OF TRANSIT OPERATIONS AND INFRASTRUCTURE

SUBMITTED BY: B. FORSYTH, DIRECTOR OF TRANSIT AND PARKING STRATEGY

GENERAL MANAGER APPROVAL: R. JAMES-REID, EXECUTIVE DIRECTOR OF ACCESS BARRIE

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the Mayor and City Clerk be authorized to enter into a Multi-Year Governance Agreement for the Joint Transit Procurement facilitated by Metrolinx from 2019 to 2024.
2. That the Director of Transit and Parking Strategy be appointed as the City of Barrie's representative member to the Common Bus Purchasing Steering Committee under the Governance Agreement and the Supervisor of Transit Operations and Infrastructure be appointed as an alternate member.
3. That should in the future Metrolinx imposes a participation fee to municipalities participating in the Metrolinx Transit Procurement Initiative and is deemed appropriate by the City's representative on the Common Bus Purchasing Steering Committee, the fee be approved as part of the annual budget.

PURPOSE & BACKGROUND

4. Since 2006 the City has participated in a joint purchasing program for both transit service vehicles and vehicle equipment with other transit agencies in Ontario.
5. The program is coordinated through Metrolinx known as the Transit Procurement Initiative (TPI). Metrolinx is a provincial agency with a mandate to improve the coordination and integration of all modes of transportation in the Greater Toronto and Hamilton area (GTHA).
6. The need to purchase transit vehicles is an ongoing process to meet the transit service needs and in order to participate in this program the City of Barrie is required to enter into a Multi-Year Governance Agreement with Metrolinx. The previous agreement has expired and the new agreement spans from 2019 to 2024. The Multi-Year Governance Agreement with Metrolinx sets out the roles and responsibilities of all parties involved, including the municipality, Metrolinx and the successful vendors.
7. Over the last 5 years of the existing agreement, the City of Barrie has procured and replaced approximately 50% of its transit vehicles. The Transit Procurement Initiative has proven to be successful with highlights from 2017-2018 showing a 93% client satisfaction and an administrative cost saving avoidance estimated at \$4.4 million.

ANALYSIS

8. Execution of the governance agreement indicates the interest of the transit agency to proceed and be involved with the Transit Procurement Initiative from 2019-2024. The agreement does include a clause permitting the transit agency to opt-out of the common purchasing program if the transit agency did not agree with an award, and felt they could find better value in performing their own procurement process.
9. The execution of the governance agreement does not limit the municipality's ability from completing their own procurement process on a different product. For example, currently there is no active agreement under the TPI program for the purchase of Electric Transit Vehicles. If the municipality was to decide to complete an RFP for these vehicles, the City of Barrie would be able to undertake this process separately.
10. Under the governance agreement, a steering committee is formed to oversee and administer the process. Each transit agency has a representative on the steering committee to ensure the needs of that agency are met. To ensure the transit agencies are involved in the procurement process, each member is invited to participate in the evaluation and award process. The appointment of the member and the alternate member by the purchaser shall be confirmed by a motion of the municipal council. The Director of Transit and Parking Strategy is recommended to be the representative member on the steering committee with the Supervisor of Transit Operations and Infrastructure as an alternate member.
11. The added benefits to the municipality from this joint procurement initiative include the following:
 - a) Procurement process built on utilizing collective expertise, including the development of detailed common performance specification from a group of transit experts around the province;
 - b) Efficient use of resources with significant staff time savings and reduced travel costs;
 - c) Economies of scale from larger purchase volume resulting in lower unit price;
 - d) Increased influence over transit vehicle manufactures to provide a higher quality of product and process;
 - e) Improved warranty periods, delivery standards and liquidated costs;
 - f) Improved reliability of transit vehicle delivery dates;
 - g) A provincial fairness monitor is appointed to ensure the procurement process is conducted in a fair and transparent matter to minimize the risk associated with large scale procurements;
 - h) Onsite transit vehicle manufacturing inspection services by a qualified third party managed by Metrolinx included during the manufacturing process; and
 - i) Improved and coordinated staff mechanic training directly with the manufacturer.
12. The City's Procurement By-law 2019-015 Article 23 allows for the City to participate with other government agencies in common purchases where it is in the City's best interest to do so and is in compliance with the City's procurement policy. The Manager of Purchasing will be involved with this project where required.
13. The City's Legal Services have reviewed the agreement and indicate that it is a very clear document that lays out the City's rights and obligations.

ENVIRONMENTAL MATTERS

14. There are no environmental matters related to the recommendations.

ALTERNATIVES

15. There is an alternative available for consideration by General Committee:

Alternative #1

General Committee could choose not to proceed with executing this governance agreement and participating in the Transit Procurement Initiative.

This alternative is not recommended as an internal standalone procurement initiative would incur significantly higher costs by dedicating internal resources to create the documents and undertake the inspections and testing that is currently provided by Metrolinx. It would remove the ability to leverage a large scale volume discount that is realized as part of this initiative which includes forty nine (49) transit agencies.

FINANCIAL

16. There is no financial commitment to enter into the governance agreement. Metrolinx currently funds the TPI Project Team internally. This involves coordination of the Steering and Technical Committees, Procurement Planning and the development of the RFP & Technical Specifications. As well as funding support during pre-production meetings, contract management, production inspection and post-production support.
17. Currently Metrolinx does not apply a participation fee to transit agencies, however the province is looking at possibly recovering the costs of this service from participating transit agencies. This fee will be spread across all participating transit agencies to help support and cover the cost to run the TPI program.
18. In the future, if Metrolinx decides to charge a participation fee, each transit agency's representative member of the Steering Committee can opt out of any TPI procurement activity and will not be required to pay the participation fee, including if it is deemed that the fee would exceed the benefits and costs of completing it internally.
19. The funds for the purchase of transit equipment will be identified in the City of Barrie's Annual Business Plan and are subject to Council approval. Depending on the growth of the system over the next five years, the City of Barrie could purchase as many as forty eight (48) conventional and specialized transit vehicles to replace and expand service.

LINKAGE TO 2018-2022 STRATEGIC PLAN

20. The recommendation(s) included in this Staff Report support the following goals identified in the 2018-2022 City Council Strategic Plan:
- Improving the Ability to Get Around Barrie
21. The recommendations included in this report would help to strengthen Barrie's financial condition by leveraging a multi-year procurement process that would leverage the buying power with other transit agencies with a large volume of purchases to receive the best possible price from the market. This would in-turn reduce the per bus price the City would commit to spend as part of the fleet replacement and expansion for transit.