

3
YORK REGION TRANSIT
PROPOSED CONTRACT EXTENSION
STUDENT EXPRESS (STOCK TRANSPORTATION)

The Transit Committee recommends the adoption of the recommendations contained in the following report, January 27, 2005, from the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council authorize a one-year extension, ending April 8, 2006, to the transit service contract between The Regional Municipality of York and Student Express Limited for the provision of conventional transit service during designated off-peak periods.
2. The extension to the contract be on the same terms and conditions as the original contract with an increase in the hourly operating rate by 36 cents to \$29.31, plus GST, for small school buses, and by 43 cents to \$34.84, plus GST for large school buses.
3. The Regional Solicitor be authorized to prepare any necessary contract documents.
4. The Regional Chair and Clerk be authorized to sign any necessary contract documents on behalf of the Region.

2. PURPOSE

The purpose of this report is to seek Transit Committee and Council approval to extend the current transit operating contract with Student Express Limited for a one-year period ending April 8, 2006.

3. BACKGROUND

Student Express Limited is contracted by York Region Transit (YRT) to supply, operate and maintain small yellow school buses for transit service during late evening periods on two local routes in the Markham and Vaughan areas. These routes are operated during the day by regular conventional transit buses when passenger volumes warrant the use of larger buses.

The current contract was initially executed by the Town of Markham and assumed by the Region in 2001 as part of the amalgamation of transit services. The Agreement was subsequently extended as approved by Regional Council and is scheduled to expire on April 2, 2005.

3.1 Stock Transportation Limited

Student Express continues to operate, however, ownership changed in July 2004 when Stock Transportation purchased the company. The service has been maintained without interruption and continues to operate at a high level from the same garage facility and with most of the same operating staff.

4. ANALYSIS AND OPTIONS

4.1 Current Contract

Student Express currently operates three small, yellow school buses under contract to York Region Transit. These buses accommodate 18 passengers and operate during off-peak periods (late evening, weekends) on Route 40 - Unionville in Markham and Route 27 - Highway 27 in Vaughan. Off-peak ridership on these routes is low and the use of the yellow school bus operation is a cost effective means of providing this service.

Under the contract, Student Express is responsible for supplying and maintaining the buses as well as operating the service, including providing drivers, training and fuel. The yellow school buses each have the York Region Transit logo and route number visible on their exterior. The contractor is compensated for this service based on an hourly rate for each service hour operated. In 2004 the actual expenditure for the Student Express service totalled approximately \$155,000. The current hourly rate is \$28.95, plus GST, which is approximately half the cost of operating the larger conventional transit buses.

4.2 Small Bus Strategy

The YRT Service Planning section will be investigating opportunities to utilize smaller buses for conventional transit service. This will include an analysis to determine if this is an appropriate service delivery option. A staff report on the small bus strategy is scheduled to be submitted to Transit Committee and Council in the spring of 2005. There appears to be limited application for the use of yellow school buses as currently operated with Student Express as the buses are normally available only outside of school travel periods. However, staff's review and subsequent direction from Council will determine if continued use of school buses is warranted beyond the term of this proposed agreement extension as well as service application elsewhere in the Region. This review was scheduled for 2004 and was delayed due to priorities with bus rapid transit service planning demands.

4.3 Proposed Contract Extension

Meetings have been held between YRT staff and Student Express regarding a one-year contract extension. An extension is being pursued to allow the completion of the small bus strategy and to avoid the potential introduction of a new service contractor during the implementation phase and service introduction of the Quick Start program.

Past experience has shown that transfer of these types of service contracts, especially for a short-term period, results in a decrease in customer satisfaction due to the lack of

operator experience and other transitional issues. As such, there is benefit to negotiating an extension to the existing contract rather than going through a competitive bid process.

Student Express has provided reliable service for the past four years since the Region assumed the contract in 2001. The drivers and support staff are fully trained and provide quality customer service.

4.4 Relationship to Vision 2026

Vision 2026 includes a goal statement on infrastructure and has identified specific actions including developing an optimal mix of transit service types. Continuing and reviewing the use of yellow school buses to complement the conventional bus service is in keeping with this Vision 2026 goal statement.

5. FINANCIAL IMPLICATIONS

The current contract with Student Express provides for an hourly operating rate of \$28.95 for small buses. Staff have negotiated a 1.25 percent increase to the hourly rate to operate this service. The proposed change will increase the hourly rate by 36 cents to \$29.31. Although not in use at this time, there are provisions in the agreement to operate larger school buses with a proposed 43 cent hourly rate increase to \$34.84.

The total value of the proposed one-year contract extension is approximately \$160,000. Sufficient funding is included in the proposed 2005 Business Plan and Budget.

6. LOCAL MUNICIPAL IMPACT

The extension of the Student Express contract will provide uninterrupted transit service during weekday evening and weekend periods on designated local routes in the Markham and Vaughan areas.

7. CONCLUSION

It is recommended that the Student Express contract be extended to April 8, 2006 at a rate of \$29.31 for services operated with small yellow school buses, and \$34.84 for service operated with large yellow school buses.

The Senior Management Group has reviewed this report.