



# The Town of Niagara-On-The-Lake

Public Works  
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**Report:** PW-12-007 **Committee Date:** February 06, 2012

**Due in Council:** February 13, 2012

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**Report To:** Public Works Advisory Committee  
**Subject:** Public Transportation Agreement Negotiations

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## 1. RECOMMENDATION

It is respectfully recommended:

- 1.1 That the Lord Mayor and Clerk be authorized to sign the agreement for Public Transportation Services as attached to Report PW-12-007.
- 1.2 That the routes as contained in Appendix B to Report PW-12-007 be approved.
- 1.3 That the Public Works Department be instructed to install an opening in the median on King Street at Market Street to accommodate a left turn movement only from King Street onto Market Street and that this be restricted to buses by municipal by-law.
- 1.4 That one-way fares be set at \$3.00 for those boarding the fixed route buses, and further, that children under age 12, must be accompanied by an adult, while children 5 years of age and under ride free of charge.
- 1.5 That the name of the municipal transit service be "Niagara-on-the-Lake Transit" and that staff draft a stylized logo for identification of the buses to be utilized for this service and for use in all transit marketing and communications material.
- 1.6 That an event launch be planned for the week prior to the commencement of regular service on April 2, 2012.

## 2. PURPOSE / PROPOSAL

The purpose of this report is to advise Council on the results of negotiations with the successful bidder, Niagara on the Lake Transit Ltd., for the provision of conventional public transit and Heritage Shuttle services and to ratify the Public Transportation Agreement.

### **3. BACKGROUND**

On November 21, 2011, Council approved the recommendations contained in Report PW-11-045, which set out the Terms of Reference and a process for a Request for Proposal for Public Transportation Services. A sample form of agreement was supplied as part of the Request for Proposal documentation to the prospective bidders.

The offer as stated in the Form of Proposal is open to acceptance until the formal contract is executed by the successful proponent or for a period of 60 days after the closing date, whichever occurs first. The closing date for submissions was December 20, 2011.

On January 16, 2012, Council accepted the bid proposal submission from Niagara-on-the-Lake Transit Ltd., dated December 19, 2011, for the provision of contracted public transportation services for the amounts as set out in staff Report PW-12-002, for a minimum of three years commencing on April, 1, 2012. However, actual service would commence on Monday, April 2, 2012. If the contract is signed on February 13, 2012, this leaves less than seven weeks to put in motion and complete a number of critical activities.

### **4. DISCUSSION / ANALYSIS**

Staff met on January 13, 2012 to discuss the various tasks that needed to be performed and outline the timelines for completion prior to the start up date for service. The main streams were identified as follows:

- contract negotiations
- marketing & communications
- routes and stops
- funding and budget

One can appreciate that these are inter-related and as such it was imperative to proceed post haste with contract negotiations. Part of the negotiations involved coming to terms with the service provider on the name of the system, and to agree on workable routes and bus schedules (which required trial runs). Meetings were held with Niagara on the Lake Transit Ltd. on January 23, 26, 27, and February 1, 2012 to iron out these as well as a number of clauses in the contract and to firm up the schedules to the agreement.

There are items contained in the sample agreement, and which were presented in the November report, that require Council's clear endorsement. In particular, a \$3.00 cash fare is proposed for all one-way trips on the conventional fixed route(s). Initially, while an exact cash and farebox system will be used, the Town will investigate alternative payment systems (i.e. passes or tickets). Connectivity, as

well as tracking of movement, is important, and so transfers are being considered for the Heritage Shuttle operation. Also, staff have already received a positive response from the President of the Niagara College student union for reciprocity on their bus service.

### Minor Changes to the Agreement

The various standard clauses in the agreement remain as per the draft agreement as contained in the Request for Proposal documentation with the following minor exceptions:

- 6.2 Operating Requirements – The contractor will supply the Town with 2 mobile units for radio communications providing for monitoring of dispatch, drivers, and/or direct contact, as may be necessary.
- 6.3 Minimum Transit Driver Requirements – The Town will receive confirmation of what is covered in the background police checks to ensure “vulnerable person sector” clearance for all drivers employed on this contract. The Town will provide the Contractor with its Policy on Accessibility Requirements which is to be communicated to all of its employees having contact with the public on this contract. Further, bus drivers shall possess the appropriate Province of Ontario driver's licence.
- 6.5 Operation and Maintenance Facility – A note will be added that the facilities are currently located at 8, 10, and 11 Henegan Road in Virgil.
- 6.7 Data Collection and Reporting – The Town will require weekly reporting of ridership data.
- 6.10 Customer Service Procedure – A protocol will be developed between the Contractor and Town staff to ensure that all customer complaints and comments are received and dealt with by the Town and that the Contractor is kept informed. An on-line customer feedback service will be created on the Town's website along with a number to call.
- 6.14 Revenues – An alternate procedure for collecting farebox revenues may be employed and developed, in lieu of the current wording in this clause, and subject to review by the Town's auditor.
- 6.18 Health & Safety – The contractor will instruct its staff with respect to the Town's Health & Safety Policies and Procedures as these affect a contractor providing services to the Town.

Particular attention is drawn to clauses 6.22 and 6.23 which make provisions in the event that the Contractor is unable to perform or either party wishes to terminate the contract.

## Schedules to the Agreement

The Schedules to the Agreement are acceptable in their present form with the exception of the routes and timetables for the various services. These have been worked out in consultation with the Contractor and the following are being recommended for implementation:

**Conventional Fixed Route** – This is the feeder route which connects Old Town, Virgil and Glendale. It is proposed that this route provide express service between the Courthouse and Niagara College. From approximately mid-October to mid-May, one bus will run hourly from 7:45 a.m. until 6:45 p.m., six days a week, except Sundays and holidays. During the peak season (mid-May to mid-October), it will terminate at the new Community Centre, except for the first two runs in the morning and the last run in the evening which will duplicate the off-season routing. It is critical that this route meet the schedule for student run buses at the College.

**Heritage Shuttle** – The base service during the period from mid-May to mid-October will be one bus on a 30 minute schedule during the hours that the feeder route terminates at the Community Centre. The schedule will be synchronized with the feeder route for transfers connecting between the two routes at one hour intervals. The route coverage will be identical as for the feeder route within Old Town except that this bus will include the run between the Fort George Bus Parking Lot and the Courthouse in each cycle. Up to two other buses will be brought into service as required to meet charter bus arrival and departure demand at the Fort George Parking Lot as has been provided in previous years.

In order to ensure that schedules are met and to conform to uni-directional bus traffic flow behind the Court House, staff is recommending an opening in the median on King Street to allow left turns from northbound King Street into Market Street.

The Contractor has advised that an order for four new Blue Bird buses has been placed with the supplier. These are to be used on these routes. The Contractor has been assured that two of these will be ready two weeks prior to the start-up of service. The buses will be white and sport the Town's Logo.

The documentation to be supplied by the contractor at the time of signing the agreement include: certificates of insurance, Workers Safety Insurance Board clearance, and an acceptable form of surety. The contractor has confirmed that he will provide Automobile, Commercial General Liability and Property Insurance in the appropriate amounts and which names the Corporation of the Town of Niagara-on-the-Lake as a party insured. Security in the form of a performance bond in the amount of \$200,000 will be also be provided in lieu of a certified cheque, bank draft or letter of credit. The latter will protect the Town's interests should the contractor default on the contract. These have been placed in a schedule to the agreement.

## 5. FINANCIAL IMPLICATIONS

The cost of the contract for Public Transportation Services is set out in schedule "I" of the agreement.

The rates for conventional transit (feeder run) are \$51.00, \$51.50, and \$52.00 per revenue hour, respectively, in each of the first, second and third years. The estimated annual revenue hours is 3,344 for this service. Total cost in year one is \$170,544.

The rates for Heritage Shuttle Service are \$46.00, \$46.50, and \$47.00 per revenue hour, respectively, in each of the first, second and third years. The estimated annual revenue hours is 3,550 for this service. Total cost for the first year is \$333,844.

Estimated expenditures in the first year of operation include the following:

Public Transportation Contract	\$333,844
Alternate Accessible Transportation (see Report PW-12-006)	30,200
Bus Transfer Parking Lot Rent	5,000
Administration Costs	30,000
Signage Costs	15,000
Communication Costs	25,000
CUTA Membership	1,000
Trademark for Niagara-on-the-Lake Transit	1,500
Bicycle Racks (on buses)	5,000
Total Estimated Expenditures	\$446,000

On the revenue side the farebox revenues and contributions from out-of-town visitors arriving by bus is estimated at \$96,000. The net cost to the Town is estimated to be \$350,444. This would be offset by various funding sources including the Gas Tax Fund.

At the time of writing, several variables were still unconfirmed. These relate to a projected grant through the Ontario Gasoline Tax Rebate Program, revenue-sharing from advertising and negotiations on the transfer of the corporate brand name to the Town. Council members will be provided an estimated budget in advance of the Committee of the Whole deliberations, once these elements have been determined.

## 6. COMMUNICATIONS

The Communications staff are preparing a public information and communications strategy to launch the transit service. Initiatives proposed include development of a transit logo and tag line, creation of a special transit web site page and telephone hot-line, production of route map, fare & schedule brochure, letter to residents, print & electronic advertising, and working with the contractor to develop smart phone

applications and social media promotional campaigns. Also, a media launch for the new transit system is planned for the last week of March 2012 at the Community Centre.

**Respectfully submitted,**

















**E.J. Kuczera, M.Sc. P.Eng.  
Director of Public Works**



*for* **Mike Galloway  
Chief Administrative Officer**

**ATTACHMENTS**

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TTM\_NOTL\_Transit\_2011-11-10.pdf Transit Agreement\_2012.docx
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TRANSIT SCHEDULE A Description of Transportation ServicesRev2.docx
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TRANSIT LIST OF SCHEDULES.docx simplemap.bmp old town peak season.bmp
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TRANSIT SCHEDULE B Vehicles.docx TRANSIT SCHEDULE C FaresRev1.docx
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SCHEDULE D Routine Maintenance.docx Schedule E Maintenance Record Form.docx
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Schedule F Lost and Found Form.docx Schedule G Incident Report.docx Schedule H Accident Report.docx
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TRANSIT SCHEDULE I.doc

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First Capital of Upper Canada - 1792