

**Municipality of Chatham-Kent**  
**Infrastructure and Engineering Services**  
**Engineering and Transportation Division**

**To:** Mayor and Members of Council

**From:** Ian Clark  
Transit Project Manager

**Date:** March 9, 2020

**Subject:** CKTransit Vehicle Purchase, 6-metre and 9-metre

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**Recommendations**

It is recommended that:

1. Administration use the Provincial Gas Tax Reserve to purchase two (2) 9-metre low floor public transit vehicles and two (2) 6-metre low floor conversion van public transit vehicles according to the terms negotiated through the Transit Procurement Initiative's open and competitive procurement process, including vehicle-in-service expenses, at a total cost of \$1,430,000 (including HST).

**Background**

In April 2019, the Municipality was notified it was eligible to receive up to \$1.8M for public transit vehicles included in a \$3,620,881 government grant through the Investing in Canada Infrastructure Program (ICIP) – Public Transit Stream. Chatham-Kent would be required to contribute \$1,316,909 (26.67%) in order to receive the full grant amount. In September 2019, the Provincial Government approved their portion of the grant while the Federal Government has yet to approve their portion of the funding.

In June 2019, the Municipality initiated a one year review, Driving Forward: CK's Transit Strategy Project, with the objective of prioritizing and recommending policies, projects, and operating service standards to guide CKTransit over the next 5-10 years. On September 23, 2019, Council was notified that any recommendations with implications on fleet would be prioritized early in the process due to the significant lead time required to procure the vehicles.

In November 2019, Council approved administration enter into a cooperative purchasing agreement with Metrolinx, a crown agency owned by the province of Ontario, for the purpose of purchasing transit vehicles and related equipment. Through the terms of this Transit Procurement Initiative (TPI), Council also approved the purchase of two 8-metre

transit vehicles for use in the evening service pilot in the community of Chatham, as well as part of future CKTransit operations.

In December 2019, Council approved administration purchase and retain ownership of its public transit vehicles, with continued third party operation, storage, and maintenance, for future operator contracts expected to commence after June 30, 2021, pending available funding. This decision allowed administration to access Provincial and Federal government grants to procure public transit vehicles not previously available to a third-party ownership model.

Administration was to report to Council in early 2020 with specific funding sources for the purchase of fleet vehicles following confirmation from senior levels of government.

### **Comments**

All vehicles used to deliver CKTransit services will no longer be available to the Municipality as of July 1, 2021. On this same date it is anticipated that a new transit operator contract will be in place to operate, maintain, and store transit vehicles on behalf of the Municipality. In order to prepare for this date Administration must procure the complete replacement of its transit fleet.

Administration has been researching three public transit vehicle types suitable for operating current conventional urban, conventional inter-urban, and specialized transit services in the following quantities:

| <b>Vehicle</b>               | <b>Quantity</b> | <b>Capacity</b>                             | <b>Usage</b>  |
|------------------------------|-----------------|---|---|
| Low Floor Conversion 6-metre | 2               | 4 Seats + 3 Personal Mobility Devices (PMD) | Peak specialized transit in Chatham   |
| Low Floor 8-metre            | 13*             | 21 Seats + 2 PMD; or<br>9 Seats + 4 PMD     | Conventional inter-urban and urban transit and specialized transit in Wallaceburg and Chatham |
| Low Floor 9-metre            | 2               | 24 Seats + 15 Standing + 2 PMD              | Conventional urban transit  |
| <b>Total</b>                 | <b>17*</b>      |   |   |

\*CKTransit only requires the purchase of eleven (11) low floor 8-metre vehicles as two have already been ordered through the November 2019 Council resolution.

Administration originally intended to conduct a single procurement for all vehicles following confirmation of the ICIP grant from the Federal Government. The complete procurement was forecasted to use a combination of the ICIP grant and Provincial Gas Tax funds.

No municipal tax dollars are necessary to purchase the vehicles.

However the delay in receiving Federal approval of the ICIP grant requires administration to proceed with a partial purchase of the future fleet for the following reasons:

1. The joint procurements for the 6-metre and 9-metre vehicles, favourably negotiated through the Transit Procurement Initiative, expire at the end of March and April 2020 respectively; and
2. The build time for 9-metre vehicles can be between 12-15 months.

It is anticipated that once Federal approval of ICIP funding is provided, administration will return to Council to proceed with the procurement of the 8-metre low floor transit vehicles, at an estimated cost of \$2,420,000, using a combination of the ICIP grant and Provincial Gas Tax funds.

### **Areas of Strategic Focus and Critical Success Factors**

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

### **Consultation**

CKTransit operators and peer municipalities were consulted regarding vehicle requirements and specifications. Fleet Services has been consulted regarding the purchase.

### **Financial Implications**

This report recommends the purchase of two (2) 9-metre low floor public transit vehicles and two (2) 6-metre low floor conversion van public transit vehicles including vehicle-in-service expenses, at a total cost of \$1,430,000 (including HST). Costs will be funded up to \$276,657 from the Transit Reserve if eligibility criteria is met, and the remainder from the Provincial Gas Tax Reserve.

Prepared by:

Reviewed by:

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Ian Clark  
Transit Project Manager

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Ann-Marie Millson  
Manager, Linear Assets

Reviewed by:

Reviewed by:

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Chris Thibert, P.Eng.  
Director, Engineering and Transportation

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Thomas Kelly, P. Eng., MBA  
General Manager  
Infrastructure & Engineering Services

Attachments:       None

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