



**City of Kingston
Report to Council
Report Number 19-223**

To: Mayor and Members of Council
From: Sheila Kidd, Commissioner, Transportation & Public Works
Resource Staff: Jeremy DaCosta, Director, Transit & Fleet Services
Date of Meeting: August 13, 2019
Subject: Kingston Transit – Governance Agreement with Metrolinx for the Joint Procurement of Goods and Services

Executive Summary:

In 2008, the Ministry of Transportation of Ontario (MTO), working with municipal transit managers in Ontario, developed a joint procurement process for the purchase of transit buses. Referred to as the Transit Procurement Initiative (TPI), this process is facilitated by Metrolinx, an agency of the Government of Ontario.

The City of Kingston has been a participant in TPI for the last three joint purchase periods (2009-2010, 2011-2013 and 2013-2018).

The relationship with Metrolinx TPI is managed through a governance agreement. The current governance agreement with Metrolinx has expired. This report seeks Council approval to enter into a new governance agreement to continue participation in Metrolinx TPI for the joint procurement of goods and services related to Kingston Transit.

The new governance agreement is for a 5-year period from 2019-2024 with an option to renew for an additional 5-year period until 2029.

Recommendation:

That Mayor and Clerk be authorized to enter into a 5-year governance agreement with Metrolinx for the purpose of purchasing goods and services from suppliers pursuant to public procurement processes, with an option to renew for an additional 5-year period, in a form satisfactory to the Director of Legal Services; and

That Council approves the appointment of the Director of Transit & Fleet Services, as the Metrolinx TPI Steering Committee member for the City of Kingston and the Manager, Fleet Services, as the alternate.

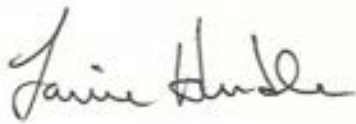
August 13, 2019

Page 2 of 4

Authorizing Signatures:



**Sheila Kidd, Commissioner,
Transportation & Public Works**



**Lanie Hurdle, Interim Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Peter Huigenbos, Acting Commissioner, Community Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Deanne Roberge, Acting Commissioner, Corporate Services	Not required

August 13, 2019

Page 3 of 4

Options/Discussion:

The Transit Procurement Initiative (TPI) is a joint procurement process, facilitated by Metrolinx, for the procurement of goods and services related to public transit operations. Although TPI was initially established for the purpose of purchasing transit buses the procurement of goods and services has expanded to include intelligent transportation automatic vehicle location (AVL/GPS) and on-board camera surveillance systems.

The Transit Procurement Initiative (TPI) program participation is managed through a governance agreement between Metrolinx and participating municipalities. The governance agreement sets out the roles and responsibilities of each party with respect to the procurement process and subsequent acquisition of products/services.

The current governance agreement with Metrolinx has expired. This report seeks Council approval to enter into a new governance agreement to continue participation in TPI for the joint procurement of goods and services related to Kingston Transit. The agreement is a governance agreement and does not obligate the City of Kingston to purchase goods or services through TPI. The governance agreement gives the City of Kingston the option to participate in any of the procurement opportunities offered through Metrolinx should the procurement be beneficial to the City.

The objectives of Metrolinx TPI are to:

- a) Reduce the costs of goods and services by consolidating purchases to achieve volumes required to attain economies of scale.
- b) Avoid administrative costs by standardizing request for proposals (RFP) documents including terms and conditions.
- c) Avoid costs and reduce time associated with the procurement process of goods and services thereby allowing transit staff to focus on primary service delivery.
- d) Improve buying power and delivery schedules for transit systems.
- e) Reduce uncertainty for manufacturers through longer production runs, predictability, and performance-based specifications that are common across multiple transit systems.

The primary objective of joint procurement is to achieve lower costs for goods and services. Participating in TPI reduces the municipal financial contribution required to support Kingston Transit due to greater volumes of goods and services being purchased with other municipalities.

The City of Kingston has participated in the joint procurement of 12-metre/40-foot transit buses, an automatic vehicle location (CAD/AVL) system, and an on-board camera surveillance system. Metrolinx tracks the total expenditures on goods and services and the estimated savings realized by each municipality. In the last 3-year period, Metrolinx estimates that the City of Kingston has achieved savings of \$834,957 or about 5.2% less cost than procuring goods and services independently.

In previous governance agreements, there have been no costs for a municipality to participate in TPI. However, due to recent changes in provincial government policies, Metrolinx is currently

August 13, 2019

Page 4 of 4

reviewing whether a participation fee will be implemented to recover costs. Entering into the governance agreement with Metrolinx does not obligate the City of Kingston to pay any participation fees. A participation fee may be introduced for some or all joint procurements. City staff will assess the cost/benefit of any proposed fees prior to participating in any joint procurement process. If the proposed participation fee exceeds the expected benefits achieved, the City will not participate in that particular procurement process.

For the procurement of each good/service, Metrolinx establishes a steering committee comprised of representatives from Metrolinx and participating municipalities. Municipalities are required to appoint a representative to participate on the steering committee. Municipalities may also appoint one alternate steering committee member. These positions must be confirmed by a by-law or Council resolution. It is recommended that the Director of Transit & Fleet Services be appointed as the steering committee member for the City of Kingston, and the Manager, Fleet Services be appointed as the alternate.

Existing Policy/By-law:

Not applicable.

Notice Provisions:

Not applicable.

Accessibility Considerations:

The procurement of all goods and services undertaken through Metrolinx TPI meet or exceed all standards of the *Accessibility for Ontarians with Disabilities Act (AODA)*.

Financial Considerations:

The recommendation in this report deals with the purchasing process and, as such, there are no financial implications. Any goods and services procured through Metrolinx TPI are subject to operating and capital budget approvals.

Contacts:

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Robert (Bud) Steele, Manager, Fleet Services, 613-546-4291, Extension 2216

Other City of Kingston Staff Consulted:

Alan McLeod, Acting Director of City Services and City Solicitor

Exhibits Attached:

Not applicable.