



Municipality of Port Hope

Staff Report

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Report Title: Investing in Canada Infrastructure Plan: Public Transit Stream and the Metrolinx Transit Procurement Initiative Renewals

Report to: Council

Date of meeting: September 3, 2024

Report Author:

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Department responsible:

Planning & Development

Report Number: DS-21-24

Recommended Action:

That Council receive report DS-21-24 for information; and

That Council refer to By-Laws.

Highlights:

- An amended transfer payment agreement for the Investing in Canada Infrastructure Plan (ICIP): Public Transit Stream has been received from MTO that recognizes new funding for three replacement vehicles.
- With the updated agreement the Municipality stands to receive up to \$412,481.25 from upper levels of government.
- For the procurement of new transit vehicles staff also recommend rejoining the Metrolinx Transit Procurement Initiative, a program developed to support smaller Municipalities with the purchase of new vehicles.
- With both agreements in place the Transit Division would initiate the purchase of three replacement buses to support the current transit operations in Port Hope.

Background:

The Municipality of Port Hope relies on the Investing in Canada Infrastructure Program: Public Transit Stream (ICIP) to assist with funding for transit infrastructure. This program has assisted with the procurement of the current transit vehicles and with the purchase and installation of bus shelters throughout the community.

In the most recent funding intake, the Municipality received \$412,481.25 to support the purchase of three replacement buses for the transit division. The term for fulfilling all responsibilities under the ICIP has been extended from October 31, 2027, to October

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31, 2033. To enact this extension, and to implement other minor changes to the program, an amending agreement to the ICIP: Public Transit Stream Transfer Payment Agreement is required and recommended by staff.

To support the replacement of the current aging transit vehicles the Municipality also has the opportunity to participate in a procurement program initiated by the Ministry of Transportation (MTO) and led by Metrolinx.

The Metrolinx Transit Procurement Initiative (MTPI) assists Ontario transit systems to achieve the best value for their money by facilitating joint procurements for goods and services that support bus operations. Through larger, pooled orders and specialized expertise, MTPI delivers a range of benefits to municipalities including lower unit costs, performance-based technical specifications, product warranty enhancements, bus quality control through in - plant inspection and independent Fairness Commissioner oversight of the procurement process.

Discussion:

ICIP Amending Agreement (Agreement):

The amended ICIP Transfer Payment Agreement (**Attachment 1**) has been provided to the Municipality by the MTO with the following updates:

- Extension of the program to October 31, 2033 with an agreement expiry date of March 31, 2035.
- Updated project description to recognize the approved Transit Service Vehicle project.
- Streamlined approvals to support the procurement of new vehicles.
- Improvements and more clarity for Provincial compliance audit requirements, general reporting and requirements of the Province.

Authorizing this Agreement will assist with the costs of procurement to replace antiquated transit vehicles. The Amending Agreement provides for Maximum Funds in the amount of \$461,348.36. The 2023 capital budget included an allocation of \$562,500 for the procurement of three new transit vehicles.

The funding for the vehicles includes contributions from all levels of government at the following amounts:

- Federal Government - \$225,000
- Province of Ontario - \$187,481.25
- Municipality of Port Hope - \$150,018.75

It should be noted that the Agreement references funding for the purchase and installation of ten new bus shelters in Port Hope. This project was funded in 2020 and the shelters have been purchased and installed effectively completing this portion of the capital project. The Agreement reflects the additional funding to support the purchase of three new buses.

Through this report it is recommended that Council authorize the Mayor and Clerk to finalize and sign the ICIP Amended Agreement on behalf of the Municipality of Port Hope. Staff support the Municipality entering into the Agreement and would like to

expeditiously move forward with the procurement of the new vehicles. The current transit vehicles are rapidly reaching the end of their useful life significantly increasing repair and maintenance costs.

Metrolinx Transit Procurement Initiative (MTPI):

To support new vehicle procurement through the MTPI the Municipality of Port Hope must renew its membership in the program which requires entry into a Multi-Year Governance Agreement (**Attachment 2**) for joint transit procurements facilitated by Metrolinx. The Governance Agreement sets out terms and conditions for the purpose of purchasing certain transit system vehicles, equipment, technology, facilities and related supplies and services on an exclusive basis from suppliers selected pursuant to public procurement processes facilitated by Metrolinx.

There is a nominal participation fee per procurement project which amounts to 1% of the total value of the procurement for 1 – 10 vehicles. The total amount in the funding and capital budget for the current proposed procurement of three transit vehicles is \$562,500 which would result in \$5,625 fees for Metrolinx. Further, the current agreement as attached is scheduled to sunset this year, and in accordance with the terms has been extended to March 31, 2029.

Through this report it is recommended that Council pass a by-law to authorize the Mayor and Clerk to finalized and sign the Governance Agreement on behalf of the Municipality of Port Hope through March 31, 2029.

With both agreements in place the municipality would immediately move forward with procurement of three replacement buses to support current transit operations.

Financial Considerations:

The Investing in Canada Infrastructure Plan: Public Transit Stream has supported the transit vehicle replacement project, recognizing a total project cost of \$562,500.

The funding contributions to this grant are as follows:

- Federal Government - \$225,000
- Province of Ontario - \$187,481.25
- Municipality of Port Hope - \$150,018.75

This project was authorized through the 2023 capital budget.

To assist with procurement of the three vehicles the Municipality has the opportunity to participate in the Metrolinx Transit Procurement Initiative which has a nominal participation fee per procurement project which amounts to 1% of the total value of the procurement for 1 – 10 vehicles or \$30,000 whichever is higher. The total amount in the funding and capital budget for the current proposed procurement of three transit vehicles is \$562,500 which would result in \$5,625 fees for Metrolinx.

Communication and Public Engagement:

Announcements related to the procurement and purchase of new transit vehicles will be provided through regular Municipal communications channels in accordance with the associated funding agreement requirements.

Conclusion:

Staff supports both the amended ICIP Transfer Payment Agreement and the proposed partnership in the Metrolinx TPI for the purchase of three replacement buses. This will allow Port Hope to benefit from economies of scale, purchasing power, reduced time and cost with public procurements, independent procurement oversight by a Fairness Commissioner, implementation of the latest technologies, warranty advantages, in-plant inspection services and increased vehicle quality control from the factory.

Attachments:

Attachment 1 – By-law XX-2024 - Transfer Payment Agreement – ICIP

Attachment 2 – By-law XX-2024 - Metrolinx Transit Procurement Initiative