Agenda - Executive Policy Committee - January 18, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - January 12, 2006

Item No. 1 Award of Contracts - Provision of Handi-Transit Services
File TT-1.3

STANDING COMMITTEE RECOMMENDATION:

On January 12, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submits the following to Council:

1. That contracts for the provision of Handi-Transit Services as outlined in RFP No. 488-2005, for the period of February 1, 2006 to January 31, 2011, be awarded based on the unit prices submitted by Bidders providing the proposals considered to be most advantageous to the City of Winnipeg, in the following approximate amounts:

Bidder	Section A Hourly Service Wheelchair Accessible Vehicles	Section B Hourly Service Wheelchair Accessible Vehicles	Section C Hourly Service Wheelchair Accessible Vehicles	Total Contract Price
Gull Wing Transit Services Ltd.	$1,144,260.00	$1,144,260.00	n/a	$2,288,520.00
AB Transit Inc.	n/a	n/a	$1,333,800.00	$1,333,800.00

2. That the Chief Administrative Officer be delegated the authority to award future multi-year contracts for the provision of Handi-Transit services, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - January 18, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works - January 12, 2006

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On January 12, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: **Award of Contracts for Provision of Handi-Transit Services RFP No. 488-2005**

FOR SUBMISSION TO: **Standing Policy Committee on Infrastructure Renewal & Public Works**

ORIGINAL REPORT SIGNED BY: **Dave Wardrop, Director of Transit**

REPORT DATE: **December 12, 2005**

RECOMMENDATION(S):

1. **That contracts for the provision of Handi-Transit Services as outlined in RFP No. 488-2005, for the period of February 1, 2006 to January 31, 2011, be awarded based on the unit prices submitted by Bidders providing the proposals considered to be most advantageous to the City of Winnipeg, in the following approximate amounts:**

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2. **That the Chief Administrative Officer be delegated the authority to award future multi-year contracts for the provision of Handi-Transit services, each contract not to exceed five (5) years in duration and the Chief Administrative Officer's monetary award limit.**

REPORT SUMMARY

Key Issues:

1. The delivery of Handi-Transit service is 100% contracted out to the private sector.

2. Contracts for approximately 73% of the Handi-Transit service delivery were awarded in 2001 commencing July 1, 2001, for a five-year term.

3. Contracts for approximately 20% of the Handi-Transit service delivery were awarded commencing June 15, 2002, for a five-year term.

4. A Contract for approximately 7% of the Handi-Transit service delivery was awarded commencing December 15, 2003, for a seven-year term.

5. Handi-Transit ridership has increased 14% between 2003 and 2005.

6. The work contained in RFP 488-2005 constitutes approximately 12% of Handi-Transit service.

7. The award of the contracts in connection with RFP 488-2005 need to be authorized by Council so contractors can order new vehicles and be operational by February 1, 2006.

8. The vehicles to be used in these contracts are wheelchair accessible vans meeting the CAN/CSA-D409-02 Standards, fully crash tested to meet Canadian Motor Vehicles Safety Standards (CMVSS), with a passenger capacity of one wheelchair of any size and style and three seated passengers.

9. It is becoming increasingly difficult to accommodate the “guaranteed trips” of registrants traveling in wheelchairs/scooters with the current number of wheelchair accessible vehicles under contract.

10. Reliance on the “flat rate” (per trip) contract is becoming excessive and more “hourly rate” vehicles are required to manage costs.

Implications of the Recommendation(s):

General Implications:

	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment: The contracts recommended will be in effect from February 1, 2006 to January 31, 2011.

Policy implications:

X	No
	Yes

Comment:

Environmental Implications:

X	No
	Yes

Comment:

Human Resources Implications:

X	No
	Yes

Comment:

Financial Implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: There is a firm commitment to future budgets.

REPORT

REASON FOR THE REPORT:

As the total conditional amounts to be paid by the City pursuant to these contracts is estimated to be approximately $2,288,520.00 and $1,333,880.00 plus taxes and the contracts are for purchases that obligate the city to expenditures on future budgets,

Council may approve the award of contract pursuant to B 8.2.3 of the Materials Management Policy.

HISTORY:

In 1977, Handi-Transit began as a demonstration service to provide service for those persons who were physically unable to use regular transit. Winnipeg Transit provided service using regular bus operators and City owned vehicles.

By 1988, the demand for Handi-Transit service had increased well beyond the funding available to accommodate the demand. As a result, the Transit department began to contract out the increasing demand for service to private contractors in the taxi business on a brokerage basis, i.e., all requests for service would come to Handi-Transit who would prioritize them and schedule them on existing resources to the extent possible, including vehicles provided by private contractors.

By 1996, private contractors delivered 70% of the total service. In June 1997, the remaining 30% of the service delivery was contracted out to private sector contractors on a brokerage basis.

DISCUSSION:

RFP 488-2005 allowed Bidders to respond with proposals "as a whole" or by section. The sections are groups of three 12-hour "runs" (a "run" is one vehicle scheduled and available for or performing the work for one day or twelve hours), Monday through Friday.

The following companies submitted proposals as follows:

AB Transit Inc. – (Whole, Sections A, B and C)
Duffy's Taxi (1996) Ltd. – (Whole)
Exact Handi Transit (Sections A and C)
Handi-Helper Transit (Whole)
Gull Wing Transit Services Ltd. (Sections A and B)
OM Express Inc. O/A Dependable Dispatch Service (Whole)

<u>Evaluation of Proposals</u>:

Bids were evaluated based on the following evaluation criteria as defined in B20.1 of the RFP:

1) Compliance of the Bidder with requirements of the RFP.....……..pass/fail;

2) Qualifications of the Bidder …….....……pass/fail;

3) Industry Experience of Key Personnel …….....20%;
   - Industry experience of key personnel was evaluated based on resumes provided detailing the industry experience of key personnel.

4) Business Plan.....……..…….. 5%;
   - Business plan was evaluated on basis of “start up” plans if appropriate, operational plans, financial plans, equipment to be used for the Work, and accurate representation of the Work for which the Bidder submitted their proposal.

5) References…..…… 10%;
   - Reference checks were not restricted to only those submitted by the Bidder and included companies, agencies or individuals known to have done business with the Bidder.
   - A standard format of questions was used in the reference check process. Areas such as driver behaviour, cleanliness of vehicles, reliability (schedule adherence), safe operation of vehicles, and demonstrated sensitivity to persons with disabilities were discussed.

6) Net Present Value of the Total Bid Price…..…….. ….65%;
   - The lowest bid received the most points with higher priced bids pro-rated accordingly.

The bid opportunity provided for bids by individual section and/or “as a whole”. The evaluation criteria indicated that the City could make the award either “as a whole” or individually by sections, depending on which alternative was in the City’s best interest. The bids received for “as a whole” were priced substantially higher than the sum of individual section bids and, as such, those “as a whole” bids were not considered to be in the City’s best interest and were not examined for responsiveness and were not evaluated.

The following is a summary of the evaluation, by section, of each proposal received:

EVALUATION BY SECTION							
Bidder	**Bid Submission**	**Qualifications of Bidder**	**Net Present Value of Total Contract Price per Section**	**Industry Experience of Key Personnel**	**References**	**Business Plan**	**Total**
	Pass/Fail	***Pass/Fail***	***65%***	***20%***	***10%***	***5%***	***100%***
Gull Wing Transit Services Ltd.	Pass	Pass	Section A – 65 Section B – 65 Section C – N/B*	20	10	5	100 100 n/a
AB Transit Inc.	Pass	Pass	Section A – 54 Section B – 54 Section C – 57	20	10	5	89 89 92
Exact Handi-Transit	Pass	Pass	Section A – 64 Section B – N/B* Section C – 65	5	10**	2	81 N/B* 82
OM Express Inc. O/A Dependable Dispatch Service	Pass	Pass	By Section – N/B*				N/B*
Handi-Helper	Pass	Pass	By Section – N/B*				N/B*
Duffy's Taxi	Pass	Pass	By Section – N/B*				N/B*

Notes:

* N/B means No Bid submitted

** References provided by the Bidder were not checked because of low scores for Industry Experience and Business Plan. It was apparent that, even if references were to have been given a perfect score as indicated above, Exact Handi-Transit would not have been recommended for award of Section C.

Winnipeg Transit is satisfied that the Bidders providing the proposals considered to be most advantageous to the City have the necessary resources to perform all the work in accordance with the requirements of the specifications. Bidders recommended for award of these contracts have satisfactorily carried out previous work of a similar nature. Both companies are currently performing contracted work for Handi-Transit.

The bidders being recommended for award have submitted responsive proposals and are the responsible and qualified bidders submitting the most advantageous offers.

Companies that scored low in the categories of Industry Experience of Key Personnel and Business Plan will be provided with feedback once these contracts are awarded.

The requirements for Bid and Performance Securities, and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002.

FINANCIAL IMPACT STATEMENT:

Project Name: Award of Contracts for Provision of Handi-Transit Services

First Year of Program: **2006**

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Ienter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 628,056	$ 703,170	$ 722,826	$ 743,340	$ 761,358
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 628,056	$ 703,170	$ 722,826	$ 743,340	$ 761,358
Less: Existing Budget Amounts	628,056	703,170	722,826	743,340	761,358
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The recommendation contained herein will provide additional hourly service to replace trips that are presently being delivered with more expensive flat rate service. The existing budget amounts for 2006 and 2007 are administrative only and have not been adopted by Council. The budget amounts for 2008 through 2010 assume that similar amounts will be budgeted for in those years.

Original Signed By Paul D. Olafson

Manager of Finance & Administration

6010

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

Legal Services Division, Corporate Services Department
Materials Management Branch, Corporate Finance Department

THIS REPORT SUBMITTED BY:

Department: Transit
Division: Handi-Transit
Prepared by: Catherine Caldwell
File No.