Minute No. 179
Report – Standing Policy Committee on Infrastructure Renewal and Public Works – January 16, 2012

Item No. 2 Award of Contract for Provision of Handi-Transit Services

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and adopted the following:

1. That the Proposal submitted for RFP 614-2011 by A.B. Transit Inc. be determined to be non-responsive.

2. That a contract not be awarded to Urban Transit Ltd. or Dignity Transportation Manitoba Inc. pursuant to the Materials Management Policy (B22.3.1).

3. That a multi-year contract for the Provision of Handi-Transit Services for the period of July 1, 2012 to December 14, 2019 be awarded to Exact Handi Transit Inc., the bidder who submitted the most advantageous offer in the amount of $7,800,374.40 plus GST.

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

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DECISION MAKING HISTORY:

Moved by Councillor Vandal,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 18, 2012, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On January 16, 2012, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the Winnipeg Public Service recommendation, as amended:

- Delete Recommendation No. 4 (pertaining to delegated authority to the Chief Administrative Officer) in its entirety,

and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Award of Contract for Provision of Handi-Transit Services, RFP 614–2011**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works – Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Caldwell	D. Wardrop	M. Ruta	D. Joshi

RECOMMENDATIONS

1. That the Proposal submitted for RFP 614-2011 by A.B. Transit Inc. be determined to be non-responsive.

2. That a contract not be awarded to Urban Transit Ltd. or Dignity Transportation Manitoba Inc. pursuant to B22.3.1.

3. That a multi-year contract for the Provision of Handi-Transit Services for the period of July 1, 2012 to December 14, 2019 be awarded to Exact Handi Transit Inc., the bidder who submitted the most advantageous offer in the amount of $7,800,374.40 plus GST.

4. That the Chief Administrative Officer be delegated the authority to award future multi-year contracts utilizing minibuses for provision of Handi-Transit services, not exceeding seven (7) years in duration and the Chief Administrative Officer's monetary award limit.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract is estimated to be approximately $7,800,374.40 plus GST and the contract is for a purchase that obligates the City to expenditures on future budgets, Council may approve the award of contract pursuant to B8.2.3 of the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

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

Funds for this work are included every year in the Annual Current Budget from the Handi-Transit Non-Professional Services Account Distribution No. 442 521020 421701 302.

The work contained in RFP 614-2011 constitutes approximately 15% of the Handi-Transit service delivery, replacement of contracts awarded for work commencing July 1, 2007.

The vehicles to be used in this contract are a light to medium duty low floor, right passenger side-entry, wheelchair accessible minibus, that is 26 feet in length with a 191 inch wheelbase meeting or exceeding the CAN/CSA-D409-02 (Reaffirmed 2007) Standards, fully crash tested to meet Canadian Motor Vehicles Safety Standards (CMVSS) with a passenger capacity of four passengers in wheelchairs and eight seated passengers.

This Contract needs to be awarded to ensure sufficient time for the Contractor purchase the vehicles and be operational on July 1, 2012.

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.

RFP 614-2011 allowed Bidders to respond with proposals “as a whole” for an approximate quantity of 21,840 vehicle hours of work each year:

- three 16-hour “runs” on Monday (a “run” is one vehicle scheduled and available for, or performing the Work for one day),
- three 16-hour runs and two 12-hour runs on Tuesday, Wednesday, Thursday,
- two 16-hour runs and one 12-hour run on Friday,
- four 16-hour runs on Saturday, and
- four 12-hour runs on Sundays and Statutory Holidays (except Easter Monday).

Evaluation of Proposals:

Bids were evaluated based on the following evaluation criteria as defined in B21 of the RFP:

(a) compliance by the Bidder with the requirements of the Request for Proposal or acceptable deviation therefrom:
    (i) mandatory requirements (pass/fail);
(b) qualifications of the Bidder and the Subcontractors, if any, pursuant to B13:
    (i) mandatory qualifications (pass/fail);
(c) Business Plan……..…….....(25%);
(d) References……..…….(10%);
(e) Total Bid Price……..…….(65%);
(f) Economic analysis of any approved alternative pursuant to B8.

The proposal from A.B. Transit Inc., if it were the most advantageous offer, should be determined to be non-responsive because the proposal did not include Page 3 of the Proposal Submission, first page of Form B: Prices. This is a significant deviation that should not be waived.

The proposals from Urban Transit Ltd. and Dignity Transportation Manitoba Inc, if they were the most advantageous offers, should not be awarded a contract pursuant to B22.3.1 which states, "The City desires to have multiple Contractors provide Handi-Transit services. Therefore, the City will not award the contract if, at the sole discretion of the Contract Administrator, award of this Contract to a Bidder will cause one Contractor to be responsible for more of the overall (or total) Handi-Transit service than is a reasonable risk for the City. This may mean Bidders not deemed by the evaluation criteria to have the highest rating may be awarded the Contract." If Urban Transit Ltd. was awarded the work of this Contract, it would be providing approximately 27% of the Handi-Transit services. Similarly, if Dignity Transportation Manitoba Inc. was awarded the work of this Contract, it would be providing approximately 29% of the Handi-Transit services. It is not a reasonable risk to the City to be dependent on one contractor for so much of this vital service.

Winnipeg Transit is satisfied that Exact Handi Transit Inc. has the necessary resources to perform all the work in accordance with the requirements of the specifications. Exact Handi Transit Inc. has satisfactorily carried out previous work of a similar nature, has submitted a responsive proposal, and is currently performing contracted work for Handi-Transit. If this award of Contract is approved, Exact Handi Transit Inc. will be providing approximately 22% of the Handi-Transit services. This is considered to be a reasonable risk.

The requirements for Bid Security were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Standard FM-002.

The Bids are valid and open for acceptance until February 7, 2012.

FINANCIAL IMPACT

Financial Impact Statement **Date:** December 21, 2011

Project Name: **First Year of Program** **2012**

Award of Contract for Provision of Handi-Transit Services

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter 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	$ 366,912	$ 748,430	$ 1,048,993	$ 1,100,236	$ 1,129,155
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 366,912	$ 748,430	$ 1,048,993	$ 1,100,236	$ 1,129,155
Less: Existing Budget Amounts	366,912	748,430	$ 1,048,993	$ 1,100,236	$ 1,129,155
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The recommendation contained herein will provide replacement of approximately 15% of all hourly service, provided by some of the contracts that will expire June 30, 2012. The existing budget amounts for 2012, 2013 and 2014 are administrative only and have not been adopted by Council. The budget amounts for 2015 and 2016 assume that similar amounts will be budgeted for in those years. Funding is included in account distribution 442-521020-421701-302.

Tanis Yanchishyn, CA
Manager of Finance and Administration

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to legal issues)
Materials Management Division, Corporate Finance

SUBMITTED BY

Transit Department
Client Services Division
Prepared by: Catherine Caldwell
Date: December 21, 2011
File No.