Minutes – Standing Policy Committee on Public Works – November 21, 2023

REPORTS

Item No. 2 Plan to Reduce Contracts for the Provision of Transit Plus Services

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and received the report as information.

DECISION MAKING HISTORY:

Moved by Councillor Wyatt,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 9, 2023, the Standing Policy Committee on Public Works Public concurred in the recommendation, and granted an extension of time of 30 days for the Winnipeg Public Service to report back on the matter.

COUNCIL DECISION:

On July 23, 2023, Council adopted the recommendation of Standing Policy Committee on Public Works, which included the following:

2. That the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Public Works within 90 days with a plan to reduce, through consolidation, the number of contracts for the provision of Transit Plus services being awarded overall.

ADMINISTRATIVE REPORT

Title: Winnipeg Transit Plus Contract Consolidation Plan

Critical Path: Standing Policy Committee on Public Works

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Platt	G. Ewankiw	N/A	M. Jack

EXECUTIVE SUMMARY

Council directed the Public Service to report back with a proposed plan to consolidate the number of contracts used to deliver Winnipeg Transit Plus (WTP) service from the current 12. Each WTP contract currently has five vehicles to deliver service as well as one spare (vehicle) to cover vehicle breakdowns or other service adjustments as required.

This report describes three options for contract consolidation. WTP has determined Plan B (seven contracts) to be the optimal option. Reducing the number of contracts in this way allows WTP to retain local contractors, reduce administrative requirements, and provides flexibility for the future as the new scheduling system is utilized and data from the new system is used to shape the future of the service. For these reasons, WTP will begin implementing the plan as described in the report for future RFP. There is opportunity to further consolidate contracts subsequently if there would be additional realized benefits.

Total budgeted service hours will remain unchanged under the consolidation plan. There are benefits and risk items to consider with contract consolidation regardless of which option is implemented. WTP will need to extend a number of contracts in order for contract end dates to line up with new contract start dates.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On July 13, 2023, Council concurred in the recommendation of the Standing Policy Committee on Public Works and directed the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Public Works within 90 days with a plan to reduce, through consolidation, the number of contracts for the provision of Transit Plus services being awarded overall.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no direct implications to receiving this report as information. A number of single-source awards will be required to align contract expiry dates with new, consolidated contract start dates. Some of these single-source awards will need to be approved by Council.

HISTORY/DISCUSSION

On July 13, 2023, Council approved a motion directing Winnipeg Transit Plus (WTP) to reduce, through consolidation, the number of contracts for the provision of Transit Plus service and to report back to the Standing Policy Committee on Public Works within 90 days.

There are a number of potential options to consolidate WTP contracts. WTP has reviewed the potential options and has landed on three potential plans to reduce the overall number of WTP contracts. Plan A reduces the contracts from 12 to four, Plan B reduces the contracts to seven, and Plan C reduces the contracts to nine. Transit intends to begin implementing Plan B, which will provide the opportunity to assess the impact and further consolidate if needed in the future.

Plan A

WTP has four car contracts expiring on October 30, 2023, February 28, 2024, May 31, 2024, and September 30, 2026. The contract, expiring in 2023, will be extended via single-source negotiations for one year to allow time for a new RFP. A short-term RFP will be issued that will expire September 30, 2026. The 2024 contracts will need to be extended via single-source negotiation to September 30, 2026. A Request for Proposal (RFP) to replace all four contracts will be issued that will include 20 vehicles for service and four spares.

WTP has two bus contracts expiring on August 15, 2026 (a total of 10 buses for service and two spares), February 28, 2027, and December 15, 2027. The contracts will need to be extended via single-source negotiation to align with the contract expiring December 15, 2027. An RFP to replace all four contracts will be issued that will include 20 vehicles for service and four spares.

Council approved RFP 946-2022 on September 29, 2023. This micro-transit vehicle RFP expires on December 31, 2031. WTP will review the fleet and determine the operational requirements prior to the contract expiring.

WTP has one bus and two car contracts expiring on February 15, 2028, May 31, 2028, and June 30, 2028. The contracts will need to be extended via single-source negotiation to align with the contract expiring June 30, 2028. An RFP to replace all three contracts will be issued that will include 15 vehicles for service and three spares. The vehicle type(s) for the replacement contracts will be determined at the time of RFP issuance based on operational requirements.

Under this plan, by July 1, 2028, WTP will have consolidated all of the contracts down to four.

Please see Appendix A for a visual representation of this plan.

Potential risks:

- Currently, WTP has contracts with a number of local contractors. Whether these contractors have the initial capital to acquire the equipment and infrastructure required to carry out contracts of this scale is unknown.
- Part of the evaluation criteria for RFPs includes bidders proving they have carried out work of a comparable scope and scale, which very few of our local contractors have. This may lead to them being "pushed out" in favour of larger firms, who, based on bids we have previously received, have a significantly higher cost to provide the work.
- Although there are currently some contractors carrying out this level of work when their contracts are combined, The time frame they hold this work is generally much shorter than the full length of a contract as contract start and end dates are currently staggered. Having so few contracts puts the City at risk in the event a contractor cannot or will not fulfill their contractual obligations. With more contracts and contractors currently carrying out the service, the City has some additional resources to turn to if this were to happen. Once these contracts are consolidated, the City will have fewer available resources in the event of issues with a contractor being able to complete the work as required.
- This plan relies heavily on existing contractors agreeing to single-source negotiations so that contract expiry dates can line up. There is no guarantee that all contractors will agree to these single-source negotiations.
- Vehicle procurement has been a challenge over the past number of years. Contractors will be placing much larger orders under this plan and needing all vehicles at the same time, rather than staggered starts as previous WTP contracts. This may lead to challenges in procuring vehicles in the timeframes needed, increasing the risk of contracts not starting on time.

Potential benefits:

- Transit Plus staff will spend less time administering a larger number of contracts and contractors.

Plan B

WTP has car contracts expiring on October 30, 2023, and September 30, 2026. The contract expiring in 2023 will be extended via single-source negotiations for one year to allow time for a new RFP. A short-term RFP will be issued that will expire September 30, 2026. An RFP replacing these contracts with 10 vehicles and two spares will be issued for October 1, 2026. Car contracts expire February 28, 2024, and May 31, 2024. The February 28, 2024 contract will need a single-source negotiation until May 31, 2024. A new RFP will be issued to replace both contracts with 10 vehicles and two spares on June 1, 2024. Car contracts expire May 31, 2028, and July 1, 2028. The May 31, 2028, contract will need a single-source negotiation until June 30, 2028. A new RFP will be issued to replace both contracts with 10 vehicles and two spares on July 1, 2028.

WTP has two bus contracts expiring on August 15, 2026 (a total of 10 buses for service and two spares). This contract will be replaced with a consolidated contract for 10 vehicles and two spares. WTP has two more bus contracts expiring on February 28, 2027, and December 15, 2027. The contract expiring February 28, 2027, will need to be extended via single-source negotiation to align with the contract expiring December 15, 2027. A new RFP will be issued to

replace these contracts with a contract for 10 vehicles and two spares. WTP has another bus contract expiring on February 15, 2028. This will be replaced with an RFP for five vehicles and a spare.

Council approved RFP 946-2022 on September 29, 2023. This micro-transit vehicle RFP expires on December 31, 2031. WTP will review the fleet and determine the operational requirements prior to the contract expiring.

By July 1, 2028, WTP will have consolidated all of the contracts down to seven.

Potential risks:

- This plan relies on existing contractors agreeing to single-source negotiations so that contract expiry dates can line up. There is no guarantee that all contractors will agree to these single-source negotiations.
- Vehicle procurement has been a challenge over the past number of years. Contractors will be placing larger orders under this plan and needing all vehicles at the same time, rather than staggered starts as previous WTP contracts. This may lead to challenges in procuring vehicles in the timeframes needed, increasing the risk of contracts not starting on time.

Potential benefits:

- The risks from plan A are mitigated as the size and scope of the contracts will not change as drastically. However, WTP is still able to reduce the overall number of contracts it oversees.
- WTP is in the process of launching a new booking and scheduling system. This system is intended to provide better trip routing, thereby creating efficiencies within the system as well as providing more robust and useful data to analyze how the system and fleet are being managed. This analysis will steer large scale changes to the contracted fleet as the data will provide valuable insight into how WTP should move forward with contracts. This plan allows WTP to better assess potential changes prior to recommending and committing to additional consolidation.
- Currently, WTP has contracts with a number of local contractors. This plan will allow for these local contractors to continue to bid on RFPs as the size and scope is similar to the work they currently carry out.

- Part of the evaluation criteria for RFPs includes bidders proving they have carried out work of a comparable scope and scale, our local contractors have carried work out of similar scope and scale to this plan.

- With more contracts and contractors currently carrying out the service, the City has some additional resources to turn to if any contractor were unable to carry out the work for any reason.

The vehicle type(s) for the replacement contracts will be determined at the time of RFP issuance based on operational requirements.

Please see Appendix B for a visual representation of this plan.

Plan C

WTP has car contracts that will remain as individual contracts with five vehicles and a spare. These new RFPs will be issued as contracts expire. There are currently six car contracts. WTP has two bus contracts expiring on August 15, 2026 (a total of 10 buses for service and two spares). This contract will be replaced with a consolidated contract for 10 vehicles and two spares. WTP has two more bus contracts expiring on February 28, 2027, and December 15, 2027. The contract expiring February 28, 2027, will need to be extended via single-source negotiation to align with the contract expiring December 15, 2027. A new RFP will be issued to replace these contracts with a contract for 10 vehicles and two spares. WTP has another bus contract expiring on February 15, 2028. This will be replaced with an RFP for five vehicles and a spare.

Council approved RFP 946-2022 on September 29, 2023. This micro-transit vehicle RFP expires on December 31, 2031. WTP will review the fleet and determine the operational requirements prior to the contract expiring.

By July 1, 2028, WTP will have consolidated all of the contracts down to nine.

Potential risks:

- This plan relies on existing contractors agreeing to single-source negotiations so that contract expiry dates can line up. There is no guarantee that all contractors will agree to these single-source negotiations.
- Vehicle procurement has been a challenge over the past number of years. Contractors will be placing larger orders under this plan and needing all vehicles at the same time, rather than staggered starts as previous WTP contracts. This may lead to challenges in procuring vehicles in the timeframes needed, increasing the risk of contracts not starting on time.

Potential benefits:

- Currently, WTP has contracts with a number of local contractors. This plan will allow for these local contractors to continue to bid on RFPs as the size and scope is similar to the work they currently carry out.
- Part of the evaluation criteria for RFPs includes bidders proving they have carried out work of a comparable scope and scale, our local contractors have carried work out of similar scope and scale to this plan.
- With more contracts and contractors currently carrying out the service, the City has some additional resources to turn to if any contractor was unable to carry out the work for any reason.
- WTP is in the process of launching a new booking and scheduling system. This system is intended to provide better trip routing creating efficiencies within the system as well as providing more robust and useful data to analyze how the system and fleet are being managed. This analysis will steer large scale changes to the contracted fleet as the data will provide valuable insight into how WTP should move forward with contracts. This plan allows WTP to better assess potential changes prior to recommending and committing to additional consolidation.

The vehicle type(s) for the replacement contracts will be determined at the time of RFP issuance based on operational requirements.

Please see Appendix C for a visual representation of this plan.

Conclusion

WTP has determined Plan B to be the optimal option. Reducing the number of contracts in this way will allow WTP to retain local contractors and reduce administrative requirements. Further, it provides flexibility for the future as WTP's new scheduling system is utilized and data from the new system is used to shape the future of the service. For these reasons, WTP will begin implementing the plan as described in the report for future RFPs.

Requested Changes

At a briefing on October 18, 2023, an earlier draft of this administrative report was reviewed by Mayor's Office staff and the following revisions were requested:

- Include a chart to clearly illustrate the existing contracts, when they expire, and how they could align.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 27, 2023

Project Name:

Winnipeg Transit Plus Contract Consolidation Plan

COMMENTS:

There is no financial impact from the recommendation in this report as it is for information only.

Laurie Fisher October 27, 2023
Laurie Fisher, CPA, CA
Manager of Finance & Administration

CONSULTATION

This Report has been prepared in consultation with: N/A

OURWINNIPEG POLICY ALIGNMENT

Goal: Environmental Resilience
Objective 2: Prioritize sustainable transportation as the mobility options of choice.
Transition to a sustainable transportation system that safely and efficiently moves people, goods and services, increases access to a variety of affordable mobility choices, encourages less reliance on personal vehicle travel, reduces travel time, mitigates congestion and related greenhouse gas emissions, and supports the development of denser, better-connected, healthy and complete communities.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in accordance with the Winnipeg Climate Action Plan (WCAP) as per Directions 3.1 Increase Use and Efficiency of Public Transit Systems (p.46).

Relevant actions include: Deliver continuous improvement in transit service with a focus on customer service, reliability, and route connectivity, and public education found on page 46 of the WCAP.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5(a) Transportation System Equity is Enhanced – the affordability and accessibility of transportation and transit service are increased.

SUBMITTED BY

Department: Winnipeg Transit
Division: Client Services
Prepared by: Sam Brask, Transit Plus Operations Supervisor
Date: October 27, 2023
Attachments:

Appendix A

Appendix B

Appendix C