Minutes – Executive Policy Committee – September 16, 2025

Report – Standing Policy Committee on Public Works – September 11, 2025

Item No. 1 Approval of Contract Extension No. 2 for Supply and Delivery of Heavy-Duty Low-Floor Zero Emission Transit Buses - Tender 538-2022

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and recommended to Council:

1. That the City award, enter into, execute and deliver Contract Extension No. 2 for Supply and Delivery of up to twenty-five (25) Heavy-Duty 40ft. Low-Floor Battery Electric Transit Buses, Tender 538-2022, to New Flyer Industries Canada ULC (New Flyer) from May 1, 2025, until April 30, 2026 in the maximum amount of $42,377,982.25 (GST and MRST extra as applicable), and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Extension 2 for the Supply and Delivery of Heavy-Duty Low-Floor Zero Emission Transit Buses, Tender 538-2022 and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Administrative Officer to approve contract over-expenditures and the related change orders where the accumulated contract over-expenditures do not exceed the Council-approved project budget.

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

Report – Standing Policy Committee on Public Works – September 11, 2025

DECISION MAKING HISTORY:

Moved by Councillor XXX,

That the recommendation of the Standing Policy Committee on Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 11, 2025, the Standing Policy Committee on Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

David Grant submitted a communication in opposition to the matter.

ADMINISTRATIVE REPORT

Title: Approval of Contract Extension No. 2 for Supply and Delivery of Heavy-Duty Low-Floor Zero Emission Transit Buses - Tender 538-2022

Critical Path: Standing Policy Committee on Public Works – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Glowatsky	G. Ewankiw	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Public Service is recommending buying up to 25 heavy-duty, 40-foot low-floor battery-electric buses for a maximum price of $42 million. The funding would come from Winnipeg Transit's adopted capital budgets for Transit Buses. The contract term is for the period of May 1, 2025, to April 30, 2026.

Purchasing new battery-electric buses makes Winnipeg's transit fleet better and more reliable. It also improves health, safety, and the environment for riders, residents, and Transit employees. There is enough funding for this purchase in the 2025 and 2026 Transit Buses capital budgets.

The Public Service also recommends that delegated authority be given to the Chief Administrative Officer to approve contract over-expenditures as long as the overall price remains within approved budget. Price adjustments may result from regulatory changes, changes in law, or tariffs.

The Recommendations included in this Report comply with the requirements of the various trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That the City award, enter into, execute and deliver Contract Extension No. 2 for Supply and Delivery of up to twenty-five (25) Heavy-Duty 40ft. Low-Floor Battery Electric Transit Buses, Tender 538-2022, to New Flyer Industries Canada ULC (New Flyer) from May 1, 2025, until April 30, 2026 in the maximum amount of $42,377,982.25 (GST and MRST extra as applicable), and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Extension 2 for the Supply and Delivery of Heavy-Duty

Low-Floor Zero Emission Transit Buses, Tender 538-2022 and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That authority be delegated to the Chief Administrative Officer to approve contract over-expenditures and the related change orders where the accumulated contract over-expenditures do not exceed the Council-approved project budget.

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

REASON FOR THE REPORT

As the total amount to be paid by the City pursuant to the contract exceeds $10 million, the Standing Policy Committee on Public Works may approve the award of contract pursuant to the Purchasing Policy B8.2.1 as there are sufficient funds in an approved capital budget.

Council authority is required in order to delegate the authority to the Chief Administrative Officer to approve contract over-expenditures, where the accumulated amount for each contract, including over-expenditures, exceeds ten million dollars ($10,000,000), provided monies are available within the applicable capital or operating budget as approved by Council, pursuant to Appendix 7 of the Administrative Standard FM-002.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this contract is available within the Council approved 2025 and 2026 (first call) capital budget for Transit Buses. The 2025-2026 capital budgets include funding from the Province of Manitoba and the Federal Government through the Investing in Canada Infrastructure Program (ICIP). Provincial and Federal funding was confirmed by the Minister of Labour, Consumer Protection and Government Services on November 16, 2022.

With the adoption of the 2025 Capital Budget on January 29, 2025, Council authorized a first charge of up to $45 million in 2025 or prior to the adoption of the 2026 capital budget for Transit Buses.

The purchase of up to 25 Heavy-Duty 40 ft. Low-Floor Battery-Electric Transit Buses makes our transit fleet better and more reliable while also improving health, safety, and the environment. This award is under extension two of four mutually agreed upon one-year extensions.

No Economic Impact Analysis is required for this report as it’s included in the global Economic Impact Analysis prepared for the Public Transit Infrastructure Stream of the Investing in Canada Infrastructure Program.

HISTORY/DISCUSSION

Winnipeg Transit requires annual replacement of buses to maintain safe, efficient and reliable service. The Investing in Canada Infrastructure Program-Public Transit Infrastructure Stream

(ICIP-PTIS) project, Transition to Zero Emission Bus, intends to replace approximately 90 diesel buses with zero emission buses (either battery electric or fuel cell battery electric propulsion systems). Eliminating vehicle tailpipe emissions improves air quality for people who live, work or travel near the transit network, and directly improves the health and safety of transit employees.

Transit's fleet size is estimated to remain at 642 buses (not including the zero-emission pilot project).

Tender 538-2022 Supply and Delivery of Heavy-Duty Low-Floor Zero Emission Transit Buses closed at 4:00 pm, Friday October 21, 2022, with New Flyer Industries Canada ULC (NFI) being the sole responsive bid. The Tender is for the period from the date of award until October 31, 2023, with the option of four mutually agreed-upon one-year extensions.

New Flyers bid price of $38,038,400.00, GST and MRST extra if applicable included:

- Four 40 Ft Heavy-Duty Low Floor Zero Emission Battery Electric Transit Buses.
- Four 60 Ft Heavy-Duty Low Floor Zero Emission Battery Electric Transit Buses.
- Four 40 Ft Heavy-Duty Low Floor Zero Emission Fuel Cell Battery Electric Transit Buses.
- Four 60 Ft Heavy-Duty Low Floor Zero Emission Fuel Cell Battery Electric Transit Buses.

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

Tender 538-2022 allows the City to purchase any or all of the four models of Low-Floor Zero Emission Buses specified in the contract in any of the mutually agreed-upon extensions. Tender 538-2022 includes provisions for price adjustment at each extension based on inflation no greater than that indicated in Statistics Canada Monthly Industrial Product Price Index Table 18-10-0267-01: Transportation equipment manufacturing (336). The price adjustment is calculated as the difference in the percentage change of the monthly index of the previous 24 months.

The City notified, the contractor, New Flyer Industries Canada ULC of its interest in exercising its option for the first mutually agreed-upon one-year extension of contract 538-2022. However, to better align with the City of Winnipeg's budgetary process, the City requested and New Flyer agreed to amend the contract renewal dates on February 22, 2024, to the following:

a) Date of Beginning of first extension until April 30, 2025 (18 months –the "First Extension");
b) May 1, 2025 – April 30, 2026 (12 months);
c) May 1, 2026 – April 20, 2027 (12 months); and
d) May 1, 2027 – October 31, 2027 (6 months).

On November 29, 2022, Standing Policy Committee on Public Works approved the award for Supply and Delivery of 16 Heavy-Duty Low Floor Zero Emission Transit Buses, to New Flyer Industries Canada ULC (New Flyer) for a period from date of award until October 31, 2023, in the amount of $33,038,400.00, GST and MRST extra if applicable.

On May 16, 2024, the contractor, New Flyer Industries Canada ULC, agreed to the City's request for a contract extension of Tender 538-2022 Extension 1 for the period of November 1, 2023, until completion of order with a total maximum price of $39,117,167.76 plus GST and MRST extra as applicable. The order was for 24 40 ft Heavy Duty Low-Floor Battery Electric

Buses. Funding for this award was included in the Council approved 2024 Transition to Zero Emission Buses Capital budget and 2025 Transit Buses capital budget.

On September 12, 2024, the Standing Policy Committee on Public Works approved the provisional award of the first contract extension for Supply and Delivery of Heavy-Duty Low-Floor Zero Emission Transit Buses in the amount of $39,117,167.76, GST and MRST extra if applicable to New Flyer Industries for the period from May 1, 2024, to April 30, 2025.

On April 29, 2025, the contractor, New Flyer Industries Canada ULC, agreed to the City's request for a contract extension of Tender 538-2022 Extension 2 for the period of May 1, 2025, until April 30, 2025.

On June 19, 2025, the contractor, New Flyer Industries Canada ULC, and the City's agreed on pricing under Extension 2 of Tender 538-2022 with a total maximum price of $42,377,982.25 plus GST and MRST as applicable. The order is for up to 25 40 ft Heavy Duty Low-Floor Battery Electric Buses. Funding for this award is included in the Council approved 2025 and 2026 Transit Buses Capital budget.

Twenty-five is the maximum number of zero emission buses that can be accommodated within the City's approved capital budget. As the City has not put any buses from its first order into service, only 40ft battery electric buses are recommended to be purchased during Extension No.2 of the contract based on the maturity of that product.

Based on price adjustments for inflation to be no greater than Statistics Canada Monthly Industrial Product Price Index Table 18-10-0267-01: Transportation equipment manufacturing (336), a price adjustment was applied based on the forecasted percentage change in the average of the monthly index between September 2023 and the expected date award of September 2025. This represents a seven percent price change over the previous order. Due to current economic uncertainty, the inflationary adjustment includes an estimated adjustment for cost increases, that may be realized between the time of writing of this report and the order being placed. The estimate included is the maximum amount that will be paid and if these cost increases are not fully realized, the final purchase price will be less.

There are currently no specific tariffs impacting this bus order. However, NFI has advised that direct and indirect tariffs through their supply chain could result in cost increases of five to 20 percent. To ensure prompt payment of invoices related to this order, the Public Service recommends that authority be delegated to the Chief Administrative Officer to approve any contract over-expenditures related to price adjustments resulting from regulatory changes or change in law of future or recently imposed tariffs, where the accumulated contract over-expenditures do not exceed the Council-approved project budget.

The Public Service is of the opinion that New Flyer Industries Canada ULC has the necessary resources and experience to perform all of the work in accordance with the requirements of the specifications.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 5, 2025

Project Name: **First Year of Program** **2025**

Award of Contract Extension Tender 538-2022 Extension 2 for Supply and Delivery of Heavy-Duty Low-Floor Zero Emission Transit Buses

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ 45,344,441	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	45,344,441	-	-	-	-
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	$ 60,467	$ 179,082	$ 424,386	$ 596,605	$ 565,500
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 60,467	$ 179,082	$ 424,386	$ 596,605	$ 565,500
Less: Existing Budget Amounts	60,467	179,082	424,386	596,605	565,500
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Total capital expenditures reflect the estimated contract costs plus applicable MRST. The final contract price will reflect the actual inflationary adjustment calculated in accordance with the terms of the contract but will not exceed the recommended award amount. There is Council approved funding for this purchase in the 2025 and 2026 (first charge - $45 million) Transit Buses adopted capital budgets. The 2025 and 2026 funding sources include Provincial and Federal contributions as part of the ICIP program. The City contribution amounts will be funded through external debt.

The Operating Budget impact reflects the interest costs of the external borrowing (Direct Costs). There are no overhead charges applicable on major capital projects. These amounts are included in Transit's annual Operating Budget submissions.

Laurie Fisher August 5, 2025

Laurie Fisher, CPA, CA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- Purchasing Division, Corporate Finance Department
- Legal Services (as to legal matters)

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 2045
Environmental Resilience, Objective 2: Prioritize sustainable transportation as the mobility options of choice.

> 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.

Policy 2.9: Reduce Road Congestion

> Increase the efficiency, convenience and usage of the active and public transportation system, to improve air quality, provide a viable alternative to the automobile, and reduce current and future road congestion.

Winnipeg Transit Master Plan
Network Goals:

> Enhance Customer Experience
> Increase Ridership
> Improve Downtown Mobility
> Complement Land-Use Development
> Improve Multi-modal Mobility
> Ensure Transit is Inclusive
> Continuously Innovate
> Empower Healthy Communities
> Balance Investment with Affordability

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).

The purchase of zero emission diesel buses, switching from old diesel fuel technologies, will assist with reducing emission of our transit system.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 5(c) Transportation System Equity is Enhanced – Increase collaboration with community partners improves access to safe and secure transportation by all residents.

SUBMITTED BY

Department: Transit
Division: Asset Management Office
Prepared by: Erin Cooke, Program Manager, Transition to Zero Emission Bus
Date: August 5, 2025
File No: 538-2022