



The Corporation of the City of Cornwall
Regular Meeting of Council
Report

Department: Financial Services
Division: Purchasing
Report Number: 2021-63-Financial Services
Prepared By: Nicole Robertson, Supervisor
Meeting Date: June 14, 2021
Subject: Purchase of Transit Buses Through the Transit Procurement Initiative

Purpose

To purchase two (2), forty (40) foot low floor conventional buses (either diesel or hybrids, if approved by Investing in Canada Infrastructure Program (ICIP)) through the Metrolinx Transit Procurement Initiative agreements.

Recommendation

That Council approve the purchase of two (2) conventional buses from Nova Bus through the Metrolinx Transit Procurement Initiative process.

Financial Implications

The Transit Department would like to enter into an agreement with Nova Bus to secure two (2) spots on the production line, thus ensuring that Cornwall will receive the buses in 2022. Typically, there is a 9-month lead time for diesel buses and 12 months for hybrid buses.

Cornwall currently has approved ICIP funding in place for two (2) diesel buses to be purchased in the 2022. Cornwall Transit has requested a modification from ICIP to replace the proposed diesel buses with two (2) hybrid buses for 2022 and four (4) more buses, one per year, for the duration of the ICIP funding period ending in 2026. The ICIP modification for two (2) hybrid buses is expected to receive approval. The cost of hybrid buses is significantly higher (approximately \$314,000) than regular diesel buses. See the diagram below.

As part of the modification, ICIP requested a Climate Lens. Cornwall provided a study conducted by the Toronto Transit Commission (TTC) and included the exact Nova hybrid buses that Cornwall would like to purchase. The bottom line of the Climate Lens stated that the hybrid buses could expect a 19% diesel fuel savings compared to diesel buses. Cornwall Transit's forty (40) foot conventional buses use approximately 50,000 litres of diesel annually. One hybrid bus would use 9,500 litres less per year and reduce the GHG by 28 metric tons.

The cost of the two (2) buses will be funded through the ICIP, as follows:

Funding Source	Portion	Funding Amount	
		Diesel	Hybrid
Federal Government	40.00%	\$541,548	\$792,243
Province of Ontario	33.33%	\$451,245	\$660,137
City of Cornwall	26.67%	\$361,077	\$528,228
Total Cost		\$1,353,870	\$1,980,608

For two (2) hybrid buses, the increase in cost for Cornwall's share is approximately \$167,000 when compared to two (2) diesel buses. The City of Cornwall portion will be financed, with borrowing costs (principal and interest) funded by the tax base. Due to the lead time required, delivery and payment of the 2022 buses from Nova Bus would occur in the last quarter of 2022.

Strategic Priority Implications

The low-floor fully accessible conventional buses with voice annunciation supports the Corporation's Mission Statement by enabling a financially and environmentally sustainable bus service while complementing four of the Corporation's 2019-2021 Priorities: provides transportation services for Skilled Labour Force, allows citizens flexible Housing Opportunities, promotes Economic Development, and is a tool in Environmental Sustainability.



Background / Discussion

Metrolinx is a Crown corporation charged with administering Ontario Urban transit projects. The Transit Procurement Initiative (TPI) is a Metrolinx program that helps small and medium-sized Ontario municipalities save money by reducing unit costs through higher volume purchases and performance-based specification, avoiding duplicate procurement costs while improving product quality.

The multi-year governance agreement entered by the Corporation is authorized by City of Cornwall By-Law 2019-073 and covers the period of 2019-2024.

The buses will replace two (2) 1997 Orion 6 conventional forty (40) foot buses which are at the end of their lifecycle. The two (2) buses will be decommissioned and placed for auction on GovDeals, an online auction platform.

The modest revenue expected from the sale of the decommissioned buses will be returned to the City's Provincial Gas Tax Reserve Fund as per the agreement stipulation.

Accessibility Impact

The Nova buses are fully accessible for persons with disabilities and have two (2) wheelchair positions incorporated in the seating plan. Cornwall Transit's fleet remains at 100% accessible.

Document Title:	Purchase of 2022 Transit Buses - 2021-63-Financial Services.docx
Attachments:	
Final Approval Date:	Jun 9, 2021

This report and all of its attachments were approved and signed as outlined below:

Bill de Wit - Jun 8, 2021 - 5:38 PM

Tracey Bailey - Jun 8, 2021 - 8:37 PM

Maureen Adams - Jun 9, 2021 - 9:33 AM