

Request for Decision

Standardization of Transit Fleet with Nova Buses

Presented To: Operations Committee

Presented: Monday, Jul 09, 2012

Report Date: Tuesday, Jun 26, 2012

Type: Routine Management Reports

Recommendation

That the Operations Committee recommend that Council approves the extension of the current procurement agreement with Nova Bus, a division of Prevost Car Inc., until 2017 subject to the annual acceptance of the purchase price as established by the Nova Bus Standard Pricing Policy.

Finance Implications

Greater Sudbury Transit can meet its capital needs for bus replacements for the foreseeable future by utilizing several sources of funding including, the Transit - Equipment and Vehicle Reserve Fund, Provincial Gas Tax funding and Capital Envelopes as detailed within the Transit Long Term Capital Financial Plan.

Background

The Greater Sudbury Transit fleet is comprised of sixty (60) buses, which collectively travel in excess of four (4) million kilometres annually. The average cost of a new fully accessible forty (40) foot bus in Ontario exceeds \$450,000.00. The Transit Long Term Capital Financial Plan which has been approved by Council recommends replacing buses when they have seen approximately eighteen (18) years of active service, depending on the condition of the bus.

The current Greater Sudbury Transit fleet includes thirty-two (32) Nova Buses. The Nova Bus has proven to be the best fit for our City as it is the most reliable, functional and economical bus available in the industry. One major factor is the stainless steel structure which eliminates the need for mid-life rebuild due to corrosion. The Nova bus provides overall good customer service with few if any complaints and is the preferred choice of our maintenance staff and our operators.

The Transit Long Term Capital Financial Plan currently recommends replacing three (3) buses in 2013, five (5) buses in 2015 and four (4) buses in 2016.

The City of Greater Sudbury has received a proposal from Nova Bus, a division of Prevost Car Inc., which

Signed By

Report Prepared By

Eric Bertrand
Manager of Fleet Services
Digitally Signed Jun 26, 12

Division Review

Roger Sauvé
Director of Transit & Fleet Services
Digitally Signed Jun 26, 12

Recommended by the Department

Greg Clausen, P.Eng.
General Manager of Infrastructure Services
Digitally Signed Jun 26, 12

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Jun 26, 12

extend the agreement to buy buses for a period of up to ten (10) years using the 2011 base price and applying inflationary and currency adjustments annually as detailed in the Nova Bus Standard Pricing Policy.

Staff have reviewed the proposal and recommends moving forward with a standardized fleet by purchasing Nova Buses. This does not commit the City to purchasing any or all of its buses from Nova Bus should circumstances change, it simply guarantees a price for up to 10 years.

Orders for buses must be placed almost one (1) year prior to the requested delivery date. Standardizing the fleet and having a vendor of record will allow Transit staff to strategically plan for delivery dates and place orders based on replacement requirements rather than manufacturer's availability dates.

Previously, Greater Sudbury Transit negotiated excellent purchase prices with Nova Bus. The new proposal will secure our price which is currently below the Provincial average and better than the Provincial Joint Procurement Agreement.

Therefore staff recommends that the Operations Committee recommend that Council approve the extension of the current procurement agreement with Nova Bus, a division of Prevost Car Inc., until 2017 subject to the annual acceptance of the purchase price as established by the Nova Bus Standard Pricing Policy.