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Durham Region Transit Report

To: Durham Region Transit Executive Committee
From: General Manager, Durham Region Transit
Report: #2024-DRT-08
Date: March 19, 2024

Subject:

Extension of existing standing agreement to continue to sole source the purchases and repairs related to proprietary bus parts and fareboxes

Recommendation:

That the Transit Executive Committee recommends:

- A. That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with New Flyer Industries and Prevost (Nova Bus) to continue the sole source purchases of proprietary bus parts at an estimated annual cost of \$700,000 for New Flyer Industries, and \$300,000 for Prevost, to be funded from the annual Durham Region Transit Business Plans and Budget be approved;
- B. That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with Garival to continue to sole source the purchase, repairs, required proprietary parts and equipment for fareboxes at an estimated annual cost of \$75,000, to be funded from the annual Durham Region Transit Business Plans and Budget to be approved; and
- C. That a three-year extension from July 1, 2024 to June 30, 2027 to the existing standing agreement with Garival Inc. to continue to sole source for system warranty and support for the GFI system at an estimated annual cost of \$50,700, to be funded from the annual Durham Region Transit Business Plans and Budget to be approved.

Report

1. Purpose

- 1.1 The purpose of this report is to seek the approval of the Transit Executive Committee for the five-year extension of three sole source agreements that each exceed \$100,000. Sole source standing agreements are required with New Flyer Industries, Prevost (Nova Bus), and Garival Inc., for procurement of proprietary parts that are either not available in the competitive after-market bus parts industry, and farebox parts, system warranty and support for the GFI fare collection system.

2. Background

- 2.1 Since DRT was formed in 2006, standing agreements have been created with various suppliers. New Flyer Industries and Nova Bus use exclusive authorized distributors for various proprietary parts respective to their bus models. Garival Inc. is the certified exclusive authorized distributor and parts/service provider for DRT's farebox system. Standing agreements with these three vendors will continue to support efficient operation and maintenance of DRT buses.

3. Financial Implications

- 3.1 Section 7 of the Region's Purchasing By-Law 16-2020 allows for sole source purchases and requires Council approval where the sole source purchase exceeds \$100,000. Appendix C, article 1.1 of By-law 16-2020 supports the sole source agreements.
- 3.2 Continued funding for the annual expenditures under the standing agreements with New Flyer Industries (\$700,000), Prevost (\$300,000) and Garival for parts and equipment (\$75,000) and for warranty and support (\$50,000) will be provided within DRT's annual Business Plan and Budget.

4. Previous Reports and Decisions

- 4.1 Similar reports requesting sole source approval to negotiate standing agreements with New Flyer Industry Parts, Prevost and Garival were approved by Committee of the Whole (#2018-COW-65) on April 4, 2018, and Regional Council on April 11, 2018, and May 26, 2021.

5. Relationship to Strategic Plan

5.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

a. Goal 5: Service Excellence

(a) 5.1 Optimize resources and partnerships to deliver exceptional quality services and value.

6. Conclusion

6.1 This report seeks approval to negotiate and award a five-year extension to each of the current standing agreements to continue to sole source with New Flyer Industries, Prevost and Garival Inc. for the purchase of proprietary and/or bus safety related parts.

6.2 As required by the Regions Purchasing By-Law 16-2020, Council approval is required for sole source agreements that exceed \$100,000.

6.3 This report has been reviewed by the Finance department and Commissioner of Finance. A similar report will be considered at the April 9th F&A meeting.

Respectfully submitted,

Original signed by

Bill Holmes
General Manager, DRT

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer