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Durham Region Transit Report

To: Durham Region Transit Executive Committee
From: General Manager, Durham Region Transit
Report: #2025-DRT-09
Date: June 4, 2025

Subject:

2025 Electric Bus Procurement and Budget

Recommendation:

That the Transit Executive Committee recommends to the Finance and Administration Committee:

- A) That the 2025 approved capital project budget for the purchase of 18 battery electric buses be increased by \$650,000, from \$29,410,575 to \$30,060,575 with the \$650,000 in additional financing to be provided at the discretion of the Commissioner of Finance.

Report:

1. Purpose

- 1.1 The purpose of this report is to seek TEC approval to increase the approved 2025 capital project budget and associated financing for the purchase of 18 electric buses by \$650,000, for a total budget of \$30,060,575.

2. Background

- 2.1 The Metrolinx Transit Procurement Initiative (TPI) enables DRT to purchase transit related equipment and supplies as part of a consortium with other Ontario transit agencies, leveraging collective buying power for cost efficiency and standardized specifications.
- 2.2 The 2025 DRT budget was drafted in June 2024 and used the contract pricing in place at that time for 18 battery electric buses. The bus order was placed with the vendor following budget approval, and the vendor advised DRT that contract pricing had increased in October 2024. There was a contract price increase of

approximately \$36,000 per battery electric bus. The DRT budget for the buses had not been adjusted accordingly.

3. Financial Implications

- 3.1 Section 17.1 of the Region's Budget Management Policy requires that additional commitments for a capital project shall not be authorized if the value of the work will cause the project to be over expended by more than \$250,000 beyond project funding. Approval of the applicable Standing Committee and Regional Council is required to commit additional sources of financing.
- 3.2 The Council approved 2025 DRT budget for 18 new battery electric buses was \$29,410,575 (\$19,607,050 for 12 growth buses and \$9,803,525 for replacement buses). The cost of the buses is now estimated to be approximately \$30,060,575, an increase of approximately \$650,000, or 2.2 per cent higher than budgeted.
- 3.3 This report recommends increasing the approved budget by \$650,000 for the purchase of the 18 electric vehicles as per DRT's Business Plan, with the additional financing to be determined at the discretion of the Commissioner of Finance.
- 3.4 The Commissioner of Finance has been consulted and concurs with the recommendations in this report.

4. Relationship to Strategic Plan

- 4.1 This report aligns with/addresses the following Strategic Directions and Pathways in Durham Region's 2025-2035 Strategic Plan:
 - a) Connected and Vibrant Communities
 - C3. Improve public transit system connectivity, reliability, and competitiveness.
 - b) Strong Relationships
 - S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.
- 4.2 This report aligns with/addresses the following Foundation in Durham Region's 2025-2035 Strategic Plan:
 - a) Technology: Keeping pace with technological change to ensure efficient and effective service delivery.

5. Conclusion

- 5.1 DRT and the Region remain committed to advancing electrification of the transit fleet and technologies that reduce green house gas emissions. Demand for transit

service continues to exceed capacity of DRT. Increasing the transit fleet and effectively managing fleet asset lifecycles is crucial for DRT to advance transit network growth and reliability, achieve efficient maintenance services., and remain within the service growth objectives of the ten year DRT Service and Financing Strategy (2023-2032).

- 5.2 A similar report will be submitted for approval to the Finance and Administration Committee on June 10, 2025.

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