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Durham Region Transit Report

To: Durham Region Transit Executive Committee
From: General Manager, Durham Region Transit
Report: #2025-DRT-10
Date: June 04, 2025

Subject:

Durham Region Transit (DRT) service agreement with Ontario Power Generation (OPG) for dedicated shuttle service

Recommendation:

That the Transit Executive Committee recommend to Council:

- A) That the General Manager, Durham Region Transit, be delegated the authority to enter into and execute a service agreement with Ontario Power Generation (OPG), to deliver a dedicated shuttle for OPG employees for up to one year commencing on or around September 1, 2025, with an upset revenue limit of \$500,000 per annum, with terms being satisfactory to the Commissioner of Finance and the Regional Solicitor.
 - B) That the General Manager, Durham Region Transit be delegated authority to extend the service agreement on a month-to-month basis, consistent with the upset limit in recommendation A, including any relevant cost escalations to continue to deliver the shuttle service.
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Report:

1. Purpose

- 1.1 The purpose of this report is to seek the delegated authority from the Transit Executive Committee for DRT to enter a service agreement with OPG to deliver a dedicated shuttle service for OPG employees, for up to one year commencing on or around September 1, 2025, ending August 31, 2026, with an option to extend the agreement on a month to month basis upon mutual consent of the parties.

- 1.2 Section 1.8 of By-law Number 29-2020 provides the Department Head for the relevant department together with the Commissioner of Finance with the authority to execute a revenue generating agreement or any agreement where the Region is providing a service to others for a charge, provided that the revenue being generated or charged by the Region does not exceed \$250,000 per annum or prevailing budget management policy limits. As DRT has already completed preliminary costing and discussions with OPG, and the service agreement is anticipated to generate in excess of this limit, at an estimated revenue of \$385,900 as detailed in the Financial Implications Sections, DRT is seeking delegated authority from TEC to execute this agreement. Providing the delegated authority, up to an upset limit of \$500,000 will allow DRT the operational flexibility to extend the agreement, make route adjustments, attend and support special events, or execute other operational circumstances as they arise. If the revenues are expected to extend beyond \$500,000, DRT will commit to return to TEC to seek additional authority. The outcomes and learnings from this employer shuttle service will be provided to TEC, as appropriate.

2. Background/Summary

- 2.1 This dedicated shuttle is a the first of its kind in the Region and an opportunity to showcase a shared commitment to transit and sustainable mobility and highlight the partnership with a key Regional industry. The initial proposed shuttle and timing will be subject to change based on actual conditions, which is the why the requested total upset revenue limit exceeds initial estimates. This additional consideration will provide DRT the operational flexibility to revise and enhance the shuttle service as it evolves. For example, based on a variety of factors, OPG may request a lunch time service, extensions to the peak periods, less service on one weekday in favour of more on others, etc. All of these have the potential to impact the pricing of the charter and as a result the additional contingency will ensure DRT can be responsive to real-time data and requests from OPG.
- 2.2 It is important to note that the operation of the dedicated shuttle is in alignment with the Council approved DRT service and financing strategy. Moreover, we anticipate that the operation of the shuttle service will demonstrate the convenience DRT offers to those who may be new to the Region of Durham, as well as providing valuable information and data on shuttle opportunities for other major Regional Employers.
- 2.3 DRT will primarily assign an Electric Bus to deliver the shuttle service, operating throughout weekday morning and afternoon peak periods between Durham College

Oshawa GO Station and the new OPG headquarters on Colonel Sam Drive in Oshawa.

- 2.4 The shuttle has been costed as a full-cost recovery service, ensuring regular service hours are not used to deliver the shuttle service.

3. Financial Implications

- 3.1 As initially planned, the shuttle service will include approximately 8 hours of service daily, and a total of 230-240 km per day. The shuttle is planned to operate for 261 business days over the term of the agreement.

- 3.2 The agreement will be full cost recovery, with an annual cost estimated to be \$385,900 per annum (details are shown below).

Operations (bus operators & direct supervision)	\$ 181,200
Electric Vehicle Charging	\$ 14,900
Maintenance Cost (Parts)	\$ 16,500
Maintenance Cost (Labour)	\$ 42,600
Bus Wrap	\$ 12,000
Depreciation (E.bus)	\$ 118,600
Total Annual Cost to DRT	\$ 385,900

4. Relationship to Strategic Plan

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

a. Connected and Vibrant Communities

- a) C3. Improve public transit system connectivity, reliability, and competitiveness

b. Environmental Sustainability and Climate Action

- a) E1. Reduce corporate greenhouse gas emissions to meet established targets

5. Conclusion

- 5.1 This report seeks delegated authority for DRT to execute an agreement with OPG to provide a bus shuttle for OPG employees for up to 1 year, with the option for and extension, at an upset revenue limit of \$500,000 per annum.
- 5.2 The service agreement exceeds of delegated authority approval limit of \$250,000 as per By-law Number 29-2020, and Council approval is required to authorize the execution of this revenue agreement.
- 5.3 For additional information, contact: Kris Hornburg, Deputy General Manager, Business Services, Durham Region Transit, at 905-668-4113

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