



PUBLIC SERVICES COMMITTEE AGENDA

Monday, June 15, 2015, 5:00 pm
Committee Room

Pages

1.	ROLL CALL	
2.	DECLARATION OF CONFLICT OF INTEREST	
3.	MINUTES OF THE PREVIOUS MEETINGS	
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4.	CORRESPONDENCE	
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9.	CLOSED SESSION	
10.	SCHEDULING OF NEXT MEETING	
11.	ADJOURNMENT	



**PUBLIC SERVICES COMMITTEE
MEETING MINUTES**

Wednesday, May 20, 2015

5:15 pm

Committee Room

Regrets: C. Martin, Chair, N. Mann, Member, Luc Cyr, Dan Marchisella

Others Present: Todd Stencill - Elliot Lake and District Chamber of Commerce

1. ROLL CALL

The meeting was called to order by the Chair at 4:21 pm.

3. MINUTES OF THE PREVIOUS MEETINGS

2. DECLARATION OF CONFLICT OF INTEREST

Councillor Mann declared on any items dealing with transit operations.

3. MINUTES OF THE PREVIOUS MEETINGS

3.1. April 20, 2014

Res#: 20/15

Moved By: N. Mann

Seconded By: Dan Marchisella

That the Minutes of the April 20, 2015 meeting of the Public Services Committee meeting be received;

Carried

5. PUBLIC PRESENTATION

5.1. Todd Stencill - General Manager of the Elliot Lake and District Chamber of Commerce

Presentation of Downtown Revitalization Project report.

Res#: 21/15

Moved By: Luc Cyr

Seconded By: Dan Marchisella

That the report presented by the Chamber of Commerce regarding the Downtown Revitalization initiative be received;

and That Staff be directed to work with the Elliot Lake and District Chamber of Commerce to develop standardized options for presentation to Council.

Carried**7. NEW BUSINESS****7.1. Staff Report OPS 2015-09 - Pavement Marking Contract****Res#: 22/15**

Moved By: N. Mann

Seconded By: Dan Marchisella

That Staff Report OPS2015-09 dated May 5, 2015 of the Director of Operations be received;

And THAT contract 2015-06 for Pavement Marking in the amount of \$43,787.⁵⁰ plus applicable taxes be awarded to Midwestern Line Striping Inc.

Carried**7.2. Staff Report OPS 2015-12 Tandem Plow Truck Plow****Res#: 23/15**

Moved By: Luc Cyr

Seconded By: Dan Marchisella

That Staff Report OPS2015-12 dated May 12, 2015 of the Director of Operations be received;

And THAT contract 2015-07 for supply of one (1) Freightliner 114SD Tandem Plow and Sander Truck in the amount of \$214,828.⁰⁰ plus applicable taxes be awarded to TMS Truck Center Ltd.

Carried**7.3. Memo from the Director of Operations**

Update regarding Frozen Water Services.

Res#: 24/15

Moved By: N. Mann

Seconded By: Luc Cyr

That the Memo from the Director of Operations regarding frozen water services be received;

Carried**7.4. Memo from the Director of Operations**

Update on Parks Department operations.

Res#: 25/15

Moved By: N. Mann

Seconded By: Luc Cyr

That the memo from the Director of Operations regarding current Parks Department operations be received;

Carried**7.5. Memo from Mayor Marchisella**

Requesting consideration for the installation of a Flag Pole at the Miners Monument.

Res#: 26/15

Moved By: Dan Marchisella

That the memo from Mayor Marchisella regarding the installation of a Flag Pole at the Miners Monument be received;

7.6. Verbal Report from the Director of Operations

Update on Transit Operations

10. SCHEDULING OF NEXT MEETING

The next scheduled Public Services Committee meeting is Monday, June 15th, 2015 at the hour of 5:00 pm.

11. ADJOURNMENT**Res#: 27/15**

Moved By: N. Mann

Seconded By: Dan Marchisella

That the meeting be adjourned at the hour of 7:13 pm.

Carried

8 June, 2015



Dear Commercial Business Owner;

The City of Elliot Lake, in cooperation with the Elliot Lake and District Chamber of Commerce, has been reviewing various options to increase available parking in the Central Commercial Area (CCA). Our area of primary concern is the section of Ontario Avenue adjacent to the Algo Center Mall site.

One option being considered is the conversion of this section of the CCA to a one way traffic only roadway. This will permit the establishment of angle parking in front of the various businesses along this section of Ontario Avenue and will increase parking by approximately 10 spaces, bringing the total to 26 available parking spaces.

It was determined that due to the natural slope of the area, traffic flow and safety would best be served if the one way direction of travel was Northwest to Southeast, from Saskatchewan Avenue towards the Pearson Plaza property.

In order to effectively assess this option, your feedback is requested. It would be appreciated if you could take some time to review, consider, and respond to the attached questionnaire.

It is important to note that this survey represents a critical preliminary step in the process. In the event that response to this survey prompts us to continue, we will engage the services of an appropriate engineering firm to ensure and confirm that the roadway in question meets Canadian design criteria for conversion to one-way traffic.

We will continue to keep you, the business owners, engaged and informed through this process as it progresses.

We are requesting that any comments or suggestions you may have be included in the area provided and returned to City Hall at the address indicated below, on or before June 26th, 2015.

Thank you for your input and assistance in this process.

Best regards,

Sean McGhee
Director of Operations
City of Elliot Lake

Ontario Avenue One-Way Traffic Business Owner Survey

1. Was your establishments' parking situation impacted by the loss of available parking spaces on the Algo Center Mall property?

☐ Yes;

☐ No;

Please Explain:

2. Do you feel that the existing configuration of Ontario Avenue provides adequate parking spaces to meet the needs of the local business owners?

☐ Yes;

☐ No;

3. Do you expect that a change to One-way traffic on Ontario Avenue would have a positive or negative impact on your business?

☐ Positive impact;

☐ Negative impact;

Please Explain:

Ontario Avenue One-Way Traffic Business Owner Survey

4. In order to ensure unimpeded traffic flow in the One-Way traffic area of Ontario Avenue, no stopping would be permitted in the travelled portion of the road. This would include heavy truck traffic normally associated with shipping and receiving activities. Would restrictions on shipping and receiving in the One-Way section of Ontario Avenue have a **NEGATIVE** impact on your business? If so, please explain.

☐ Yes;

☐ No;

Please Explain:

5. Do you have any suggestions that could enhance or improve parking in the Central Commercial Area?

☐ Yes;

☐ No;

If Yes, please outline your suggestions;

Your Name –

Name of Business –

Business Address -

Preferred Contact Number -

Thank you for taking the time to answer these questions and provide input. Your assistance is very valuable to us. Please return the completed survey to the attention of the Operations Department at the address below, by June 26th, 2015.



SCALE
0 5 10 15 20 25 metres



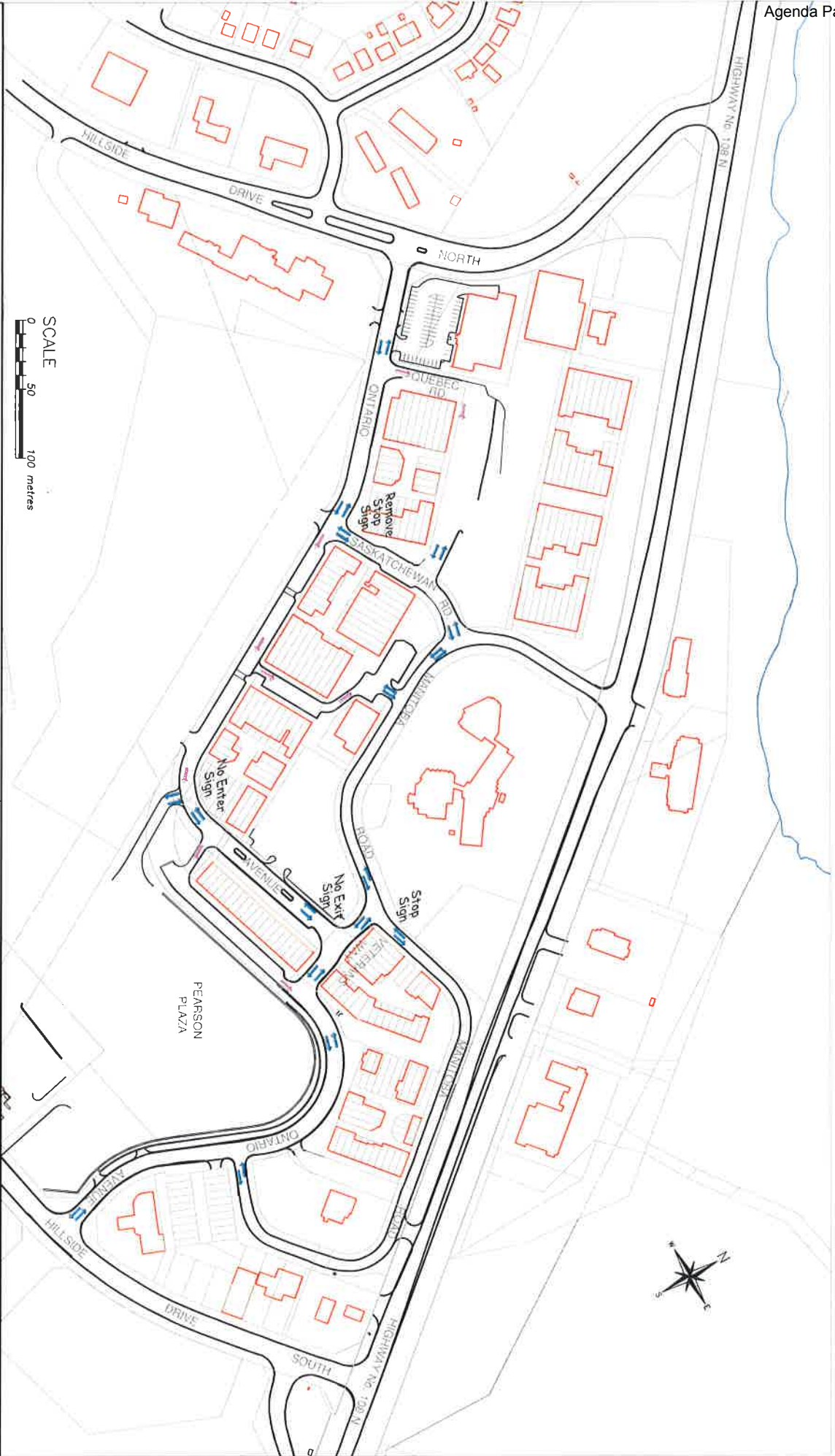
THE CORPORATION OF THE CITY OF
ELLIOT LAKE
ENGINEERING DEPARTMENT



ONTARIO AVENUE 2015 ONE WAY TRAFFIC STUDY

Details

DATE:	April 13, 2015	DESIGNED BY:	M.J.P.
DATE:	\\el-mapping\...Ontario Parking Ontario-2015 (Details)	PLAN:	2015-E1-1



THE CORPORATION OF THE CITY OF
ELLIOT LAKE
ENGINEERING DEPARTMENT



DATE: April 13, 2015
DATE: \\el-mapping\...Ontario Parking\Ontario-2015 (GL)

DESIGNED BY:
PLAN:

M.J.P.
2015-E1-1

ONTARIO AVENUE 2015 ONE WAY TRAFFIC STUDY
General Layout



The Corporation of the City of Elliot Lake

Staff Report OPS 2015-14

Report of the **Director of Operations**
for the Consideration of Council

RE: Clean-up Week Outcome

OBJECTIVE

To provide Mayor and Council with information and statistics associated with the 2015 Clean-Up Week event and to present recommendations regarding future Municipal clean-up initiatives.

RECOMMENDATION

THAT Staff Report OPS 2015-14 dated June 9th, 2015 of the Director of Operations be received;

And THAT Clean-Up Week be discontinued in favour of the distribution of one (1) complimentary landfill pass per residential household to be distributed annually;

Respectfully Submitted

A blue ink signature of Sean McGhee, consisting of a stylized 'S' and 'M' followed by a horizontal line.

Sean McGhee
Director of Operations

Approved

A black ink signature of Jeff Renaud, consisting of a stylized 'J' and 'R' followed by a horizontal line.

Jeff Renaud
Chief Administrative Officer

June 9th, 2015

BACKGROUND

Clean-up week was held from May 25th to May 29th inclusive and included curb side pickup of debris in addition to a municipal hazardous waste collection depot which took place on May 27th. There was no scheduled pickup of electronic waste as a local contractor expressed interest in acquiring the E-waste stream.

Although this has been a long standing event in the community, there have been significant increases in curbside volume as well as obvious abuses of the event since the advent of landfill user fees. It was noted during previous events that if the community was not completed before the weekend following the event, additional debris was placed curbside in the uncompleted areas of the City. It was determined that in order to minimize abuse, it was critical that the entire event be completed in one work week. To complete the task within this timeline, the crews were asked to work overtime as required.

All available public works department personnel, tandem trucks, and loaders are used for the duration of the event. Additional equipment and resources are rented from local service providers to achieve the necessary equipment levels.

In addition to running an aggressive advertising campaign which included weekly half page advertisements in the Standard and on the City of Elliot Lake website, residents were also asked not to place debris curbside until the weekend prior to the event.

ANALYSIS

In order to successfully complete the task, two crews are assembled utilizing all of the available resources. The task requires that the crew walk a total in excess of 140 kilometers of local roads while collecting the debris.

In total, the crew collected 2,762 cubic meters of debris while filling 206 tandem and tri-axle trucks. This equates to a calculated tonnage of 334 metric tonnes using an accepted conversion factor of 0.121 tonnes per cubic meter.

The total collected in 2014 was 3,274 m³ (396 tonnes) with 3,957 m³ (479 tonnes) collected in 2013.

The work was completed in the necessary timeframe, however 665 regular hours and 236.5 hours of overtime were committed to the accomplishment of this task. During this period of time, no other municipal work was performed. Fortunately, no emergency situations were encountered which would have drawn from the necessary complement of clean-up crew personnel.

FINANCIAL IMPACT

The total cost to complete the event falls under two separate and distinct groups. The first group is actual costs that are above and beyond the normal operational expenditures incurred by the department. This includes rental of equipment, overtime incurred, and meal allowances. The second group is what is referred to as opportunity cost which includes any expenditure that would otherwise be incurred but was redirected to clean-up week associated activities. This includes regular salaries and wages and could also include revenue lost from landfill tipping fees not collected.

These cost breakdowns are as follows:

Actual Costs

- Equipment rentals - \$13,091.98
- Overtime incurred - \$ 5,382.58
- Meal allowances - \$ 570.00

Total Actual Cost - **\$19,044.56**

Opportunity Costs

- Regular hours for Public Works Department crew - \$15,175.84
- Internal vehicle and machinery cost (estimate) - \$17,325.00
- Lost revenue from tipping fees - \$20,052.00
- Additional lost revenue from Cottage Lot passes (estimate) - \$2,250.00

Total Opportunity Cost - **\$54,802.84**

Total Cost (Actual and Opportunity) for the 2015 Clean-Up Week event **\$73,847.40**

SUMMARY

Although appreciated in the community, the Clean-Up Week has grown in magnitude such that it has become not only cost prohibitive, but a significant drain on our Public Works Department resources. The event is hosted during a critical time and impedes many of the important functions performed by the department. These functions include, but are not limited to street sweeping, storm sewer repairs, and general post winter infrastructure repair within the Municipality.

In an effort to maximize the effective use of Public Works Department time and resources, while reducing overall operating costs, the following options should be considered.

1. Discontinue the event in its entirety. Although the community as a whole has become accustomed to the service, our Municipal resource would be better utilized by focus on infrastructure upkeep and repair;
2. Discontinue the curbside event, but provide each residential dwelling with one (1) complimentary landfill pass for the 2016 year. Some restrictions, such as maximum capacity of the load would be recommended. This option could potentially generate some business for local service providers as residents without the means to transport refuse may solicit assistance;
3. Discontinue the curbside event and schedule an amnesty week at the landfill site. This option presents numerous logistical concerns and is not recommended;

As noted, there are options available to meet the waste disposal needs of the community without negatively impacting the work done by the Public Works Department. In addition to the cost savings and increase in productivity, the elimination of unsightly piles of debris on the side of our City streets will enhance the overall appearance of the community.



The Corporation of the City of Elliot Lake

Staff Report OPS2015-15

Report of the **Director of Operations**
for the Consideration of Council

RE: HIRSHHORN AVENUE ROAD RECONSTRUCTION

OBJECTIVE

To provide Mayor and Council with information regarding the tender for road reconstruction services on Hirshhorn Avenue.

RECOMMENDATION

THAT Staff Report OPS2015-15 dated June 9, 2015 of the Director of Operations be received;

AND THAT contract 2015-E1 for road reconstruction and storm sewer installation services in the amount of \$948,377.⁰⁰ plus applicable taxes be awarded to K.J. Beamish Construction Company Ltd.

Respectfully Submitted

Sean McGhee
Director of Operations

Approved

Jeff Renaud
Chief Administrative Officer

June 9, 2015

BACKGROUND

Tender No. 2015-E1 was released to request bids for the replacement of approximately 700 meters of road, and the installation of 600 meters of storm sewer. The tender was developed by Mike Perkins, P. Eng. and identified that all work be completed to applicable OPSS standards where applicable. The project is expected to be completed within 60 working days of commencement. A late penalty of \$700.00 per day beyond the anticipated completion date has been incorporated into the contract.

This project is a continuation of the Hirshhorn reconstruction project which was started in 2011 and includes Short Road between Hirshhorn Avenue and Hillside Drive. This project is part of an initiative that was developed almost 30 years ago and was designed to eliminate open ditches in favour of below grade storm water systems.

The project includes the removal and replacement of asphalt surface in addition to replacement of substandard substrate material. The contract includes the removal of all ditches and the installation of non-corroding storm sewers as indicated in the engineering drawings supplied with the tender document. Asphalt gutters will be incorporated into the road edging to further manage run-off and storm water flows.

Prior to the commencement of the project, all residential sewer connections are inspected by camera. Municipal forces are used to repair any compromised connections between the property line and the sewer main. This ensures the integrity of the system and minimizes the need for excavation of the road after resurfacing.

A \$60,000.00 contingency allowance was integrated into the unit pricing schedule to address any unanticipated issues encountered during construction.

The tender was advertised on the City of Elliot Lake website and through the Merx website. Four firms responded to the tender.

ANALYSIS

The pricing received through the tender responses was as follows:

- Interpaving Limited - \$1,098,250.⁰⁰
- Pioneer Construction Inc. - \$1,244,578.⁶¹
- K.J. Beamish Construction Company Ltd. - \$948,377.⁰⁰
- Belanger Construction Ltd. - \$1,149,610.⁰⁰

No bid irregularities were noted during the tender review process.

FINANCIAL IMPACT

There is a total of \$998,534.⁰⁰ available to complete this project in the 2015 budget. The funds are available through the following sources:

- Gas Tax Funds - \$739,000.⁰⁰
- Unexpended capital carried forward - \$63,923.⁰⁰
- Taxation - \$182,006.⁰⁰
- Ontario Community Infrastructure Fund (OCIF) grant - \$82,534.⁰⁰

The total submitted cost for construction by K.J. Beamish Construction Co. including adjusted taxes is \$965,068.43 which leaves a total of \$33,466.00 available for contract management.

LINKS TO STRATEGIC PLAN

This project is consistent with Goal 9 of the strategic plan which is “To maximize opportunities for intra-municipal mobility through continued maintenance and further improvement and development of municipal infrastructure”.

SUMMARY

It is recommended that the tender submission by K.J. Beamish Construction Company Ltd., in the amount \$948,377.⁰⁰ plus applicable taxes for Hirshhorn Avenue road reconstruction and storm sewer installation services be accepted.



The Corporation of the City of Elliot Lake

Staff Report OPS2015-16

Report of the **Director of Operations**
for the Consideration of Council

RE: TRANSIT BUS PURCHASE

OBJECTIVE

To provide Mayor and Council with information regarding the purchase of a two (2) 183" wheelbase transit busses.

RECOMMENDATION

THAT Staff Report OPS2015-16 dated June 10, 2015 of the Director of Operations be received;

AND THAT contract 2015-09 for supply of two (2) 183" wheelbase transit busses through the Metrolinx Transit Purchasing Initiative in the amount of \$375,000.⁰⁰ plus applicable taxes be awarded to Creative Carriage Ltd.

Respectfully Submitted

A blue ink signature of Sean McGhee, consisting of a stylized 'S' and 'M' followed by a horizontal line.

Sean McGhee
Director of Operations

Approved

A black ink signature of Jeff Renaud, consisting of a stylized 'J' and 'R' followed by a horizontal line.

Jeff Renaud
Chief Administrative Officer

June 10, 2015

BACKGROUND

The existing transit fleet consists of three 40 foot transit busses. Two of the units are 2004 Model Year Nova Busses with the third unit being a 2009 Model Year New Flyer. The contractor has reported that the Nova's are becoming increasingly unreliable with many serious failures including engine failure requiring rebuild, and front axle failures. In addition, the Nova busses are no longer certified for wheelchair access as the restraint systems for the wheelchairs no longer meet accessibility standards.

A recent review of the transit system during the annual reporting process identified ridership numbers that do not support the use of the large busses within our community. This coupled with increasing concerns around the reliability of the units, prompted discussion within the department surrounding the need for newer, smaller transit busses. It was further identified that new, creative approaches to the delivery of the service should be considered.

These issues, when coupled with the long term challenges associated with housing the units, clearly indicated that a re-evaluation of the use of these busses in this application was warranted. During discussions with our current transit service provider it was strongly suggested that our transit needs would best be served with smaller, agile units. These busses would be better suited to our lower ridership numbers and challenging road conditions.

The City of Elliot Lake has partnered with the Metrolinx Transit Procurement Initiative which gives us access to Provincially negotiated pricing on a variety of pre-selected units which meet transit system requirements and are fully compliant with Accessibility for Ontarians standards. In the process of reviewing options available to the Municipality, the Metrolinx contact noted that many Municipalities throughout the province are moving to smaller busses very similar in nature to those currently used in our Specialized Transit program.

Upon procurement of a new transit busses, the 2004 Nova units would be removed from the fleet and disposed of in a manner consistent with Section X of the procurement policy.

ANALYSIS

The 183" wheelbase units were determined to be best suited to our conditions and ridership. The Provincially procured units are based on a GMC 4500 Series chassis and are equipped with the standard 6.6 liter duramax diesel and 6 speed automatic transmission. The units come fully equipped for conventional and specialized transit operation with 19 available passenger seats as well as the ability to carry up to three wheelchairs.

These units fully meet current Accessibility for Ontarians with Disabilities Act standards and include air-ride suspension, full kneeling capability and a Braun Power Ramp with 1:6 slope.

The units are available and can be delivered within 110 days of the issue of a Purchase Order.

The purchase of these units would permit the use of the two small units as the primary transit service delivery busses, with the 2009 New Flyer as the backup. Given the reliability and storage issues associated with the larger New Flyer unit, replacement should be considered as a matter of high priority for the 2016 budget year.

The current Specialized Transit busses are stored at the Public Works Department and are fueled on site. A review of available storage options is necessary regardless of whether new units are purchased, or the 2004 Nova busses are to remain in service.

Service of the new units, if purchased, can be completed in house however outside contractor services may be required for heavy repairs due to the current work load for our fleet maintenance crew.

In the event that new units are not purchased, the maintenance and repair costs associated with the Nova Busses will continue to increase. Reliability of the units is such that additional arrangements for back-up school bus rentals will be required with AJ Bus Lines. A lease is available to store the existing units is available until April 2016 after which alternate storage for the 40 foot units will need to be secured.

FINANCIAL IMPACT

The new transit units are individually priced at \$179,800.⁰⁰ without fare box installed. The estimated price for a suitable fare box is approximately \$7,500.⁰⁰ per unit. This brings the total for two well-equipped transit busses to approximately \$375,000.⁰⁰.

At present the following funds are available:

- Dedicated Gas Tax – Public Transportation - \$421,989.⁴²
- Conventional Transit Vehicle Reserve - \$84,176.³⁶
- Specialized Transit Vehicle Reserve - \$466,039.¹⁵

This brings the total available funds to \$972,204.⁹³ which can be used toward the purchase of the units.

LINKS TO STRATEGIC PLAN

The purchase of this equipment contributes to compliance with Goal 9 of the strategic plan which is “To maximize opportunities for intra-municipal mobility through continued maintenance and further improvement and development of municipal infrastructure”.

SUMMARY

The existing Nova Transit Busses are 11 years old and have proven to be highly unreliable. The cost associated with maintenance, upkeep, and repair in light of the loss of our existing service provider is expected to be extremely high. The reliability issue, when considered in conjunction with limited storage availability and lack of compliance with accessibility requirements strongly suggests that replacement is warranted.

It is recommended that the existing 2004 Nova Busses be replaced with two (2) smaller 183” ARBOC units as quoted and supplied by Creative Carriage through the Metrolinx Transit Procurement Initiative.



The Corporation of the City of Elliot Lake

Staff Report OPS 2015-17

Report of the **Director of Operations**
for the Consideration of Council

RE: Municipal Transit Operations

OBJECTIVE

To provide Mayor and Council with information with regard to changes in the transit service delivery within the Municipality.

RECOMMENDATION

THAT Staff Report OPS 2015-17 dated June 10th, 2015 of the Director of Operations be received;

and THAT Staff be directed to secure competitive pricing for a twenty four month interim agreement for the operation of the City of Elliot Lake Conventional Transit system by local service providers with experience in the operation of municipal conventional and/or specialized transit systems.

Respectfully Submitted

A blue ink signature of Sean McGhee, consisting of a stylized 'S' and 'M' followed by a horizontal line.

Sean McGhee
Director of Operations

Approved

A black ink signature of Jeff Renaud, consisting of a stylized 'J' and 'R' followed by a horizontal line.

Jeff Renaud
Chief Administrative Officer

June 10, 2015

BACKGROUND

The Elliot Lake transit system was established in 1984. In its current configuration, the transit system consists of four (4) routes providing service to all of the major corridors within the community. The operation of the system has been subcontracted to AJ Bus Lines since its inception.

The existing transit operations agreement between the City of Elliot Lake and AJ Bus Lines is for a five (5) year term which commenced on January 1st, 2013 and is in place until December 31st, 2017. This contract includes all facets of the operation, maintenance, and repair of the three (3) buses owned by the Municipality.

The service provider currently employs four (4) persons dedicated specifically to conventional transit operations. Additional staff persons are drawn from their school bus driver pool to cover weekly scheduled split shifts on Thursday and Friday, as well as for sick time coverage. The drivers are not unionized employees.

The busses operated 11 hours per day on Monday – Wednesday and Saturday while operating 14 hours per day for Thursday and Friday.

In April of this year, AJ Bus Lines approached the municipality and provided notice that they no longer would be able to provide transit operational services beyond August 31st, 2015.

The purpose of this report is to outline the steps necessary to maintain the current level of transit service.

ANALYSIS

There are a number of issues associated with the transit operation as a whole. In order to appropriately assess the operation and develop an action plan, numerous areas need to be investigated. This includes background on the existing contract, a review of municipal operation, and interim as well as long term measures.

Current Transit Agreement

The current transit agreement was, by design, established to provide direction covering all facets of the operation of the Municipal system. The transit operation contract includes the following components:

- Operation of the three Municipally owned busses to provide service over the four (4) established bus routes;
- Collection of all fares for submission to the Municipality;
- Maintenance of the three busses;
- Provision and installation of all parts, material, and equipment required to keep the busses in operation;
- Spare parts inventory meeting minimum quantities as identified in the contract document;
- Indoor storage of all transit busses at a temperature not less than 10 degrees Celsius;
- Reporting to the Municipality for statistical purposes;
- Supply of fuel;
- Minimum Five million dollars in Public liability and property damage insurance;
- Provision of emergency backup vehicles to prevent any interruption of service;

Our current provider, AJ Bus Lines, possesses all of the necessary tools to provide the service. This includes dispatch, transit scheduling software and experience, systems designed to handle human resources and payroll, an accounting department, mechanical expertise, physical infrastructure such as the offices and garage, and backup resources including spare busses. In addition, the present service provider has trained drivers that meet the minimum 3 year clear drivers abstract requirements imposed by most insurance companies.

Municipal Operation Option

Before moving forward with the development of an RFP for transit services, a desktop review of the viability of municipal operation was undertaken. This exercise proved valuable in determining that aside from cost implication associated with absorbing the operation, there were significant Human Resources related concerns. The identified HR issues are as follows:

1. Succession Rights – In assuming the existing staff from AJ bus lines, the Municipality is at risk of assuming all succession rights that are associated with the employees. This includes seniority, vacation and severance rights of the employees, some of which have nearly 30 years of service;
2. Assumption of Rights under the CUPE 170 Collective Agreement – The existing collective agreement has very clear language surrounding outsourcing of union work. As currently presented, Article 25.07 states that the Corporation of the City of Elliot Lake will be obligated to provide employment for the transit workers should the decision be made later to outsource transit services.

This review clearly identified that municipal operation of the transit system was not only costly, but fraught with potential issues and therefore is not recommended as an appropriate course of action.

Interim Measures

For ease of analysis, the transit operation is being addressed under three headings which include Maintenance, Storage and Security, and Operation. The relevant details and recommended course of action for each of these items is as follows:

Maintenance

The current contractor has indicated that the age, condition, and lack of reliability of the current bus fleet is such that continuation of the contract was no longer financially viable. In the recent past the units have required full engine, transmission, and axle rebuilds in addition to numerous ancillary system failures.

The existing municipal fleet maintenance crew does not have the time, skillset, or equipment necessary to take this component of the project on.

As an interim measure, the maintenance, upkeep, and repair of the three transit busses will be contracted to TransCan Limited in Blind River. This firm has the licensing, equipment, and experience necessary to maintain the units. In addition to possessing the necessary technical expertise, the firm is equipped with heavy unit towing capability.

Storage and Security

One key component to the operation of the transit system is the proper storage of the units. Under the existing contract, the busses are stored in an insulated and heated garage which has ample space for cleaning and upkeep of the units in an environment that is never below 10 degrees Celsius. The Municipality does not have any storage or work area with the necessary floor space to house these units.

Staff is investigating short and long term storage options for these units.

Transit Operation

In order to effectively assume the operation of the transit system, an operating authority must possess the necessary corporate structure and support systems. This includes transit scheduling experience, adequate human resources, dispatch capability, accounting systems, transit statistical reporting software and access to spare transit units.

While preparing to develop an RFP to secure a new service provider it became apparent that strict pre-qualification of bidders is essential to ensure that any firm bidding on the contract is able to meet the minimum requirements of the contract. Failure to prequalify any firm, particularly those without experience operating a Municipal transit system, introduces the risk of reduction in service levels, harm to municipal equipment, and ultimately, potential for interruption of service.

It was noted that there are currently two local firms that possess the necessary experience, corporate structure, and support systems. These two firms are the existing service provider, AJ Bus Lines, and Huron Lodge, our Municipal Specialized Transit system operator.

The following options were considered during the development of this report:

1. Discontinuation of Transit Services. Transit Services are an important service offered by the City of Elliot Lake and have tremendous value in marketing the community as a retirement destination. This option is not recommended.
2. Assumption of the operation by municipal forces. For the reasons identified in this report, in addition to an estimated increase in operating cost of approximately \$130,000.00 this option has long term negative implications and is strongly discouraged.
3. Approach AJ Bus Lines and Huron Lodge to secure pricing for a 24 month Operations-Only contract similar to that of the existing Specialized Transit agreement.

Option three ensures that a competitive process is maintained and eliminates the risk associated with the RFP process in the absence of pre-qualification of bidders. This option solicits pricing for services with known entities that meet the requirements that would be incorporated into a pre-qualification process.

Long Term Measures

In addition to a pre-qualification and RFP process to address the establishment of a long term transit authority within the community, a proper needs assessment to determine if the existing model best meets the inter-municipal mobility needs of the community is in order.

FINANCIAL IMPACT

The existing contract with AJ Bus Lines is valued at \$480,750.00 per year. For the purposes of this report, a costing review for Municipal operation was undertaken which used known figures such as staffing costs, fuel expenditures, and insurance while estimating cost for repairs and lease arrangements. This identified an estimated cost for operation by Municipal forces of \$611,868.⁰⁰ per year.

The pricing associated with the recommended course of action will be submitted to Council once secured.

SUMMARY

The Municipality has less than 3 months to secure a reliable operating authority to take on the operation of our transit system. It is recommended that both AJ Bus Lines and Huron Lodge be approached to secure pricing for a twenty four month Operations-Only agreement in an open and transparent competitive environment.

The recommendations identified above must be considered as interim measures. A detailed review of the municipalities' transit system should be undertaken to determine the best model for meeting the inter-mobility needs of our community. Once the preferred model is determined, the procurement process can be initiated, which must include a pre-qualification component, in order to secure a suitable long term transit service provider.