

Region of Waterloo

Corporate Services

Treasury Services (Procurement)

To: Regional Council

Meeting Date: January 24, 2024

Report Title: Procurement of thirty-six (36) Hybrid Transit Buses

1. Recommendation:

That the Regional Municipality of Waterloo approve the pre-budget procurement of thirty-six (36) Hybrid transit Buses from Nova Bus Inc. in the estimated amount of \$43,181,964.00 plus all applicable taxes as set out in report COR-TRY-24-004 dated January 24, 2024.

2. Purpose / Issue:

For Tenders/Proposals - Purchasing by-law 22-034 Section 2 item 2c requires Council approval for tenders in excess of \$10,000,000.

3. Strategic Plan:

Award of this contract meets the 2023-2027 Corporate Strategic Plan priorities to foster car-alternative options through complete streets and extended alternative transportation networks: By expanding equitable public and active transportation networks across the region, we will make it easier for people to get around and make climate-friendly choices under Strategic Focus Area 2: Climate-aligned growth.

4. Report Highlights:

- Nova Bus Inc. was named the Vendor of Record (VOR) for all Hybrid and Electric transit Buses for a two (2) year period ending December 2025; as set out in report COR-TRY-23-35 dated November 22, 2023.
- Staff have been advised that as of the end of 2024, Nova Bus will no longer be producing Hybrid buses, and orders for these buses must be placed by the end of January 2024.
- Extraordinary growth in transit ridership has dictated the need for an increase in the GRT bus fleet size in order to meet on-street demands (15 Expansion

Buses). This acquisition is already built in to the 2024-2033 capital plan with expenditure reflected in 2025.

- In addition, there were 21 buses scheduled for replacement in 2025. In order to meet the ordering deadline for Nova Hybrid buses, GRT is requesting approval to order these buses by the end of January 2024.
- Delivery of these expansion and replacement buses is anticipated in early 2025.

5. Background:

In May 2020, Council approved the Energy Friendly Transit System Recommendation in report TES-TRS-20-12. One of the principal recommendations of this was that GRT no longer purchase buses powered exclusively by diesel engines beginning with the 2021 bus procurement. Since that report, GRT has purchased numerous Nova Hybrid buses and 11 Fully Electric buses.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil

7. Financial Implications:

Budget Implications

36 Hybrid Buses	\$43,182,000
Plus: Applicable Net HST of 1.76%	<u>760,000</u>
Total	<u>\$43,942,000</u>

The Region's approved 2024-2033 Transit Services Capital Program includes a provision in 2025 of \$33,675,000 for Vehicle Replacements - Conventional (project # 66025) to be funded from the provincial government (ICIP - 33%, \$11,112,800), from the federal government (ICIP - 40%, \$13,470,000), and from the GRT Bus Reserve (27%, \$9,092,200). The Capital Program also includes a provision in 2025 of \$18,000,000 for Vehicle Additions - Conventional (project 66008) to be funded from the provincial government (ICIP - 33%, \$5,940,000), from the federal government (ICIP - 40%, \$7,200,000), from the GRT Bus Reserve (16%, \$2,880,000) and from the Transit Development Charge Reserve Fund (11%, \$1,980,000). The combined budget provision for these two projects is \$51,675,000 in 2025, which is sufficient to cover the proposed acquisition.

8. Conclusion / Next Steps:

Subject to Council approval staff will place the order for 36 hybrid buses.

9. Attachments:

Nil

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Approved By: Craig Dyer, Commissioner Corporate Services/Chief Financial Officer