

## Staff Report

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**Report To:** City Council  
**Report From:** Bradey Carbert, Manager of Corporate Services  
**Meeting Date:** March 13, 2023  
**Report Code:** CR-23-028  
**Subject:** Approval of Contract Extension – Operation of Inter-Community Transportation Service

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### **Recommendations:**

THAT in consideration of Staff Report CR-23-028 respecting Approval of Contract Extension – Operation of Inter-Community Transportation Service, City Council directs staff to bring forward a by-law to execute the amending agreement as described in the report.

### **Highlights:**

- The Inter-Community Transportation Grant Program was extended to March 31, 2025 in January 2022.
- The current agreement for the operation of inter-community bus transportation service with Voyago expires on March 31, 2023 and does not have an extension clause.
- The amendment for the extension of the current agreement to March 31, 2025 will ensure that there are no service disruptions for the program.

### **Strategic Plan Alignment:**

This report supports the delivery of Core Service.

## **Previous Report/Authority:**

The extension of the Community Transportation Grant Program up to March 31, 2025 was recommended to the Operations Committee for approval by Council at the January 11, 2022 Committee Meeting via report [OP-22-001](#).

The authorization to enter into an Agreement with 947465 Ontario Ltd. o/a Voyago was approved by Council on November 18, 2019 via By-law 2019-184.

## **Background:**

Since 2020, 947465 Ontario Ltd. o/a Voyago has provided Inter-Community Transit Services to the City. The original agreement was for a term ending March 31, 2023, to coincide with the end of the Community Transit Grant Funding program. The original agreement did not include any extension clauses since the funding program was to end on March 31, 2023 and the City would have to make a long-term decision on the program before this date.

## **Analysis:**

Staff is recommending that Council approve renewing the contract for one (1) additional (2) year extension to end on March 31, 2025.

947465 Ontario Ltd. o/a Voyago has provided excellent service to the City and riders and is interested in providing the same service until March 31, 2025, to match the completion date of the funding program. The City is mutually interested in continuing to work with 947465 Ontario Ltd. o/a Voyago under the same terms and conditions as the original agreement. An amending agreement will need to be approved by by-law.

It is worth noting that staff considered undertaking a competitive procurement process, either by Tender or RFP, but deemed it prohibitive for the City due to the timing of the current agreement ending on March 31, 2023 and the timelines to issue, evaluate, award, and finalize a contract with the successful vendor. The competitive procurement process would also place a strain on potential bidders in their ability to source the resources (drivers, buses, operating license, etc.) and the necessary transportation license by April 1, 2023.

Between April 1, 2023 and March 31, 2025, the City will have to determine the future of the inter-community transit program. The extension of the program will provide more data to support a long-term decision on the program. An example of this data is the increased ridership from 2021 to 2022 of approximately 85%. Operating a transit system with reduced pandemic restrictions will provide a more fulsome dataset.

### **Financial Implications:**

947465 Ontario Ltd. o/a Voyago has proposed an increase in the annual cost of the service of 4.31% over the 2022 adjusted budget, increasing the annual contract cost to \$345,600.

The Guelph to Owen Sound Transportation (GOST) service is fully funded through the Community Grant Program Transfer Payment Program. In addition to direct costs, the City is eligible to recover some funding for full time salaries and overhead. At the conclusion of the program, surplus funding will be allocated to a reserve for future transit-related investments. This estimated amount is \$50,000 to \$60,000 by March 31, 2025.

### **Communication Strategy:**

There will be no change to the services provided and communication to the public is not required.

### **Consultation:**

Associate Supervisor of Environmental Services

### **Attachments:**

None.

### **Recommended by:**

Bradey Carbert, Manager of Corporate Services  
Kate Allan, Director of Corporate Services

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Bradey Carbert, Manager of Corporate Services, at [bcarbert@owensound.ca](mailto:bcarbert@owensound.ca) or 519-376-4440 ext. 1240.