

## Staff Report

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**Report To:** City Council

**Report From:** Bradey Carbert, Manager of Corporate Services  
Heidi Jennen, Supervisor of Environmental Services

**Meeting Date:** March 24, 2025

**Report Code:** CR-25-037

**Subject:** Approval of Contract Extension – Operation of Inter-Community Transportation Service

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### Recommendations:

THAT in consideration of Staff Report CR-25-037 respecting the Approval of Contract Extension – Operation of Inter-Community Transportation Service, City Council, subject to receiving the additional funding and an amending agreement from the Province, directs staff to:

1. Bring forward a by-law to execute the amending agreement for the operation of the inter-community transportation service as described in the report;
2. Bring forward a by-law to authorize the execution of an amendment agreement between the respective property owners of the bus stop locations and the City of Owen Sound allowing the City to facilitate these bus stops for the Owen Sound to Guelph Bus Service operated by Voyago – Voyager Transportation; and
3. Bring forward a by-law to authorize the execution of an amending agreement for the Community Transportation Grant Program Transfer Payment Agreement.

## Highlights:

- The agreement for the operation of the inter-community bus transportation services with Voyago was extended in 2023 to match the March 31, 2025 program deadline from the Government of Ontario. This program has now been extended for an additional year, to end on March 31, 2026.
- The current agreement for the operation of inter-community bus transportation service with Voyago expires on March 31, 2025 and does not have an extension clause.
- The Province of Ontario has granted the City one additional year to expend the funds received for the for the Community Transportation Grant Program.

## Strategic Plan Alignment:

[Strategic Plan](#) Priority: Green City.

## Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by considering climate adaptation in the development of the City's strategies, plans and policies.

Public Transportation can reduce vehicle usage by consolidation, potentially resulting in lower community GHG emissions.

## Previous Report/Authority:

[CR-23-028](#) – Approval of Contract Extension – Operation of Inter-Community Transportation Service

[OP-24-008](#) – The Future of Guelph to Owen Sound Transit (GOST)

## Background:

GOST Intercommunity Transit service connects Owen Sound and Guelph, with bus stops in Chatsworth, Williamsford, Durham, Mount Forest, Arthur, Fergus, and Elora. Bus stops are located on either municipally or privately owned properties at each location.

As part of the grant funding agreement, the City was required to explore options for continuing the GOST service beyond March 31, 2025. Given that the service spans two Counties, staff recommended that it be transitioned to the County's oversight. In March 2024, City Council approved this recommendation, and discussions began with the County on assuming responsibility for GOST.

On October 29, 2024, MPP Rick Byers informed Mayor Boddy that the City had remaining grant funds, which would allow GOST to operate for up to an additional year, until March 31, 2026. In November 2024, the Ministry of Transportation (MTO) confirmed the City's eligibility for an extension. The following month, the MTO clarified that the remaining funds could be transferred to the County if it assumed the service after March 31, 2025.

City and County Staff met in early January 2025, where it was determined that the City would continue operating GOST with the remaining grant funding while the County continued exploring options for a more regional transit system that would include the route GOST currently services. The MTO was notified, and they confirmed they were working on an Amending Agreement.

On January 29, 2025, the Lieutenant Governor issued the writ of election, placing the provincial government in 'caretaker' mode. During this period, only routine business could proceed, meaning no new funding decisions or announcements could be made, which delayed the Amending Funding Agreement. The City is anticipating receipt and execution of the Amending Agreement prior to April 1<sup>st</sup>, 2025.

Since 2020, 947465 Ontario Ltd. o/a Voyago has provided Inter-Community Transit Services to the City. The extension was for a term ending March 31, 2025, to coincide with the end of the Community Transit Grant Funding program.

## **Analysis:**

Staff is recommending that Council approve renewing the contract for one (1) additional year extension to end on March 31, 2026. 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, 2026, 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, 2025 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, 2025. The City will execute the Amending Agreement with Voyago once the Amending Agreement from the Province to confirm the extension of the program has been executed.

As outlined in the Amending Agreement, the City was initially approved for \$1,921,041.43 and has approximately \$421,000 in available funding to continue the GOST service until March 31, 2026. During this period, City staff will collaborate with Grey County and Wellington County to explore options for sustaining the service beyond that date.

The total operating cost for GOST is \$352,508.52 plus HST for contract services with Voyago, approximately \$32,000 for fuel costs and \$25,000 for staffing. While the service is well-used, and ridership revenue is projected at \$140,000, this revenue is not included in the funding plan due to potential risks and variability. Instead, the City will ensure the full year of operations is covered within the confirmed funding amount.

To extend GOST funding to March 31, 2026, the City will require Amending licence agreements are in place between the City of Owen Sound (Licensee) and various property owners (Licensors) for bus stop locations. The Guelph Central Station stop is covered under an agreement between Voyago and the City of Guelph, while all remaining stops fall under agreements with the City of Owen Sound:

1. Six and Ten Mini-Mart – Former Village of Chatsworth
2. Township of Chatsworth – Williamsford Community Centre
3. Northern Credit Union Limited – Queen Street South – Durham (Municipality of West Grey)
4. Township of Wellington North – Mount Forest
5. Township of Wellington North – Arthur
6. Township of Centre Wellington – Fergus and Elora

## **Financial Implications:**

The Guelph to Owen Sound Transportation (GOST) service is fully funded through the Community Grant Program Transfer Payment Program and fare revenue.

Under the proposed Amending Agreement, \$421,000 of the original grant funding of \$1.9 Million is eligible to be expended between April 1, 2025 to March 31, 2026.

947465 Ontario Ltd. o/a Voyago has proposed an increase in the annual cost of the service of 2% over the 2024 adjusted budget, increasing the annual contract cost to \$352,508.52 plus HST. There are an additional \$57,000 in fuel and program staffing expenses, resulting in an estimated total expenditure of \$409,500 for the extension.

## **Communication Strategy:**

Staff will issue a Media Release and update will be posted on the GOST [webpage](#).

## **Consultation:**

Manager of Engineering Services

## **Attachments:**

None.

## **Recommended by:**

Bradey Carbert, Manager of Corporate Services  
Heidi Jennen, Supervisor of Environmental Services  
Kate Allan, Director of Corporate Services  
Lara Widdifield, Director of Public Works and Engineering

## **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.