



THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC WORKS COMMITTEE
AGENDA

PWC 8-2021

Tuesday, August 10, 2021

9:30 a.m.

Meeting will be held by electronic participation only

This electronic meeting can be viewed on Niagara Region's Website at:

<https://www.niagararegion.ca/government/council/>

Due to efforts to contain the spread of COVID-19 and to protect all individuals, the Council Chamber at Regional Headquarters will not be open to the public to attend Committee meetings until further notice. To view live stream meeting proceedings, visit:
[niagararegion.ca/government/council](https://www.niagararegion.ca/government/council)

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
3.1. <u>Niagara Transit Governance: Revised Strategies Reflecting Phase 1 Feedback</u> Scott Fraser, Transportation Lead, GO Implementation Office	3 - 13
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1. <u>PW 37-2021</u> Expansion of the Walker Environmental Group Composting Facility	14 - 20
5.2. <u>PW 43-2021</u> Approval of Public Works Single Source Purchase Order Requests and Purchase Change Order Requests Exceeding \$100,000	21 - 27

5.3. PW 47-2021 28 - 32
Special Procurement Rules for Public Works Single Source Exceeding
\$100,000

5.4. PW 38-2021 33 - 48
Niagara Regional Transit (NRT) OnDemand - Port Colborne Inclusion

*This item was referred to the Public Works Committee by resolution of
Regional Council at its meeting held on July 22, 2021.*

6. CONSENT ITEMS FOR INFORMATION

7. OTHER BUSINESS

8. NEXT MEETING

The next meeting will be held on Tuesday, September 14 at 9:30 a.m.

9. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

**MOVING
TRANSIT
FORWARD**

Niagara Transit Governance

Revised Strategies Reflecting
Phase 1 Feedback

Public Works Committee
August 10, 2021

Niagara Transit Governance Overview

The Focus is on Effective Consultation

Demonstrating how Phase 1 feedback has been reflected and undertaking a second round of consultation to verify and determine any outstanding barriers, challenges or concerns to the governance model as revised.

**Revised Finance, Board
Composition, and Service
Strategies to support
consolidation**

**Consensus
recommendations of
Governance Steering
Committee**

**Significant updates to
directly address feedback
from LAMs**

Niagara Transit Governance Overview

Niagara Transit
Governance
Study



Q4 2020

Phase 1 LAM
Consultation



Q1 2021

Governance
Steering
Committee



Q2 2021

Workshop Series
and Project Teams

Revised
Strategies



Q2 2021

Phase 2 LAM
Consultation



Q3 2021

What We Heard

Phase 1 Themes / Focus Areas



Financial Strategy



Board Composition



Service Standards Strategy



Revised Strategies

Theme 1: Financial Strategy

Funding Strategy - 12 Special Levy Tax Rates

Existing Regional Transit Costs

Current state remains with costs allocated based on Region wide assessment

Local and Incremental Costs

Costs allocated to municipalities based on service hours

What Has Changed?

- ✓ Municipalities who realize services will be allocated costs of those services
- ✓ Service Based Principle
- ✓ Incorporates service standardization costs and accounts for future growth
- ✓ Introduces a capital reserve strategy to ensure future needs of the Commission are met

Revised Strategies

Theme 1: Financial Strategy

**Combination of Local +
Regional Levies**

2020 Residential Taxpayer
Transit Costs

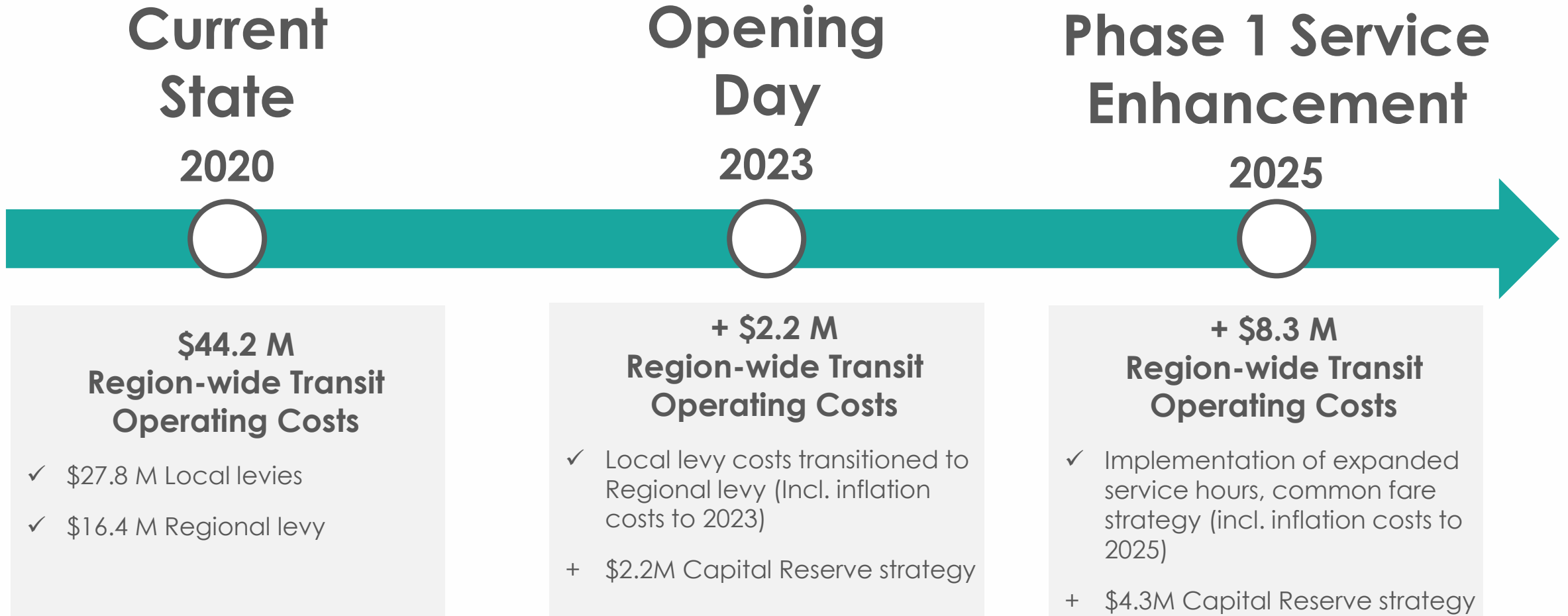


**12 Special Levy Tax Rates
with principle of net-neutral
offsets for LAMs**

2023 Residential Taxpayer
Transit Costs

Revised Strategies

Theme 1: Financial Strategy



Revised Strategies

Theme 2: Board Composition



What Has Changed?

- ✓ Representation for all municipalities on transitional Commission Board
- ✓ Local councils recommend representatives to Commission and Advisory Board

** Reviewed after three (3) years by an external third-party to ensure that composition, size, and share of representation has resulted in an effective governing body that is achieving the strategic objectives of the Commission*

Revised Strategies

Theme 3: Service Standards Strategy

Service Standards Strategy outlines how transit in Niagara could be enhanced, should the combination of the existing transit services take place

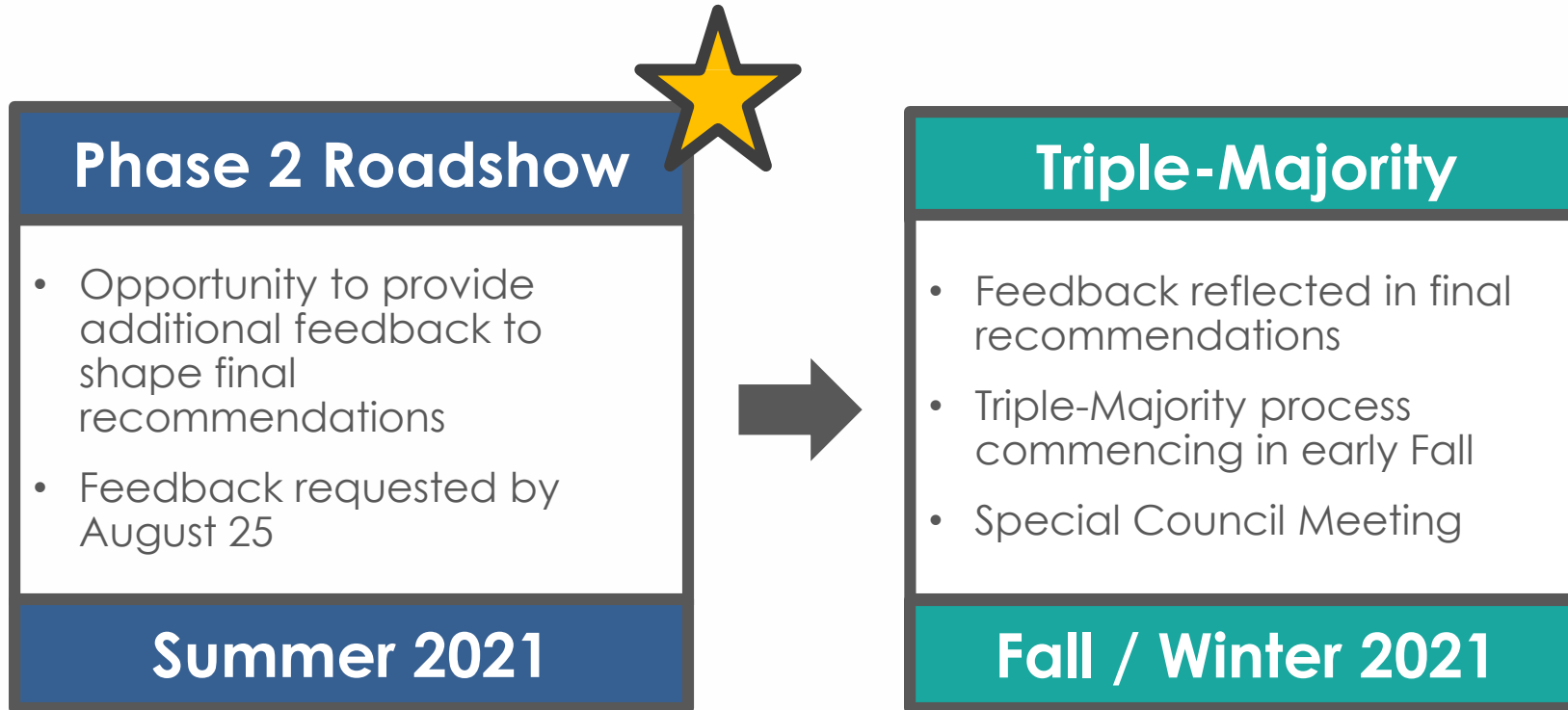


What Has Changed?

- ✓ Existing levels of service maintained and improved on
- ✓ Additional detail on where changes and growth may occur
- ✓ Three phases of improvements for Niagara residents
- ✓ Linked to Financial Strategy

Next Steps

Phase 2 Consultation and Triple-Majority



MOVING TRANSIT FORWARD

Discussion

Subject: Expansion of the Walker Environmental Group Composting Facility

Report to: Public Works Committee

Report date: Tuesday, August 10, 2021

Recommendations

1. That Regional Council **APPROVE** a seven (7) year extension of the term of the existing agreement, dated April 30, 2008, with Integrated Municipal Services Inc. (since renamed Walker Environmental Group Inc.) at a processing rate of \$107.98 per tonne beginning in 2029, together with such other amendments to the existing agreement as may be required in order to provide for an expansion of the Source Separated Organic (SSO) Material processing facility at the Walker Organics Recovery Thorold site as described in this report;
2. That Regional Council **APPROVE** entering into a contract with Miller Waste Systems to redirect, from time to time, up to approximately 2,500 tonnes of Source Separated Organics material from the west end Municipalities during the months of December to March to the Miller Systems Digester facility in Grimsby at a rate of \$100 per tonne;
3. That, following the successful negotiations of the final agreement terms and conditions, the Regional Chair and Regional Clerk **BE AUTHORIZED** to execute: (i) an amending agreement with Walker Environmental Group Inc. consistent with Recommendation 1; and, (ii) a new contract with Miller Waste Systems consistent with Recommendation 2; along with any other required documents, all in a form satisfactory to the Director of Legal and Court Services.

Key Facts

- This report is a follow-up of Report PW-20-2021 Processing of Source Separated Organics which authorized staff to negotiate with Walker Environmental Group Inc. (WEG) for additional processing capacity of Niagara Region Source Separated Organic (SSO) material.
- This report summarizes the results of negotiations with WEG for a seven (7) year extension.
- WEG would expand the processing facility by four (4) GORE cells which will provide an additional 8,000 tonnes of SSO processing capacity for a total of 48,000 tonnes of SSO, annually.

- As the Every Other Week (EOW) waste collection program matures, it is anticipated that approximately 44,000 tonnes of SSO will be generated annually by Niagara residents within the next ten (10) years.
- As part of the WEG agreement, Niagara Region will receive \$20 per tonne for any third party materials that are processed at the WEG facility if any extra capacity is available in the GORE system.
- As a contingency, Niagara Region has the option of redirecting a portion of SSO, up to approximately 2,500 tonnes, to the Miller Waste System facility (former Grimsby Digester) during winter months at a rate of \$100 per tonne.
- The amended WEG agreement will contain a clause allowing Niagara Region to renegotiate the agreement in order to explore and/or process SSO using alternate technologies in the future, should an opportunity present itself.

Financial Considerations

Niagara Region currently pays a total of \$96.84 per tonne which includes a capital repayment fee of \$31.95/tonne on 29,700 tonnes and SSO processing fees in the amount of \$64.89/tonne. Niagara Region is paying approximately 19% less than the industry average of \$115/tonne to process SSO. This equates to close to \$755,000 savings each year. If Niagara Region extends the contract with WEG and invests in the capital expansion, Niagara Region would continue to maintain one of the lowest processing rates in Ontario. For comparison, another Southern Ontario Regional municipality extended agreements with three different processors set to end in 2020 for two (2) additional years with the lowest cost being at \$131/tonne

Under the amended agreement with WEG, the GORE system's overall capacity would increase by 8,000 tonnes bringing the total available capacity for Niagara Region's SSO to 48,000 tonnes. The SSO fee rates under this new agreement are included in **Table 1**. The total SSO fee rate in 2022 of \$98.18/tonne is inclusive of capital repayment fees of \$31.95/tonne on 37,700 tonnes and SSO processing fees of \$66.23/tonne. On April 1, 2029, the new capital repayment fee for the additional 8,000 tonnes will be incorporated into the overall fee charged by WEG for an estimated total fee of \$107.98/tonne at that time. Annual inflation increases apply on the SSO processing fees until the end of the contract on March 31, 2036.

Table 1: WEG SSO Processing Fee Rates

Total SSO Fee Rate	2022	Starting on April 1, 2029
Total SSO Fee Rate – per tonne	\$ 98.18	\$107.98

Note: 2022 rate of \$98.18 subject to annual escalation of per tonne rate as required. This results in an estimated rate of \$107.98 on April 1, 2029 which will be subject to further annual escalation to the end of the contract term.

Should Niagara Region choose not to complete the contract to the proposed end date of March 31, 2036, terminating the contract would subsequently result in a buyout payable to WEG. If Niagara Region provides notice that it will be terminating the contract on March 31, 2029 (corresponds with the end date of the current contract) or March 31, 2033 the buyouts would be \$7,731,654 and \$3,445,182 respectively.

Niagara Region could also enter into a contract with Miller Waste to redirect SSO material from the west end Niagara Municipalities as needed during the months of December to March. This would result in material being diverted to the Miller Digester facility in Grimsby at a rate of \$100 per tonne. The redirection of material to Miller Waste would reduce tonnages processed at WEG therefore reducing processing fees paid. The budget impact of reduced processing fees at WEG would be offset by processing fees paid to Miller Waste. The budget impacts will be considered in preparation of the 2022 Waste Management operating budget.

Based on forecasted tonnages of SSO, and leaf and yard material, the estimated gross impact of the amended, restated and modernized WEG contract is approximately \$665,000 (or 1.64% of the Waste Management 2021 Requisition).

The gross cost impact of the contract will be partially offset by funds for any third party materials that are processed at the WEG facility if any extra capacity is available in the GORE system financed by Niagara Region. At this time, Niagara Region will receive \$20 per tonne for the processing of any third party materials that are processed at the WEG facility.

The 2021 budget for processing SSO, and leaf and yard material, is approximately \$3.9 million. It is anticipated that there will be an unfavourable variance for this budget item in the amount of approximately \$114,000 for 2021. This unfavourable variance will be

offset by the overall budget surplus in the Waste Management division for 2021, due to favourable revenue from the sale of recyclables.

It should be noted that tonnage rates referred to in this section of the report exclude 13% HST. In addition, annual escalation will be applied per tonne rate as required.

Analysis

Based on the recommendation in report PW 20-2021, staff began negotiations with WEG in late April on the expansion of their SSO processing (GORE system) facility. Discussions focused on both processing capacity and the capital cost of expanding the current GORE system.

Annual Tonnages

Niagara Region introduced a SSO collection program in 2003 / 2004. SSO is organic material that is comprised of food waste and leaf and yard material which is collected through the Region's Green Bin program. Since 2009, WEG has processed the Region's SSO at their Thorold composting facility which utilizes a GORE system to process SSO material. Under the terms of the current contract which expires on March 31, 2029, Niagara Region is obligated to compensate WEG for a minimum of 29,700 tonnes of SSO. WEG is required to process up to 39,700 tonnes of SSO which is comprised of no less than 5,700 tonnes of leaf and yard bulking material and up to 34,000 tonnes of SSO.

From 2017 – 2019, Niagara Region annually generated an average of 29,050 tonnes of SSO. In 2020, a total of 34,650 tonnes of SSO was generated by Niagara residents. The two main contributors for the 2020 tonnage increase were the COVID-19 pandemic and transitioning to EOW waste collection in mid-October. Projecting to the end of 2021, it is anticipated that 40,700 tonnes of SSO will be generated. Current estimates project that Niagara residents will annually generate 44,000 tonnes of SSO by 2031.

Contract Requirements

Under the current agreement with WEG, Niagara Region is responsible for any capital expansion of the GORE system once incoming tonnages exceed 39,700 tonnes. During negotiations WEG confirmed that they will be able process all of Niagara Region's SSO in 2021 and prior to the construction of an expanded GORE system.

Proposed Composting Facility Expansion

The proposed expansion of the composting facility would be comprised of constructing an additional four (4) cells to the existing sixteen (16) cell GORE system at WEG. Due to the current site layout, the WEG organic processing facility only has the physical space to accommodate an additional four (4) GORE cells and anything larger would require significant alterations to the entire site. The added GORE cells would increase the overall capacity by 8,000 tonnes bringing the total available capacity for Niagara Region's SSO to 47,700 (rounded to 48,000 by WEG) tonnes. Based on future tonnage projections, it is estimated that the expanded GORE system will be able to process Niagara Region's SSO tonnages over the next ten (10) years and potentially beyond based on current SSO composition and regulations. WEG is estimating that construction will take approximately six (6) months once approved resulting in the expansion being online by Q2 of 2022.

If required, Niagara Region will have the ability to redirect a portion of SSO to the Miller Waste Digester in Grimsby at a rate of \$100 per tonne. This flexibility to send a portion of the material (up to approximately 2,500 tonnes) to the Miller digester is only available during the winter time when there is no yard waste material in the SSO material.

As a further contingency, if required, WEG will be able to divert a portion of the incoming SSO in order to deal with any operational issues such as seasonal peaks, by redirecting the SSO material to one of their other processing facilities with rates to be confirmed with WEG upon finalization of the amended, restated and modernized agreement.

It should be noted that the Province is planning to introduce a Food and Organic Waste regulation. Building in processing contingency will help Niagara manage potential future tonnage increases as a result of a new regulation.

Negotiation Summary

A total of five (5) negotiation meetings were held between Niagara Region and WEG staff between the end of April and end of June. There were several focal areas during the discussions: processing capacity, capital and operating costs, amending, restating and modernizing the agreement.

WEG has indicated that a four (4) cell expansion of the GORE system will allow them to process up to 48,000 tonnes of SSO assuming the current mix of food waste and leaf

and yard materials remains unchanged. The expanded capacity will be solely for SSO materials and exclusive of any leaf and yard or bulking materials.

The capital cost of the GORE system expansion is \$3.5 million. Niagara Region staff have consulted with other municipalities and industry experts to validate that the capital price submitted by WEG is in line with current industry capital cost estimates for similar facilities. Construction of the added GORE cells will include the GORE technology itself, site works, construction, electrical and mechanical infrastructure, and auxiliary works.

A number of areas of the existing contract require clarification and / or updating as a result of the contract extension and new capacity created by GORE system expansion. These include, for example, the inclusion of a minimum amount of bulking material, total processing capacity, and operating to appropriate standards. Subject to Council approval of this report, Waste Management will finalize terms with WEG, and subsequently work with Legal Services Staff to amend the agreement accordingly.

Alternatives Reviewed

Two alternatives were described in report PW 20 – 2021, which included Niagara Region constructing their own SSO processing facility or Niagara Region procuring additional processing capacity through a formal procurement process. Based on the initial price per tonne processing rate from WEG earlier this year, Council authorized staff to negotiate with WEG for an expansion of the facility and report back. Based on subsequent negotiations, and comparing the new per tonne processing rate to the market, no additional alternatives were reviewed, and as such, staff are seeking approval to amend the current SSO processing agreement with WEG, and enter into an agreement with Miller for contingency SSO processing capacity.

Relationship to Council Strategic Priorities

This report supports Council's Strategic Priority of Responsible Growth and Infrastructure Planning.

Other Pertinent Reports

- PW 20-2021 - Processing of Source Separated Organics
- PW 21-2020 - Extension to Residential Waste and Recycling Drop-off Depot

Prepared by:

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Operations & Engineering
Waste Management Services

Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Blair Hutchings, Program Financial Analyst, Dan Ane, Manager of Program Financial Support, and Catherine Habermebl, Director of Waste Management Services.

Appendices

None

Subject: Approval of Public Works Single Source Purchase Order Requests and Purchase Change Order Requests Exceeding \$100,000

Report to: Public Works Committee

Report date: Tuesday, August 10, 2021

Recommendations

1. That the Single Source Purchase Order Requests identified in Appendix 1 of Report PW 43-2021 **BE APPROVED**.

Key Facts

- At the Special Council meeting on July 30, 2020, Regional Council instructed staff that, “If any single source [Public Works] procurement [over \$5000] is deemed essential there must be approval first received by the Public Works Committee.”
- On August 18, 2020, the CAO provided Confidential Memorandum CONF-C 6-2020 providing key information in response to the July 30, 2020 staff direction. The memo identified that pursuant to a formal competitive procurement process, a change to the resulting contract (via the Change PO process) is required for any additional goods and/or services, which were not part of that formal process (consider Single Source additions). This includes most (if not all) instances where the “work” is underway when a Change PO request initiates.
- At the Council meeting on September 17, 2020, Regional Council approved an increase in the limit to \$100,000 above which approval must first be received by the Public Works Committee.

Financial Considerations

The included Single Source requests have approved funding in place from either Capital or Operating budgets in the respective divisions in Public Works.

Analysis

Niagara Region’s Procurement By-law 02-2016 as amended February 28, 2019 provides controls and methods that ensure, among other things, that the procurement processes undertaken to procure Goods and/or Services achieves, “best value for the Corporation”.

Pursuant to the formal procurement process, which culminates in contract award, there are occasions, when new information identified after award, requires further consideration of how these unforeseen additional requirements will impact the final project deliverable.

When this happens, staff consider the following alternative approaches to addressing the scope change:

1. Is the original project objective still achievable or should it be abandoned?
2. Can the project proceed as originally planned and this new information be deferred to a later time without reducing the integrity of the design, construction, etc.?
3. Is the current work at a point where it can be terminated, and a new competitive procurement for the additional scope items be initiated without excessive costs or negative impacts to the community from the delays?
4. Does the addition of this new work to the current assignment still achieve best value if Staff can validate that it represents fair value?

Staff note, that where a construction project is underway, the Ontario Occupational Health and Safety Act dictates that, "When an owner undertakes a project by contracting with more than one employer (contractor), the owner is undertaking the project and is the constructor." As a result, if Niagara Region were to initiate additional work on a project site at the same time by two contractors, Niagara Region would assume significant additional liability risk for the safety of all workers on the site. Ideally, the work of first contractor must be completed prior second contractor commencing.

Alternatives Reviewed

Staff have considered the following alternatives for each of the change order requests appended as Appendix 1:

- Closing out the current work. Abandoning the previous approach and re-considering strategy;
- Proceeding as originally planned and addressing the new information/change in scope at a later time through a competitive process; and,
- Terminating the current contract where possible and conducting a competitive procurement process to complete the work with the additional scope items added.

Staff conclude that none of the aforementioned options achieves the desired best value outcome without significant risk to the Region in terms of cost, delay and unavailability of critical infrastructure. Staff have assessed the financial impact of these additionally scoped items, deemed them fair and reasonable and recommend them for approval as best value for the Corporation given the specific circumstances.

Relationship to Council Strategic Priorities

- Responsible Growth and Infrastructure Planning

Other Pertinent Reports

- CONF-C 6-2020, July 30, 2020 Closed Session - Update from Special Council Meeting
- PW 42-2020, September 8, 2020 - Approval of Various Single Source Public Works New Purchase Orders and Purchase Order Change Request
- PW 45-2020, October 13, 2020 - Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 47-2020, November 10, 2020 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 3-2021, January 12, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 7-2021, February 16, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 13-2021, March 9, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 17-2021, April 13, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 25-2021, May 11, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 27-2021, June 15, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 41-2021, July 13, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000

Prepared and Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Dan Ane, Manager Program Financial Support and Bart Menage, Director Procurement and Strategic Acquisitions

Appendices

Appendix 1 Single Source Purchase Order Requests

Appendix 1: Purchase Order Change Requests to Existing Contracts

1. Project Name: Lakeshore Road Sewage Pumping Station Upgrades and Enhanced Conceptual Design (2020-RFP-205)

Request: \$230,000.00

Consultant: GM BluePlan

Purchase Order Number: 0000090421

Increase original contract amount of \$154,531.00 (excl. HST) by \$230,000.00 for a new total of \$384,531.00

Rationale for Increase

The Region is conducting a Schedule B Municipal Class Environmental Assessment for the Lakeshore Road Sewage Pumping Station in accordance with the 2016 Master Servicing Plan. Due to the critical condition of this station the Region is recommending expediting the detailed design of the preferred alternative which will allow for construction to commence in 2022 and minimize the risk associated with the existing station operation.

The current Lakeshore Road Sewage Pumping Station is located at 14A Lakeshore Road in the Town of Fort Erie and was originally constructed in 1984, servicing approximately 929 residents. The most recent Water and Wastewater Master Servicing Plan has identified growth within the area by 2041 requiring an increase in capacity from 63 L/s to 70 L/s. The Pumping Station is currently in declining condition and has had two (2) reported forcemain failures since the start of this Project. The first incident was a break in the forcemain on March 18, 2021 and another on June 18, 2021. As a result of the aging equipment the station is also currently operating with only one pump and is in an overall state of deterioration. Given the age and condition of this station it poses an immediate threat to the environment due to the proximity of Lake Erie, a threat to the local resident's health and safety and property damage due to potential for basement flooding.

GM BluePlan was awarded 2020-RFP-205 through the competitive procurement bid process in April, 2021 for the Environmental Assessment and Enhanced Conceptual Design for the Project for a total of \$154,531.00. There have been no scope changes and GM BluePlan has maintained their schedule and are currently conducting the required field investigations.

The current request is for a single source award of \$230,000 to GM BluePlan to complete the detailed design and tendering needed to ensure Lakeshore Road Sewage Pumping Station is upgraded in a timely manner. Contract Administration and Inspection will also be required in the future during the construction phase of this Project, however those costs are not included in the current project funding request. Staff will be requesting approval of additional funding for engineering services for construction upon Construction award in the summer of 2022.

The detailed design will be based on the recommended alternative which was determined from the evaluation criteria of the Municipal Class Environmental Assessment and presented to Niagara Region, Niagara Parks and the Town of Fort Erie on June 22, 2021.

The scope of the detailed design will include;

- (i) A new wet well and concrete valve chamber within the existing property boundaries;
- (ii) New outdoor standby power generator system;
- (iii) Decommissioning of the existing wet well and forcemain;
- (iv) Demolition of the existing control building;
- (v) New 200mm forcemain up to CBSA Plaza;
- (vi) New process piping and equipment including two submersible pumps;
- (vii) New process instrumentation;
- (viii) New electrical equipment outdoor shelter and all required controls;
- (ix) All required interior finishes; and
- (x) Overall site restoration

Staff recommend that GM BluePlan be awarded this Single Source assignment in accordance with Purchasing By-law 02-2016 Section 18(a)(iv) as GM BluePlan is familiar with the immediate area and has an in-depth knowledge of the station as a result of the ongoing Municipal Class EA and can complete the detailed design assignment in a timely manner meeting the project constraints and challenges. As a situation of urgency exists it is in the best interest of the project to single source this assignment as a competitive procurement process will extend the project schedule which would cause project delays and increase the risk of station failure impacting local residents, maintenance staff and the surrounding environment. This work is critical and needs to be completed as soon as possible. The current proposed schedule has an expected detailed design completion and tendering in 2022 with construction planned for 2022.

Alternatives Reviewed

(i) Do nothing:

- This alternative does not address the needs of the project due to the deterioration and age of the station and resulting impacts of failure at the station;
- If the station were to fail there would be possible basement flooding of surrounding residents which could result in property damage;
- The current station has unsafe work conditions for Operations and Maintenance staff to complete repairs;
- The station poses serious environmental risks to Lake Erie as it is in close proximity;
- Additional operation and maintenance costs will be incurred for future repairs

(ii) Proceed with competitive RFP process:

- A competitive process will impact the expedited need for these services which would negate the efficiencies gained in the EA/design cost schedule through a streamlined design process;
- Forgoing the competitive bid process will allow the Project to progress to the preliminary design phase and skip the conceptual design. The conceptual design is included to aid in the proper scoping of the detailed design;
- Onboarding a different consultant will require additional cost, effort and time for them to become familiar with the project and requirements which will impact our ability to move into the next phase; and
- A competitive process will not allow for the start of the detailed design immediately upon successful completion of the Class EA resulting in Project delays

Funding Source

Original PO \$154,531.00
Change PO \$230,000.00 (no HST)
Total changed unit price **\$384,531.00**

Total Budget \$900,000
Expenditures including commitments \$165,447.19
Budget Remaining **\$734,552.81**

There is sufficient budget in the project budget to assign this change PO.

Subject: Special Procurement Rules for Public Works Single Source Exceeding \$100,000

Report to: Public Works Committee

Report date: Tuesday, August 10, 2021

Recommendations

1. That staff **BE DIRECTED** to discontinue the interim procurement approval procedures for Public Works Single Source purchases exceeding \$100,000 introduced July 30, 2020; and, to return to consistently applying the provisions of Niagara Region's Procurement By-law 02-2016 as amended February 28, 2019; and,
2. That staff **BE DIRECTED** to provide information reports to the Corporate Services Committee each quarter identifying all corporate non-competitive procurement activities that exceeded \$100,000 in the intervening period.

Key Facts

- Special procurement approval procedures for the Public Works Department were introduced July 30, 2020 as an interim control measure pending any applicable recommendations from the KPMG Audit of Non-competitive procurement and the investigation of Whistleblower Policy complaints. The final reports on these topics have been received by Regional Council and neither third-party report proposed special procurement procedures for Public Works.
- Procurement By-law 02-2016 contains criteria and approval procedures applicable to single source procurement activity by all Departments. Appendix 1 of this report (Schedule "B" of the By-law 02-2016) identifies the approval authorities required for any Single Source procurements meeting the appropriate criteria.
- As reported to the June 21, 2021 Procurement Advisory Committee in PAC-C 4-2021, staff are currently drafting revisions to By-law 02-2016 and will present a report to Corporate Services Committee in Q3/Q4 of 2021.

Financial Considerations

Single source procurement activities subject to the July 30, 2020 interim procedures have approved funding in place from either the Capital or Operating budgets in the respective divisions in Public Works.

Analysis

At the Special Council meeting on July 30, 2020, Regional Council instructed staff that, “If any single source [Public Works] procurement [over \$5000] is deemed essential there must be approval first received by the Public Works Committee.” On August 18, 2020, the CAO provided Confidential Memorandum CONF-C 6-2020 providing key information in response to the staff direction. At its meeting on September 17, 2020, Regional Council approved an increase in the limit from \$5000 to \$100,000.

This interim special procurement procedure was introduced as an interim control measure pending the results of the KPMG Audit of Non-Competitive Procurement and the completion of an investigation by Kroll LLP of Whistleblower Policy Complaints. At its meeting on December 7, 2020 Regional Council received reports AC-C 11-2020 and AC-C 15-2020 containing the final KPMG Audit of Non-Competitive Procurement Activity; and, at its meetings on January 21, 2021 and February 25, 2021 Regional Council received reports CL-C 4-2021, and CL-C 9-2021 concerning the Whistleblower Policy investigation. The reports by KPMG and Kroll did not propose any related changes to the Procurement By-law or identify a need for special measures to be applied to Public Works.

The intent of the Procurement By-law is to ensure the appropriate balance of effective approval control and efficient utilization of resources to ensure “best value for the Corporation”.

Quarterly reporting to the Corporate Services Committee of single source procurement awards exceeding \$100,000 will reduce delays in conducting the business of the organization while providing open transparent accounting of these activities.

Alternatives Reviewed

Alternatives reviewed:

- Retain the existing special procurement process applicable only to Public Works. This is not recommended due to the resources and process delay required to report monthly. In addition, it is inconsistent with the provisions of the Procurement By-law and the procedural rules applicable to all other Departments.
- Amend the Procurement By-law to adjust the Single Source Purchasing Authority to incorporate changes similar to the current special provisions. This is not recommended as it would further increase the resources required and extend the impact of process delay to other Departments.

Relationship to Council Strategic Priorities

This report aligns with Sustainable and Engaging Government, specifically objective 4.1: High Quality, Efficient and Coordinated Core Services.

Other Pertinent Reports

- AC-C 11-2020, December 7, 2020 Final Report on Non-Competitive Procurement Audit
- AC-C 15-2020, December 7, 2020 Supplemental Information Report to the KPMG Final Audit Report on Non-Competitive Procurement Audit (AC-C 11-2020)
- AC-C 1-2021, February 8, 2021 Further Analysis of KPMG Final Audit Report on Non-Competitive Procurement Audit
- Confidential CL-C 4-2021, January 21, 2021 A Matter concerning Personal Matters about identifiable individuals under s. 239(2) of the Municipal Act, 2001 - Update on Whistleblower Policy Complaints
- Confidential CL-C 9-2021, A Matter concerning Personal Matters about identifiable individuals under s. 239(2) of the Municipal Act, 2001 – Investigation of Whistleblowers' Complaints relating to the Water and Wastewater Division
- CONF-C 6-2020, July 30, 2020 Closed Session - Update from Special Council Meeting
- PW 42-2020, September 8, 2020 Approval of Various Single Source Public Works New Purchase Orders and Purchase Order Change Request

- PW 45-2020, October 13, 2020 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 47-2020, November 10, 2020 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 3-2021, January 12, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 7-2021, February 16, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 13-2021, March 9, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 17-2021, April 13, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 25-2021, May 11, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 27-2021, June 15, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000
- PW 41-2021, July 13, 2021 Approval of Public Works Single Source Purchase Requests Over \$100,000

Prepared and Recommended by:

Bruce Zvaniga, P.Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Bart Menage, Director Procurement and Strategic Acquisitions and reviewed by Todd Harrison, Treasurer/Commissioner of Corporate Services

Appendices

Appendix 1 Schedule "B" Procurement By-Law The Regional Municipality of Niagara Purchasing and Execution Authority

Schedule “B” Procurement By-Law The Regional Municipality of Niagara Purchasing and Execution Authority

Method of Purchasing	Dollar Value	Purchasing Authority*	Document Execution Authority	Payment Release Authority
Special Circumstance, Single Source and Negotiation	> \$10,000 to \$25,000	Department Director	Department Director	Department Director
	> \$25,000 to \$100,000	Department Director and the Manager of Procurement and Department Commissioner	Department Commissioner	Department Manager
	> \$100,000 to \$250,000	Department Director and the Manager of Procurement and Department Commissioner	Department Commissioner and Commissioner of Enterprise Resource Management Services/Treasurer	Department Manager
	>\$250,000 to \$1,000,000	Department Commissioner and the Director of Procurement and Strategic Acquisitions and Commissioner of Enterprise Resource Management Services/Treasurer	Department Commissioner and CAO	Department Director
	>\$1,000,000	Council	Regional Clerk and Regional Chair	Department Commissioner

* “Purchasing Authority” means those positions listed, and includes any position which is higher in the Corporation’s reporting structure.

Subject: NRT OnDemand – Port Colborne Inclusion

Report to: Public Works Committee

Report date: Tuesday, July 13, 2021

Recommendations

1. That the report from the City of Port Colborne titled, “Transit Enhancement Opportunity” (Appendix 1 to Report PW 38-2021) **BE RECEIVED** for information;
2. That the Chief Administrative Officer **BE AUTHORIZED** to execute any amendments to the Agreement and/or Service Order between the Regional Municipality of Niagara and River North Transit, LLC (a.k.a. Via Mobility, LLC) in the amount of \$898,840 (excluding HST) to enable the inclusion of a turnkey, on-demand transit service pilot in Port Colborne to be branded and administered as part of the Niagara Regional Transit (NRT) OnDemand pilot;
3. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding (MOU) between Niagara Region and the City of Port Colborne to allow for Niagara Region to facilitate and administer the deployment of on-demand transit services within the City of Port Colborne as approved in the terms and value outlined in City of Port Colborne report 2021-15; and
4. That the Chief Administrative Officer **BE AUTHORIZED** to execute amendments and/or extensions to both the MOU and the Agreement/Service Order such that it facilitates the continuity of services as a result of the Niagara Transit Governance Study.

Key Facts

- The purpose of this report is to seek Council’s approval to allow Port Colborne to integrate the City’s on-demand transit pilot into the Region’s existing NRT OnDemand pilot program, in order to capitalize on the Region’s preferred pricing, reduce administrative overhead, and facilitate ease of use for riders traveling between municipalities.
- PW 60-2019 and PW 41-2020 authorized the Chief Administrative Officer to execute agreements with Via Mobility for the deployment of on-demand transit in West

Niagara and Niagara-on-the-Lake, which successfully launched August 17, 2020 and November 23, 2020 respectively.

- In August 2020, the City of Port Colborne approached Niagara Region to revisit the potential for bringing NRT OnDemand to their municipality, much in the same manner that the service was expanded in Niagara-on-the-Lake.
- On January 11, 2021, Port Colborne's Council approved a pilot deployment for an \$898,840 (excluding HST) on-demand service to operate within its municipal boundaries (Appendix 1) from approximately June 2020 to the termination of Niagara Region's contract.
- That approval also included a request to Niagara Region to approve, prepare, manage, and integrate their service area with the existing NRT OnDemand service in addition to making a financial contribution of \$126,200 in 2021 and \$187,500 in 2022 to enable inter-municipal connections between Port Colborne and Fort Erie and Port Colborne and West Niagara.
- A new start date of January 2022 has been confirmed by Port Colborne staff. As a result, only the 2022 portions of the Agreement and funding are being requested. This will result in a total contract value of \$510,700 of which Niagara Region's portion would be \$187,500.
- On January 21, 2021 Niagara Region Council approved the renewal of the NRT OnDemand pilot for a second year.

Financial Considerations

The City of Port Colborne currently spends \$303,700 (\$135,700 levy, \$168,000 Provincial Gas Tax (PGT) revenue and fares) for transit services (all figures referenced exclude HST). In order to move to an on-demand service, the City requires \$375,000 more than their current expenditure in 2022. Port Colborne City Council has approved an increase of half of that amount (\$187,500 to cover January through August 2022). The City of Port Colborne is requesting that Niagara Region pool resources by contributing \$187,500 in 2022.

The purpose of this Regional contribution is to facilitate the fulfillment of Niagara Region's mandate to provide planned inter-municipal connections (per CAO 8-2017, LNTC C-21-2018), which in this case, includes a new connection to Fort Erie Transit via Crystal Beach, to West Niagara and the Port Colborne Link. This connectivity would be the final component in truly connecting all of Niagara's municipalities through public transit, which is an important milestone in the ongoing transit governance work. It is important to note that the fees above are estimates based on annualized costs and will

be finalized once the exact start and end dates are confirmed. It would be staff's intention to align the end date with the other service areas in West Niagara and Niagara-on-the-Lake where applicable.

Niagara Region's contribution for inter-municipal trips will be accommodated in the 2022 Operating Budget, as staff had previously identified connecting Port Colborne and Fort Erie by way of inter-municipal transit in the 2020 budget, and thus those funds are now part of the NRT existing base budget. As a backup, should 2022 provide financial challenges to transit relating to the ongoing fallout of COVID-19, staff has identified that it is able to cover this portion of the pilot funding for the inter-municipal expansion through the Region's PGT. For 2022, Port Colborne would use the remainder of its transit reserve and any additional funding would be from its stabilization reserve. Refer to Appendix 1 for further detail.

Additionally, a Memorandum of Understanding between Niagara Region and the City of Port Colborne should provide consideration for indirect costs to NRT staff relating to the Contract Administration of the project on the City's behalf within the existing NRT OnDemand envelope. Items such as customer service inquiries, community engagement, paid advertising, signage, etc. will need to be accounted for in the MOU, similar to what exists for the West Niagara and NOTL service areas.

Analysis

In 2019, staff brought forward report PW 60-2019 which outlined the on-demand simulation results for West Niagara. Based on a request from the Inter-municipal Working Group (IMTWG), and in alignment with the service area expansions outlined in CAO 8-2017 and LNTC-C 21/22/23-2018, those simulation results also contained a review of opportunities to bring on-demand services to Port Colborne and Fort Erie for the purposes of connecting the southern municipalities of Niagara. In addition, that report also referenced the need for additional discussions with Port Colborne and Fort Erie.

In August of 2020, City of Port Colborne staff asked Regional staff to assist the City in further investigating the feasibility of bringing on-demand transit (specifically NRT OnDemand) to Port Colborne. Between September and December, staff from the City, the Region and Via worked together to review existing ridership data, identify potential service options and quantify service parameters; a process that built off of the simulation results (PW 60-2019) done by the IMTWG.

The culmination of that work is the City of Port Colborne's report "2021-15 - Transit Enhancement Opportunity" (Appendix 1). That report outlines the difference between two options; (Option 1) maintaining the fixed-route community bus or (Option 2) fully integrating with NRT OnDemand that would service the entirety of the municipality and provide inter-municipal connections as identified above. City staff recommended their Council approve Option 2 – full integration with NRT OnDemand. Port Colborne Council unanimously approved that recommendation as well as one that requests Niagara Region to oversee the integration into the existing NRT OnDemand pilot, much in the same way as the Niagara-on-the-Lake expansion which launched in November 2020.

Staff at the City of Port Colborne have requested that, should Regional Council approve this service expansion, target launch date of January 1, 2022 be sought. This date is the result of the City desiring to have on-demand transit in place prior to the conclusion of the Niagara Transit Governance Study in recognition that a new entity will not have the capacity to change service models in the first few years after upload. The actual launch date will be finalized upon approval of this report and once a contract with the service provider can be established. Regardless of the start date, the end date will be set to align with the end date for the West Niagara service area. It is also worth reiterating that staff is requesting that the CAO be authorized to extend the length of the contract in order to maintain service continuity should the results of the governance work require a transition period.

Full integration with NRT OnDemand would require the City to have two dedicated vehicles in order to service the whole municipality and meet forecasted service demands. Additionally, this option would allow for ticket pricing continuity across the various Niagara Region Transit systems. Not only would integration with NRT OnDemand greatly enhance the rider experience in Port Colborne, it would also facilitate additional connectivity with the West Niagara municipalities, connection to the Welland Terminal, and to Fort Erie Transit through a connection in Crystal Beach.

Alternatives Reviewed

The alternative is to decline the City's request for funding, partnership and integration of services. This would default the City to continue running the fixed-route community bus that only services a portion of the City's urban area and by extension, a small portion of its residents. This would also impact the residents of the surrounding municipalities as they would not benefit from the enhanced connectivity. From a rider perspective, providing a single online app and transit brand makes the user experience much simpler and highly efficient. Moreover, combining multiple transit agencies into a single service

also highlights the collaborative feasibility of the work being undertaken more broadly as part of the larger ongoing transit governance review. It is for these reasons that staff does not recommend declining the request from the City of Port Colborne.

Relationship to Council Strategic Priorities

The IMT Service Implementation Strategy directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objectives 3.1 & 3.4) through advancing regional transit and facilitating the movement of people and goods.

Other Pertinent Reports

- PW 1-2021 Niagara Regional Transit (NRT) OnDemand Contract Renewal
- PW 41-2020 NRT On-Demand – Niagara-on-the-Lake Inclusion
- PW 60-2019 On-Demand Transit – Pilot Authorization (Simulation Results)
- CAO 8-2017 Niagara Region’s Transit Service Delivery and Governance Strategy

Prepared by:

Robert Salewysch
Program Manager, Transit Services
Public Works Department

Recommended by:

Bruce Zvaniga, P. Eng.
Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Heather Talbot, Financial and Special Projects Consultant, and reviewed by Matt Robinson, Director, GO Implementation Office.

Appendices

Appendix 1 2021-15 – Transit Enhancement Opportunity



PORT COLBORNE

Corporate Services Department
Clerk's Division

Municipal Offices: 66 Charlotte Street
Port Colborne, Ontario L3K 3C8 • www.portcolborne.ca

T 905.835.2900 ext 106 F 905.834.5746
E amber.lapointe@portcolborne.ca

January 21, 2021

Ann-Marie Norio
Regional Clerk
Administration – Office of the Regional Clerk
Niagara Region

Via E-Mail

Dear Ms. Norio:

Re: Resolution – Transit Enhancement Opportunity

Please be advised that, at its meeting of January 11, 2021, the Council of The Corporation of the City of Port Colborne resolved as follows:

That Corporate Services Department Report 2021-15 be received;

That the City of Port Colborne request the Region of Niagara to submit a service order to Via Mobility LLC to amend its master terms agreement for the deployment of a turnkey, on-demand transit service to include the service area of Port Colborne and the integration and alignment of the Port Colborne service into the Niagara Regional Transit (NRT) OnDemand mobile application; and

That subject to approval by the Niagara Region's Public Works Committee and Council:

- Port Colborne Transit be integrated into the NRT OnDemand program (including related Provincial Gas Tax Funding) as outlined in this report;
- The City of Port Colborne provide funding to the Niagara Region as outlined in this report;
- The City of Port Colborne extend its appreciation to the City of Welland for their long-standing service as the City of Port Colborne Transit provider and for that contract to stop when the OnDemand service begins;
- The City of Port Colborne extend its warmest thank you to the Port Colborne Transit Advisory Committee for their previous service and for that committee to be dissolved;
- The Chief Administrative Officer and Director of Corporate Services / Treasurer be authorized to sign and execute the necessary documents to complete the approved recommendations in this report.

...2

Page 2
January 20, 2021

Resolution – Transit Enhancement Opportunity

A copy of the above-noted report is enclosed for your reference.

Sincerely,



Amber LaPointe
City Clerk

Encl.

ec: R. Salewytch, Program Manager – Transit Services, GO Implementation Office,
Niagara Region, Public Works Department
B. Boles, Director of Corporate Services / Treasurer, City of Port Colborne



Subject: Transit Enhancement Opportunity

To: Council

From: Corporate Services Department

Report Number: 2021-15

Meeting Date: January 11, 2021

Recommendation:

That Corporate Services Department Report 2021-15 be received;

That the City of Port Colborne request the Region of Niagara to submit a service order to Via Mobility LLC to amend its master terms agreement for the deployment of a turnkey, on-demand transit service to include the service area of Port Colborne and the integration and alignment of the Port Colborne service into the Niagara Regional Transit (NRT) OnDemand mobile application; and

That subject to approval by the Niagara Region's Public Works Committee and Council:

- Port Colborne Transit be integrated into the NRT OnDemand program (including related Provincial Gas Tax Funding) as outlined in this report;
 - The City of Port Colborne provide funding to the Niagara Region as outlined in this report;
 - The City of Port Colborne extend its appreciation to the City of Welland for their long-standing service as the City of Port Colborne Transit provider and for that contract to stop when the OnDemand service begins;
 - The City of Port Colborne extend its warmest thank you to the Port Colborne Transit Advisory Committee for their previous service and for that committee to be dissolved;
 - The Chief Administrative Officer and Director of Corporate Services / Treasurer be authorized to sign and execute the necessary documents to complete the approved recommendations in this report.
-

Purpose:

This report proposes service level enhancements to the current Port Colborne Transit program. It proposes moving from a fixed-route model to an on-demand model that

provides transit services to the whole City of Port Colborne (the “City”), increases the days of operation by one day per week, and the hours of service per day from 11 hours to 15 hours.

Background:

The City of Welland has been the long-standing service provider of a fixed route transit system in the City. The current route is identified in Appendix A. In 2019, the current service had approximately 35 individual riders per day (note 2019 numbers were used as COVID-19 impacted 2020 comparatives). At the time of writing this report the City is operating month to month with the City of Welland as the previous contract has expired.

On November 25, 2019 the Niagara Region presented a proposal for Niagara Region Transit (“NRT”) OnDemand to City Council. As an outcome of that meeting, staff were directed to review transit options.

The NRT OnDemand system has since been launched in the Town of Grimsby, Town of Lincoln, Town of Niagara-on-the-Lake, Town of Pelham, Township of Wainfleet, and the Township of West Lincoln.

Recent discussions with the Niagara Region identified they are currently in contract discussions with their service provider (VIA Mobility LLP) and, should the City wish to join, the City could do so in the June 2021 timeframe.

As Council is aware, Niagara Region and the local area municipalities have been engaged in a multi-year transit governance study to determine the feasibility and desirability of consolidating transit services under a single entity. A transition that, if approved, could happen between 2022 and 2023. Staff understand the Niagara Region will present the plan to the Councils of local area municipalities in the first half of 2021.

Salient to any amalgamation planning City Staff understand the service being offered at the time of consolidation will be the service that is continued with no new service additions being considered by the new transit entity for a number of years thereafter as it focuses on transitioning the operation of the service and seeks to undergo a network evaluation and design process.

Discussion:

In presenting this report City Staff identify that the City of Welland has been and continues to be a tremendous partner in providing transit to the City.

The NRT OnDemand system is currently in full operation in a number of municipalities in the Niagara Region as identified above. The website for the service is as follows: www.niagararegion.ca/transit/on-demand/default.aspx.

The following chart highlights the growth in usage of the current NRT OnDemand system in the other municipalities identified above. Staff highlight this growth has occurred despite the COVID-19 pandemic.



Key comparisons of the current and proposed NRT OnDemand options are provided in chart form below:

	Current	NRT OnDemand
Area Serviced	Appendix A – Limited / Fixed	Appendix B – All of Port Colborne (including Fort Erie Crystal Beach Area)
Number of Days	Monday - Friday (5 days)	Monday – Saturday (6 days)
Number of Hours	7am to 6pm (11 hours)	7am 10pm (15 hours)
Route adjustments^	Lead time required	Dynamic
Data	Limited	Significant
Boarding location	Bus stop or flag stop on route	Estimated average walk 55 to 80 m from location submitting pick-up request from (Wheelchair accessible trips will be door-to-door)
Pick-up time	Per pre-published schedule	Estimated 8 minutes or less from request pick-up time (assuming daily volume doubles from 2019 levels)
How to get a ride	Go to bus stop or flag a bus at pre-determined time	Use app or call phone number
Ride Sharing	Yes	Yes

^ The dynamic/full City coverage provided by the OnDemand system is something that ensures no matter how or where the City grows going forward the Transit system can accommodate.

The proposal from the Niagara Region is to manage the entire program, including Provincial Gas Tax reporting. Through their service provider, they proposed the use of

two vehicles for the City. As the City would be part of the larger network, should demand spike at certain times vehicles from other locations could be redirected to support those higher demand times.

Pricing of the current and OnDemand option are similar from the rider's perspective. The following table of fares enables trips that begin and end with the City of Port Colborne:

	Current (lasted updated 2018)			NRT OnDemand		
	Cash Fare	10-ride Card	Monthly Pass	Cash Fare	10-ride Card	Monthly Pass
Adults	\$3.00	\$25.00	\$85.00	\$3.00	\$27.00	\$85.00
Seniors (65+)	\$3.00	\$21.00	\$65.00	\$3.00	\$22.50	\$65.00
Elementary and High School	\$3.00	\$21.00	\$75.00	\$3.00	\$22.50	\$65.00
Children	\$1.50 (12 and under riding alone) Free (12 and under riding with paying adult)			5 and under free (Note: As of February 1 st , 2021 the child age for Regional service will change to 12 and under)		

Niagara Region also offer fares that permit intermunicipal travel using the existing fixed route network of Niagara Region Transit, such as Route 25 (Port Colborne Link). The fare table below permits riders to travel anywhere in Niagara.

	OnDemand		
	Cash Fare	10-ride Card	Monthly Pass
Adults	\$6.00	\$45.00	\$160.00
Seniors (65+)	\$5.00	\$40.00	\$130.00
Elementary and High School	\$5.00	\$40.00	\$130.00
Children	5 and under free (Note: As of February 1 st , 2021 the child age for Regional service will change to 12 and under)		

Financial Implications:

The financial implications of the current service level and the estimated financial impact of the new OnDemand service level are identified in the chart below:

	2021 – Current	2021 – OnDemand*	2022 – OnDemand*^
Current Net Levy Impact of Transit~	\$135,700	\$135,700	\$135,700
Increase cost for increase level of service with OnDemand	N/A	\$252,400	\$375,000
	\$135,700	\$388,140	\$510,700
City of Port Colborne	N/A	\$126,200	\$187,500
Niagara Region	N/A	\$126,200	\$187,500
	N/A	\$252,400	\$375,000

~ The gross cost before Provincial Gas Tax revenue and user fees is \$303,700. The net cost in the budget was \$165,700. The net cost above of \$135,700 reflects the projected revenue of approximately \$30,000 in a non-COVID period.

* The figures above assume no change in usage from the 2019 level and that Niagara Region through its Public Works Committee and Council, approve matching funding as part of their intermunicipal transit mandate since a connection to Fort Erie Transit would be established (anticipated in the Crystal Beach area). Through discussions with Niagara Region, staff understand the Niagara Region already has these funds budgeted and are financially involved with the NRT OnDemand programs in other local area municipalities. As noted the recommendation to this report is contingent on funding approval from the Niagara Region.

^ These figures are in present value dollars and may be subject to increases close to inflation. These will be dependent on negotiations between the Niagara Region and their service level provider.

These increased costs are not anticipated to have a permanent impact on the City's portion of the tax levy if the local area municipalities transit systems are consolidated into one transit entity.

For this reason, staff propose the following funding option:

- For 2021 the estimated funding requirement of \$126,200 be funded from the transit reserve that currently has a balance of \$150,000. Staff identified this

potential reserve usage in Report 2020-144, Reserve and Reserve Fund Policy dated October 13, 2020.

- For 2022, the remainder of the transit reserve would be used, and any additional funding would be internally funded from the stabilization reserve. These funds would be replenished/repaid by maintaining the current net transit levy budget up to \$135,700 in subsequent years after uploading the transit system to a regional transit entity. After the balance funded from the stabilization reserve is repaid, the net transit levy amount would be removed from the City's budget.

The risk to this funding model is the uploading process takes longer, does not happen or the City is asked to fund the regional transit entity on a go forward basis (which, at the time of writing this report, staff understand to not be the case). If the transition takes one year longer into 2023 staff propose the same funding strategy in 2022 be used (internally fund from reserves). If the transition takes longer than 2023 and/or does not gain approval staff will review other funding options and/or options to adjust service levels. The levy impact of \$187,500 (2022 estimated cost) is approximately 0.9%.

For greater clarity, staff identify the funding model identified above is based on estimates and are subject to change. If Council approves this report, Council is approving a 50/50 cost share of the increased cost of the OnDemand service with Niagara Region (which will offset the costs of the connection to Fort Erie Transit) and that the City's portion be paid first from the transit reserve and second from the stabilization reserve, to be repaid by maintaining the levy post consolidation until the stabilization reserve is repaid.

Conclusion:

The City has a unique opportunity at this time to set its level of service with the cooperation of the Niagara Region prior to the anticipated creation of a consolidated regional transit entity.

Appendices:

- Current Transit Route
- Proposed Service Map (Port Colborne going into Fort Erie Crystal Beach Area)

Respectfully submitted,

Bryan Boles

Director of Corporate Services / Treasurer

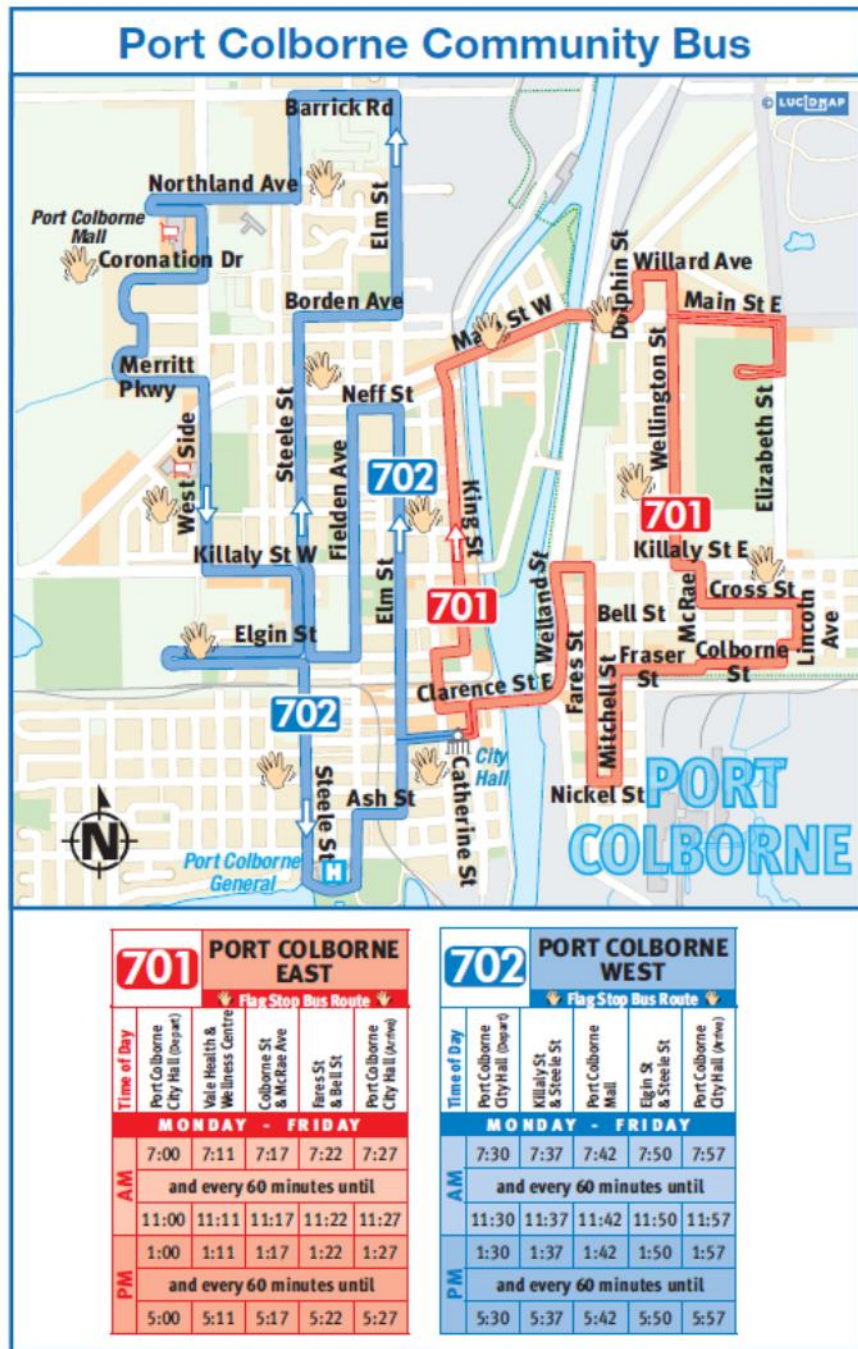
905-835-2900 ext. 105

Bryan.Boles@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.

Report 2021-15 Appendix A Current Transit Route



Please see City of Port Colborne or Welland Transit web site for fare structure information for Port Colborne Community and Link bus services

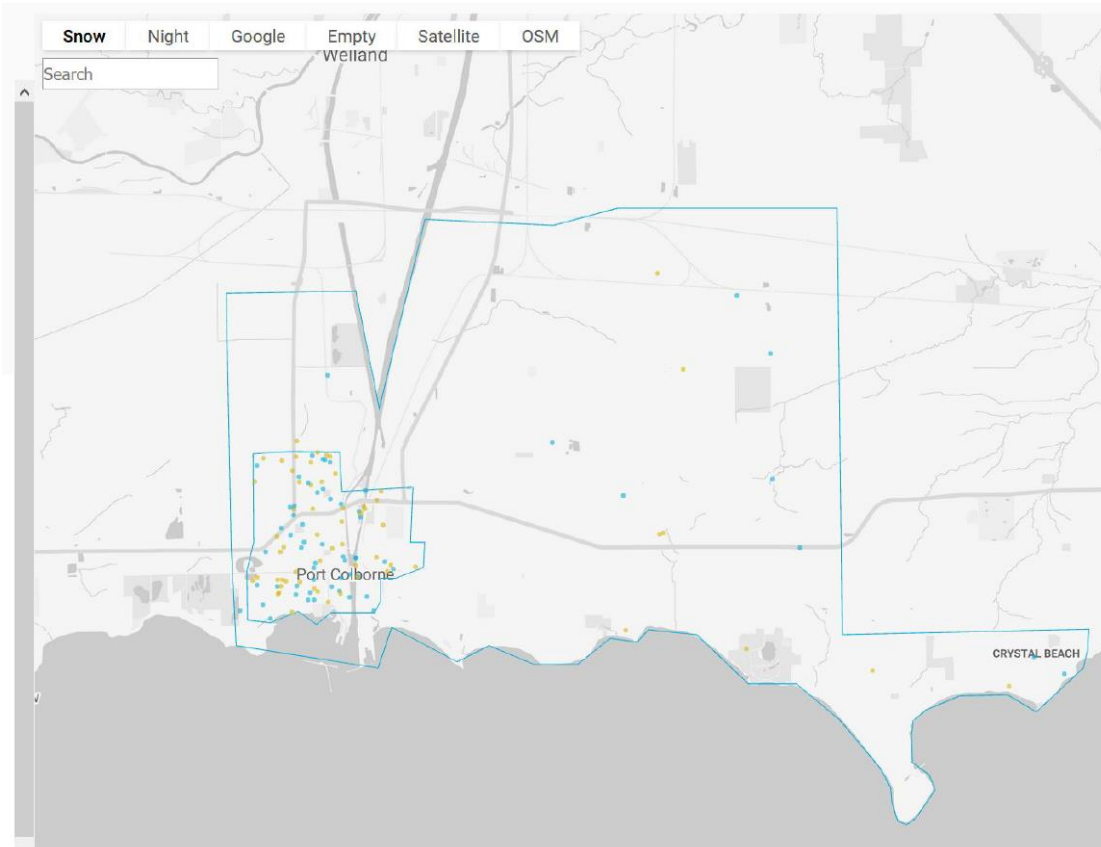


Flag Stop for Port Colborne only

You can board the bus by waving to the driver as the bus approaches. Look for the waving hand symbol on the maps, which highlights areas where Flag Stop is in effect.

Report 2021-15 Appendix B

Proposed Service Map (Port Colborne going into Fort Erie Crystal Beach Area)



Note the map above was created by the Niagara Region's service provider. The Service area is outlined by the blue line around the City. An additional blue line around the more densely populated area of the City highlights where the greater portion of rides are anticipated. The dots being blue and yellow indicate algorithmic pick-up and drop-off examples used to calculate the average wait time of 8 minutes and walking distance to a pick-up location of 55m to 80m.

Most importantly this map highlights this transit proposal would service all of the City and not just the central urban area.