
Subject: NRT OnDemand Contract Renewal

Report to: Public Works Committee

Report date: Tuesday, January 12, 2021

Recommendations

1. That Report PW 1-2021 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to inform Council that the NRT OnDemand pilot will be renewed for a period of up to 12 months as authorized in PW 60-2019.
- PW 60-2019 authorized the pilot program and defined “the pilot periods in the Agreement as 1 year with an option to extend for a period of up to an additional 12 months at the discretion of the Chief Administrative Officer”.
- PW 52-2020 and PW 53-2020 authorized staff to renew the Niagara Region Transit Service Agreement and the Niagara Specialized Transit Service Agreement respectively.
- Renewing each of the transit service agreements strategically aligns the termination dates such that Council will have the benefit of the Niagara Transit Governance Study (NTGS) results prior to considering the future of these services.
- Staff will confirm the desired involvement of the partnering municipalities prior to formally renewing in May 2021.
- Staff intends to bring a subsequent report to Council at the 18 month mark of the 24 month Pilot period examining: (1) the results of the NRT OnDemand pilot; (2) alignment of the NST service and required service contract; (3) convergence of the transit governance decision – all in one report as discussed in PW 53-2020 to chart a singular, consolidated path forward.
- The path forward will consider all options for service delivery including an open competitive process, bringing the services in-house, or a hybrid of the two.

Financial Considerations

There are no financial impacts from a 12 month renewal of the NRT OnDemand pilot as authorized in PW 60-2019 since funding was approved in the 2020 budget and is included in the base budget for 2021.

Analysis

A number of factors exist to support the extension of the pilot agreement as contemplated by the original Agreement and as supported by Council in PW 60-2019. These factors are highlighted below the brief update of the pilot status and statistics.

As of November 28, 15 weeks since launch, NRT OnDemand completed 4,812 trips of which 54 (1.1%) were accessible and had transported 5,408 riders. Given the fact that 30% of the NRT OnDemand fleet is wheelchair accessible, the service has significant capacity to deliver additional accessible trips.

The average daily ridership for NRT OnDemand has continued to grow week over week from 17 passengers to 98 passengers. From the first week to fifteenth week, there was a 463% growth in average rides taken. For additional ridership information, please refer to Appendix 1.

PW 53-2020 outlined that a number of the features of the current NRT OnDemand service align with the recommendations from the Specialized Transit Service Review (2018/2019) which is a component of the larger ongoing Transit Governance Study. Some examples of these features are:

- Same day booking
- App/Digital booking
- App/Digital payment
- Elimination of the need for applications
- Co-mingling of specialized passengers and non-specialized passengers

Based on the early results NRT OnDemand is supporting the co-mingling of specialized and non-specialized trips using the Wheelchair Accessible Vehicle (WAV) shared-ride service. This indicates that there may be a strong potential for alignment between the NRT OnDemand pilot and the existing NST system.

When the pilot program was originally approved in November 2019 (PW 60-2019), staff indicated that the intention is to acquire sufficient data so that Niagara Region can initiate a competitive bid process to deliver the services efficiently in the long term. As a competitive bid would require approximately six (6) months of lead time to allow for development of the RFP, awarding of the contract, service design and for the provider to mobilize, this process would need to begin February 2021. Despite the first fifteen weeks of service showing significant growth in ridership, increased connectivity for the residents of West Niagara, and a strong potential for alignment between the NRT

OnDemand pilot and the existing NST system, such a small duration does not provide an adequate period of time from which the details of a competitive RFP can be derived, especially when considering the merging of two services.

Moreover, the Niagara Transit Governance Study (NTGS) was originally seeking a decision in Q2 of 2020; but due to COVID-19, the new timeline is approximately Q2 2021. With these two issues combined, staff feels that service continuity should be prioritized by renewing with the current provider as authorized in PW 60-2019 to avoid changing service providers multiple times between now and when/if a new transit entity is formed. This would also ensure that when the new combined service does go through a competitive process, that staff is able to adequately articulate the desired parameters of the service. This strategy of not entering into long term agreements during the governance review has been agreed to, recommended, and employed by all of the transit properties that make up the Inter-Municipal Transit Working Group (IMTWG), including things such as labour relations, service contracts, and operating agreements.

Therefore, using the authorization provided in PW 60-2019, staff will renew the NRT OnDemand Service Agreement at the nine (9) month mark (approximately May 2020). This will allow sufficient time for the partnering local municipalities to approve their 2021 budgets and confirm their continued participation.

For the sake of clarity, it is worth reiterating that a report will be brought to Council in or around January 2022 with respect to the long term plans for NRT OnDemand and NST. That timeline allows sufficient time to acquire data from the pilot project and ensures that the governance decision from the NTGS will have been made prior to initiating a competitive bid process for transit services.

Alternatives Reviewed

As noted in the Analysis section, conducting an open competitive procurement at this time for on-demand transit during August 2021 to July 2022 would not afford vendors adequate time to capitalize the cost of vehicles, and would be disruptive to users to transition to a different service provider "now" and again at the end of the NRT OnDemand pilot. Additionally, as the on-demand pilot has only been in operation for 15 weeks at the time this report was produced, there has not been adequate time to identify and articulate the terms for an aligned service with NST and thus a competitive procurement at this time is not recommended.

Relationship to Council Strategic Priorities

The NRT OnDemand Pilot Project directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objective 3.1) through advancing regional transit and GO rail services and facilitating the movement of people and goods.

Other Pertinent Reports

- CAO 8-2017 Niagara Region's Transit Service Delivery and Governance Strategy
- LNTC-C 21-2018 Inter-Municipal Transit (IMT) Service Implementation Strategy
- LNTC-C 22-2018 Inter-Municipal Transit Financial Impact Analysis
- LNTC-C 23-2018 Inter-Municipal Transit Capital Plan, 2019
- PW 60-2019 On-Demand Transit – Pilot Authorization (Simulation Results)
- PW 41-2020 Niagara Regional Transit OnDemand – Niagara-on-the-Lake Inclusion
- PW 46-2020 NRT OnDemand - Update
- PW 52-2020 Niagara Region Transit Service Agreement Renewal
- PW 53-2020 Niagara Specialized Transit Service Agreement Amendment

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Appendices

PW 1-2021 – Appendix 1 – Overview and Municipality Specific Maps and Metrics