

Procurement Authorization - Accessible Taxi Service

Meeting Date: July 10, 2008

Subject: Procurement Authorization - Accessible Taxi Service

Recommendation

It is recommended that the Commission authorize the award of contracts to the following companies for Accessible Distance-Based Taxi Service for the provision of Wheel-Trans service over a five-year period commencing January 4, 2009.

The total upset amount of \$105,000,000 for the term of the Contract will be allocated as outlined below:

- Royal Taxi Inc. - \$35,000,000.00
- Scarborough City Cab - \$35,000,000.00
- Associated Toronto Taxi-Cab Co-Operative Ltd. - \$35,000,000.00

Service levels and upset limit distribution are based on an equal allocation of accessible vehicles by each company and may be adjusted in the future to reflect specific company performance over the term of the contract. Staff request that authority for any adjustments in upset limit distribution will be delegated to the Chief General Manager for approval.

Funding

Sufficient funds for accessible taxi services will be included in the proposed 2009 Wheel-Trans Operating Budget. The total estimated Upset Limit amount of \$105,000,000 is subject to annual Commission approval which will be included in subsequent Wheel-Trans Operating Budgets.

Discussion

The Commission requires the service of up to three contractors to supplement the existing Wheel-Trans Bus and Sedan service for the provision of accessible taxi service. As a result, a Request for Proposal (RFP) was developed to provide the highest quality of service to Wheel-Trans customers. Within the RFP, staff included provisions that would result in an improved recruitment and training program, a vulnerable persons criminal check, as well as developing a more robust service model with performance based incentives, more on-street supervision, and quality monitoring.

The new accessible taxi contracts will provide for a substantial transition period (up to 4 months) in

order to recruit and train taxi drivers as well as put in place the infrastructure to deliver these services. Given the importance of this service and the level of reliability required by our customers, staff has built in a four-month transition period for each Contractor.

A Request for Proposals was publicly advertised on the Commission's website on December 4, 2007. Twenty-five companies requested copies of the proposal documents out of which fifteen submitted a proposal and are summarized in Appendix "A". All proposals received were reviewed and rated by the evaluation team based on the pre-determined evaluation criteria listed in Appendix "A" with the exception of two companies that did not submit mandatory submission requirements with their proposal and are therefore considered non-compliant.

Pricing was not an evaluation factor as it was pre-determined on the following basis and included in the RFP Document:

1. Each company will operate approximately 157,500 kilometres per month (equivalent to 50 vehicles each) with a contingency of 7% annual growth;
2. A fixed driver rate per/ km which is higher than currently being paid on existing contracts in order to attract more qualified drivers;
3. A fixed monthly management fee paid to each contractor for the implementation of new enhancements to manage a higher level of service. In addition to this management fee, an annual incentive bonus may be provided to the companies based on their level of performance and targets met.

The proposals submitted by Royal Taxi, Scarborough City Cab, and Associated Toronto Taxi-Cab Co-Operative Ltd. were considered best choice overall as they demonstrated a very good understanding of the requirements of this Contract. These companies are currently providing accessible service under contract for the Commission.

Justification

Staff anticipates that the award of these accessible taxi contracts will improve the overall quality of Wheel-Trans service in keeping with the Accessible Transit Service Plan. The new service Contracts are scheduled to begin providing service on Sunday, January 4, 2009.

June 25, 2008

18-41-41

Attachment: Appendix A