

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: May 30, 2012

SUBJECT: PROCUREMENT AUTHORIZATION AMENDMENTS:
WHEEL-TRANS SEDAN METER-BASED TAXI SERVICES
CONTRACTS

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize amendments to increase the current upset limits for the Wheel-Trans Sedan Meter-Based Taxi Services contracts as follows:

1. Authorize Contract Amendment No. 3 to Associated Toronto Taxi Cab Co-operative Limited, Contract No. C34PC09709, in the amount of \$11,000,000.00 increasing the total upset limit to \$28,800,000.00 from \$17,800,000.00; and
2. Authorize Contract Amendment No. 4 to Beck Taxi Limited, Contract No. C34PC09708, in the amount of \$9,000,000.00 increasing the total upset limit to \$29,200,000.00 from \$20,200,000.00.

FUNDING

Sufficient funds are included in the 2012 Wheel-Trans Operating Budget which was approved by the Commission at its meeting on January 31, 2012 and will be included as part of the 2013 budget submission.

BACKGROUND

The Commission at its meeting of November 26, 2008 authorized awards of two contracts as a result of a publicly advertised Request for Proposal issued on August 21, 2008 by the TTC for Wheel-Trans Sedan Meter-Based Taxi Services in the upset limit amounts as follows:

Associated Toronto Taxi-Cab Co-operative Limited	\$19,000,000.00
Beck Taxi Limited	<u>\$19,000,000.00</u>
Total Upset Limit Amount	\$38,000,000.00

The term of the contracts is for a period of five (5) years commencing January 11, 2009 to January 11, 2014.

The Sedan Meter-Based Taxi Service contracts were awarded to supplement the existing Wheel-Trans bus services and to provide the highest quality of service to Wheel-Trans customers.

The Authorization of Expenditure Policy states that the Commission delegates amendment authority to staff for reallocation of funds between the contracts where the procurement involves contract awards to multiple companies, who are awarded contracts with the same scope and nature. As a result, amendments have been utilized to reallocate funds between the two contracts as stated below:

Associated Toronto Taxi Cab Co-operative Limited

Original Upset Limit Contract Price:	\$19,000,000.00
Previous Amendments:	(\$ 1,200,000.00)
This Amendment:	<u>\$11,000,000.00</u>
Revised Upset Limit Contract Price:	\$28,800,000.00

Beck Taxi Limited

Original Upset Limit Contract Price:	\$19,000,000.00
Previous Amendments:	\$ 1,200,000.00
This Amendment:	<u>\$ 9,000,000.00</u>
Revised Upset Limit Contract Price	\$29,200,000.00

DISCUSSION

As a means to control costs, it was decided, subsequent to award, to shift more customers to Sedan Meter-Based Taxi Service from an estimated 13% to 20%; thereby increasing taxi-related costs but decreasing overall Wheel-Trans costs. In order to continue providing Sedan Meter-Based Taxi Services to Wheel-Trans customers for the remainder of the contract term, an increase in the upset limits is necessary. All other contract terms and conditions remain unchanged.

JUSTIFICATION

The contract amendments are required for the Sedan Meter-Based Taxi Services contracts to continue providing an appropriate level of sedan taxi services to meet Wheel-Trans customer demand.

May 10, 2012
18-62