

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** September 27, 2012

**SUBJECT:** WHEEL-TRANS TAXI CONTRACTS – PROCUREMENT  
TIMELINES UPDATE

## **ACTION ITEM**

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### **RECOMMENDATION**

It is recommended that the Commission approve the following:

1. Exercising of the contract option to extend the three Wheel-Trans Accessible Taxi Contracts for two consecutive 1-year terms from January 4, 2014 to January 9, 2016;
2. Authorization of amendments to increase the current upset limits for the three Wheel-Trans Accessible Taxi Services Contracts as follows:
  - a. Amendment No. 3 to Associated Toronto Taxi Cab Co-operative Limited, Contract No. C34PW08824, in the amount of \$18,000,000 increasing the total upset limit to \$53,000,000 from \$35,000,000;
  - b. Amendment No. 3 to Royal Taxi Incorporated, Contract No. C34PW08822, in the amount of \$18,000,000 increasing the total upset limit to \$53,000,000 from \$35,000,000;
  - c. Amendment No. 3 to Scarborough City Cab, Contract No. C34PW08823, in the amount of \$18,000,000 increasing the total upset limit to \$53,000,000 from \$35,000,000.
3. Exercising of the contract option to extend the two Wheel-Trans Sedan Taxi Contracts for two consecutive 1-year terms from January 11, 2014 to January 16, 2016;
4. Authorization of amendments to increase the current upset limits for the two Wheel-Trans Sedan Meter-Based Taxi Services Contracts as follows:
  - a. Amendment No.5 to Associated Toronto Taxi Cab Co-operative Limited, Contract No. C34PC09709, in the amount of \$17,000,000.00 increasing the total upset limit to \$45,800,000 from \$28,800,000; and
  - b. Amendment No. 5 to Beck Taxi Limited, Contract No. C34PC09708, in the amount of \$17,000,000 increasing the total upset limit to \$46,200,000 from \$29,200,000.

5. Updating of the Accessible and Sedan Taxi Contract procurement timelines for the issuing of the Request for Proposals (RFP's).

### **FUNDING**

The financial impact of approving these recommendations will not take place until 2014 and sufficient funds will be included in future Wheel-Trans Budget submissions.

### **BACKGROUND**

To provide service to Wheel-Trans customers in the most cost-effective manner, a combination of buses, accessible taxis, and sedan taxis are utilized. The intent of TTC operated buses is to provide service to customers using larger mobility devices that will not fit onto accessible taxis (augmented by others to use available capacity). Accessible taxis provide service to customers using smaller mobility devices and to ambulatory customers. Sedan taxis primarily provide service to ambulatory customers. All trips are scheduled through Wheel-Trans.

Wheel-Trans has a long history in contracting out services. In 2008, the last year preceding the current contracts, ten contractors were providing the accessible taxi service. Customers were concerned with poor quality service. Complaints were 1.7 per 1,000 trips which was double the number of those received for the bus service. Further, it was extremely difficult to establish who was accountable when serious complaints were received. Finally, there were widely disparate pay and compensation practices for the drivers amongst the contractors that TTC staff could not control.

To address these issues, Requests for Proposal (RFP) for each of the sedan and accessible services were designed to improve the quality of service and ensure the drivers were compensated in a fair, consistent and equitable manner. These RFPs were also designed to place the responsibility for managing the quality of service directly on the contractors. The term was five years with an option for two 1-year extensions. The RFPs were issued in December 2007 and awarded during the summer of 2008 with implementation in January 2009. Accessible Taxi Contracts were awarded to Royal Taxi Inc., Scarborough City Cab, and Associated Toronto Taxi-Cab Co-operative Ltd. The Sedan Taxi Contracts were awarded to Associated Toronto Taxi Cab Co-operative Limited and Beck Taxi Limited.

Since the implementation of the contracts, Wheel-Trans customers have seen a steady improvement in the quality of service. The number of customer complaints by mid 2012 had dropped by over 40% to 0.95 per 1,000 trips. In addition, over 90% of the service delivered by both accessible and sedan contracted taxis arrived within 10 minutes of the scheduled pick up times. At its meeting of May 30, 2012, the Commission received a report outlining the generally favorable experience with the current Accessible Contracts.

At the Commission Meeting of May 11, 2011, the Commission directed staff not to exercise the TTC's option of extending the Wheel-Trans Accessible Taxi Services Contracts for any of its three contractors and to initiate a new competitive RFP for this service. Subsequently at the July 6, 2011 Commission Meeting, staff presented a timetable (Appendix 1) which included the steps being taken in order to have the Wheel-Trans Accessible Taxi Contracts in place prior to the expiry of the current contract.

To date, Wheel-Trans staff have completed investigating alternative models for delivery of service, consulted with the American Public Transit Association, and commenced consultations with the Advisory Committee on Accessible Transit (ACAT). In addition, staff has started consultations with the Accessible Taxi Industry to determine options and improvements.

At its meeting of May 30, 2012, the Commission directed staff to report back on the RFP process for all Wheel-Trans Contracts, including recommendations on the process, timing, and any contract extensions.

## **DISCUSSION**

In late 2011, Municipal Licensing & Standards (ML & S) initiated the 2012 Taxicab Industry Review. Wheel-Trans staff are participating in this review. The purpose of the review is to determine industry issues and explore how to best resolve them. While many issues were identified during the planning phase of the review, of particular interest were matters relating to accessibility, and potential changes to the licensing structure which could substantially impact TTC contracts. While initially the results of the review were to be presented in a report to the Licensing and Standards Committee in the fourth quarter of 2012, this has now been extended to mid-2013. Any recommended changes will require approvals by both the Committee and City Council, the timing of which is unknown.

Staff will require sufficient time to assess the impact of any approved changes on the upcoming Wheel-Trans RFP. Based on current timing, any approved changes could not be taken into consideration if the timeline presented to the Commission on May 11, 2011 is followed.

Staff has developed a generic timeline outlined in “Appendix 2 – Revised Wheel-Trans Taxi Contracts Procurement Timeline” that would be implemented once any changes from the taxi review have been approved. With the uncertainty of when this may occur and given its 21-month time to complete, staff is requesting approval to exercise the two 1-year extensions provided for in the current Wheel-Trans Accessible Taxi Contracts under the same Terms and Conditions as at present. To accommodate this request, staff will require approval to increase the upset limit for each of the Accessible Contracts from \$35,000,000 to \$53,000,000. Amendments would be issued to allocate funds between the three contracts as stated below:

**Associated Toronto Taxi Cab Co-operative Limited**

Original Upset Limit Contract Price:	\$35,000,000
This Amendment:	\$18,000,000
Revised Upset Limit Contract Price:	\$53,000,000

**Royal Taxi Inc.**

Original Upset Limit Contract Price:	\$35,000,000
This Amendment:	\$18,000,000
Revised Upset Limit Contract Price:	\$53,000,000

**Scarborough City Cab**

Original Upset Limit Contract Price:	\$35,000,000
This Amendment:	\$18,000,000
Revised Upset Limit Contract Price:	\$53,000,000

The current Wheel-Trans Sedan Taxi contracts also expire on January 11, 2014. Sedan taxis will also be impacted by the 2012 Taxicab Industry Review being conducted by ML&S. Within the existing Sedan Taxi Contracts there are also provisions for two 1-year extensions.

Staff is requesting approval to exercise the two 1-year extensions provided for in the current Wheel-Trans Sedan Taxi Contracts under the same Terms and Conditions as at present. To accommodate this request, staff will require approval to increase the upset limit between the two Contracts as follows:

**Associated Toronto Taxi Cab Co-operative Limited**

Original Upset Limit Contract Price:	\$19,000,000
Previous Amendments:	\$ 9,800,000
This Amendment:	<u>\$17,000,000</u>
Revised Upset Limit Contract Price:	\$45,800,000

**Beck Taxi Limited**

Original Upset Limit Contract Price:	\$19,000,000
Previous Amendments:	\$10,200,000
This Amendment:	<u>\$17,000,000</u>
Revised Upset Limit Contract Price	\$46,200,000

**JUSTIFICATION**

Exercising the options to extend the Accessible and Sedan Taxi Contracts and increasing the respective upset limits will provide Wheel-Trans sufficient time to consider the approved changes resulting from the 2012 Taxicab Industry Review and incorporate them into the upcoming Requests for Proposals.

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September 14, 2012  
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Attachments: Appendix 1  
Appendix 2

**APPENDIX 1**

**PROCUREMENT TIMELINE  
SUBMITTED AT JULY 6, 2011 COMMISSION MEETING**

- **January to March 2012** – Investigate alternative service models for delivery of Wheel-Trans Accessible Taxi services (e.g. New York livery service agreements, etc.)
- **March to May 2012** - Consult with the Advisory Committee on Accessible Transportation (ACAT), American Public Transit Association (APTA) and the accessible Taxi services industry to investigate options to improve WTAT services and to look at alternative service models.
- **June to August 2012** – Public consultation with Taxi industry on proposed requirements for new contracts.
- **September 2012** – Present RFP requirements to Commission.
- **October 2012** – Issue RFP to procure a Fairness Monitor to ensure that the WTAT services RFP will be carried out in a fair and transparent manner.
- **December 2012** – Award of a Fairness Monitor contract.
- **January 2013** - Finalize WTAT RFP documents.
- **February 2013** – Publicly advertise WTAT RFP.
- **April 2013** – Close WTAT RFP.
- **May to June 2013** – Complete Proposal evaluation.
- **July 2013** – Commission approval and award of contract(s).
- **August to January 2013** – Transition period to prepare for the start up of the new contracts in 2014.
- **January 5, 2014** - Start of new contracts.

**APPENDIX 2**

**REVISED CONTRACT PROCUREMENT TIMELINE**

The following outlines the revised contract procurement timeline taking into account an assessment of the impact of the results of the 2012 Taxicab Industry Review:

- 0 Months - Public consultation with Taxi industry on proposed requirements for new contracts
- 4 Months - Present RFP requirements to Commission
- 5 Months - Issue RFP to procure a Fairness Monitor to ensure that the RFP will be carried out in a fair and transparent manner
- 7 Months - Award of a Fairness Monitor contract
- 8 Months - Finalize RFP documents
- 9 Months - Publicly advertise RFP
- 12 Months - Close RFP
- 13 Months - Complete proposal evaluation
- 15 Months - Commission approval and award of contracts
- 16 Months - Transition period to prepare for the start up of the new contracts
- 21 Months - Start of new contracts