

TORONTO TRANSIT COMMISSION



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March 9, 2015

TTC Board Members
Toronto Transit Commission
1900 Yonge Street
Toronto, Ontario
M4S 1Z2

Dear Board Members:

The TTC Audit Committee, at its meeting on February 19, 2015 adopted the following motion:

Whereas the TTC Board in May 2011 requested the Auditor General to expand its scope of the review of Wheel-Trans to include Contract Compliance & Customer Satisfaction.

Whereas the Auditor General's report entitled Review of Wheel-Trans Services - Sustaining Level and Quality of Service Requires Changes to the Program was submitted to the Board on December 19, 2012 and subsequently referred to the Advisory Committee on Accessible Transit and the TTC's Audit Committee for review.

Whereas a staff report entitled Wheel-Trans Taxi Contracts – Procurement Timelines Update was also before the Board on December 19, 2012 in which the Board approved that staff be directed to undertake a new RFP for taxi contract services, and that the process have oversight provided by a Fairness Commissioner; and

That the Chief Executive Officer be authorized to extend the current contracts, if necessary, for a period of up to 6 months, and that the current upset contract limits be adjusted proportionately, subject to satisfactory discussions with the existing contractors on the extension period.

Whereas a contract for a Fairness Commissioner was awarded to JD Campbell and Associates in February 2013 in accordance with the Auditor General's recommendations and the direction of the TTC Board.

Whereas an RFB was issued on October 13, 2013 which addressed the 4 major recommendations of the Auditor General including "the requirement for Contractors to inform drivers of their rights and responsibilities"

Whereas The Board at its meeting on January 28, 2014 authorized the award of contracts for the Accessible Taxi Service to 4 companies in the upset limit of \$120,000,000 for a five year duration from Notification of Award, on the basis of the highest total weighted scores with contracts to commence July 6, 2014.



Whereas the Board at its meeting on July 23, 2014 had before it a letter from Spiros Bastas, President, Accessible Transportation Association of Ontario regarding Wheel-Trans Accessible Taxi Contracts – Job Action.

Whereas the Board received the correspondence without recommendations and subsequently approved reconsideration of the matter on a two-thirds vote of the members present. The Board referred the communication to staff to meet with the contractors and to report back to the August meeting.

Whereas the Board at its meeting on August 19, 2014 approved amendment of the Accessible Taxi Service Contract to add HST to the minimum driver rate.

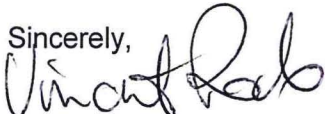
Be it resolved that the TTC Audit Committee, through the TTC Board:

Request the City of Toronto Auditor General to review the recommendations in the staff report approved by the Board at the January 28, 2014 meeting and the TTC Board decision made at the August 19, 2014 meeting in which TTC approved a motion to amend the Accessible Taxi Service Contract to add HST to the minimum driver rate; and comment and provide recommendations on the following:

1. The value for money issues raised by the decision; and
2. The implications for TTC procurement processes in future and any recommendations flowing therefrom.

A chronology on Wheel-Trans Accessible Taxi Contracts was also submitted with this motion.

The foregoing is forwarded for your consideration.

Sincerely,

Vincent Rodo
Chief Financial &
Administration Officer

**PRESENTED TO
THE BOARD**

MAR 26 2015

Attachment



WT CHRONOLOGY ON WHEEL-TRANS ACCESSIBLE TAXI (AT) CONTRACTS

Below is a Summary of the Chronology of the AT Contracts divided into three distinct time periods:

- 1. Prior to Issue of WT AT Contract January 2012 – July 2013,**
 - 2. Immediately Prior to Issue and Award of Contracts August 2013 – July 6, 2014,**
 - 3. After Award of Contracts – Service Disruption July 6, 2014 – September 2014,**
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- 1. Prior to Issue of WT-Accessible Taxi Contract Request for Bid (RFB) January 2012 – July 2013.**
 - January – May, 2012 – Investigate alternative service models for delivery of Wheel-Trans Accessible Taxi service
 - June 2012 – August 2012 – Public consultation with Taxi Industry,
 - January 2013 – Issue RFP to engage a Fairness Monitor to ensure transparent process as per Auditor general's recommendation,
 - February 2013 – Award of a Fairness Monitor –JD Campbell and Associates,
 - Auditor General Recommendations reviewed and incorporated as follows:
 1. Retain a Fairness Commissioner to oversee the procurement process (Completed);
 2. Structure of RFB to seek 'Competitive Bidding on Price component as well as non-financial factors' (Completed);
 3. Structure the monthly management fee to obtain the best overall value for the Commission (compensation tied to service provided) (Completed),
 4. Replace Bonus entitlement with a financial penalty (Completed);
 5. Include drivers rights, responsibility and reporting process (Completed);,
 - September – July 2013 – Finalize RFB for the provision of Accessible Taxi Contract with Fairness Monitor's involvement
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- 2. Immediately Prior to Issue and Award of AT Contracts August 2013 – July 6, 2014.**
 - August 29, 2013 - Public Consultation for Accessible Taxi Contract
 - October 8, 2013 – RFB for Provision of Accessible Taxi Contract Issued on MERX,
 - October 22, 2013- Pre-bid Meeting with entities (approximately 23) that picked up copies of the Contract, the Industry and various City Staff representatives,
 - November 19, 2013 – Closing date (Original closing was November 7, 2013)
 - Nine (9) Proponents submitted a Bid;
 - Three (3) of which were non-compliant and not reviewed,
 - Six (6) Proponents were evaluated,
 - January 28, 2014 – Recommendation to Board to award a contract to four (4) Proponents and Board Approved,

- February to June – Implementation Period,
- July 6, 2014– Start of Service for the AT Contracts,

3. After Award of Contract – Service Disruption July 6, 2014 – September 2014.

- AT Contractors acknowledged full understanding of the Terms and Requirements, all 4 of the Contractors submitted Bid (Offer) knowing the Contract terms
- Three of the four (4) AT Contractors (Co-Op Accessible, Royal Taxi and Scarborough City Cab) were ready for the commencement of the Contracts on Sunday July 6, 2014.
 - Contractors demonstrated they had signed agreements with their AT Drivers to start working under the new terms however there was a general displeasure expressed by their Drivers that their level of compensation was being reduced by approximately 15%,
 - Requirement was to provide a minimum of forty (40) AT Drivers and vehicles,
 - One Contractor (Checker Taxi) experienced issues recruiting AT Drivers as a result of the Municipal Licensing and Standards (ML&S) Taxi reform (February 2014),
- Early July 2014 – AT Contractors advised the TTC of the following:
 - Itaxi Workers Association pressuring drivers not to come to work,
 - Drivers not happy at the new Driver rate being offered by the Contractors of \$2.50, a \$0.36 reduction from the previous rate,
 - The TTC terms in the Contract were that Contractors were to pay the Drivers a minimum of \$2.50/km;
- July 3, (Thursday) 2014 – Received Letter that Itaxi Workers Association sent the Chair of the TTC, Councillor Augimeri
 - Explained the Driver's loss of income due to new Rate,
 - Requested an extension to the current contracts until issue can be passed at the next TTC Committee,
- July 4 (Friday), 2014 two (2) Contractors Scarborough City Cab and Co-Op Accessible advised WT that a large contingency of their AT drivers gave notice that they would not report for work on Sunday July 6, 2014.
 - WT Staff reacted by diverting more customer pick-ups to the Sedan contractors to minimize the impact to Customers,
- One (1) AT Contractor (Royal Taxi) provided AT Service at the start of service, Scarborough and Co-Op and Checker Taxi had very little service available due to drivers refusal to work,
- July 23, 2014 Board Meeting– Board received letter from the ATAO (4 Accessible Contractor's).
 - Commissioners asked WT staff to review and report back at the August Board Meeting.
- July 20 – 29, 2014 – On-going discussion with the AT Contractors revealed that additional political assistance was being given to AT Drivers to not report to work,
- ITaxi Workers Association, Drivers and Contractor's appeared to be lobbying the Board (according to various discussions, letters and tweets).

- August 19, 2014 Board Meeting – WT staff presented a report and various deputations from Drivers and Contractors were heard by the Board. After a lengthy discussion the Board passed a motion that the Contracts be amended to add HST to the minimum driver rate.
 - Staff raised concerns on how the TTC would come up with the additional funds to cover the increase of 13% expense to the City of Toronto
 - The increase in the AT Budget of approximately \$2 million annually be included in subsequent budgetary processes,