



Transit Procurement Initiative

ANNUAL
REPORT

**Fiscal Year
2023-2024**

Transit Procurement Made Easy

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Transit Procurement Initiative

Metrolinx's Transit Procurement Initiative (TPI) is a champion of innovation in North America's transit procurement landscape. Since its inception in 2006, the TPI program has orchestrated 27 collaborative procurements involving 54 transit agencies. The program helps transit agencies of all sizes in fiscal savings using a team of seasoned industry professionals who develop performance-driven technical specifications, manage tender documents, evaluate bids, and oversee contracts throughout their lifecycle.

A Message From

Phil Verster

President &
CEO,
Metrolinx



Metrolinx's Transit Procurement Initiative (TPI) is evolving to cater to the demands of the transit industry. This past year, the TPI team developed the first joint purchasing contract for 12-metre battery electric buses in Ontario and the first joint purchasing contract for electric bus charging systems in Canada. The TPI team oversaw purchases of buses and transit-related goods and services worth \$200 million on behalf of 22 municipal transit purchasers, resulting in a savings of over \$17.6 million for Ontario taxpayers. The success of the program is also demonstrated by a 96% partner satisfaction rate that is reflective of the commitment the TPI team has to delivering the highest quality and value to participating transit agencies.

A Message From

Kristy Mlakar

Senior Manager,
TPI



It has been an incredibly successful year for the TPI program. We achieved the largest number of buses ordered, greatest savings and cost avoidance, and highest overall value of goods and services purchased in the history of the program. The team has put significant effort into becoming as operationally lean as possible and finding more efficient ways to do our work. We've streamlined and automated our data tracking processes, created TPI-specific procurement and contract templates, and created an external webpage for easier document sharing with transit partners, amongst other improvements. We've also expanded the team to add a second engineer who will be able to assist the program in developing additional and new types of joint procurements. I am excited to see what the team and our transit partners will achieve over the next year.

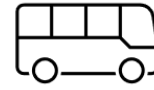
Key Performance Indicators

TPI's partners purchased
\$200 million
worth of goods and services



22

Transit agency purchasers



342

Buses purchased



8

Active contracts

TPI's partners saved
\$17.6 million
through the use of TPI's contracts

This fiscal year, the TPI team facilitated the most bus purchases, the highest value of goods and services and the greatest savings and cost avoidance than any other year throughout the entire program! This is a massive achievement and the TPI team was happy to support our transit partners in reaching these milestones.

Anonymous Client Satisfaction Surveys

Transit agencies ranked the TPI team's expertise in developing technical specifications for new transit technologies as the most valuable aspect of the program.

"With continuous advancements in technology and new product offerings it is extremely helpful to have a team of experts that help navigate. As a small transit agency with limited staff having a group leading the procurement process is extremely helpful."

"The level of support we receive from TPI and participating systems is greatly valued and helps us make decisions on procurement more efficiently; there is a reassurance that TPI can advocate on our behalf when vendor issues arise."

"Able to answer our questions, without delay, concerning the contract, vehicles and general inquiries. Great source of information."

"TPI has been an invaluable resource to (our agency) and other transit agencies. The professionalism, knowledge and dedication of the TPI team has allowed (our agency) and other transit agencies to jointly procure reliable vehicles ensuring that our passengers needs are met."

"Excellent support from TPI and always has the transit agencies in their best interest. Being a smaller agency, we find this extremely helpful and seamless. Thank you!"



The TPI team released two partner satisfaction surveys this year and the partner satisfaction rate increased by 2.8% over last year.

Overall Program Achievements

TPI is part of the Metrolinx Act:

...“act as the central procurement agency for the procurement of local transit system vehicles, equipment, technologies and facilities and related supplies and services on behalf of Ontario municipalities” (Metrolinx Act, 2006, s.5 (1)(b))

27
contracts

54
participating transit agencies

2,872
buses purchased

\$64 M
savings & cost avoidance

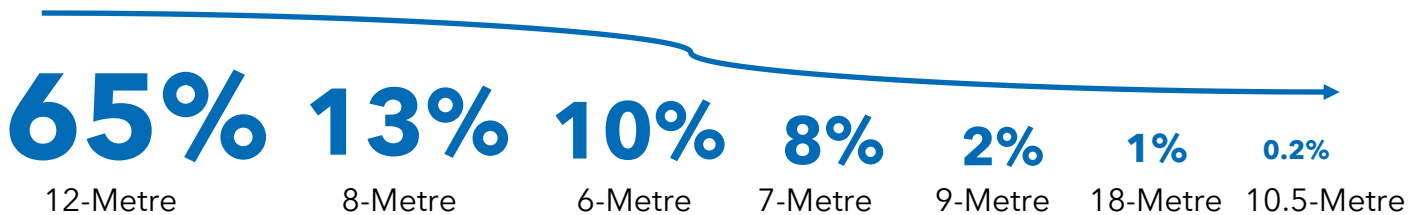
\$1.27 B
goods & services purchased

How does the TPI program save Ontario taxpayer dollars?

Transit agencies who participate in TPI’s contracts achieve savings and cost avoidance through:

- Economies of scale
- Significant quality assurance requirements
- Price protection during multi-year contracts
- Greater level of vendor support
- Extended warranty agreements
- Contract management services
- Labour savings passed on to transit agencies from not bidding on multiple public procurements

Bus Purchases by Size



Updates & Improvements

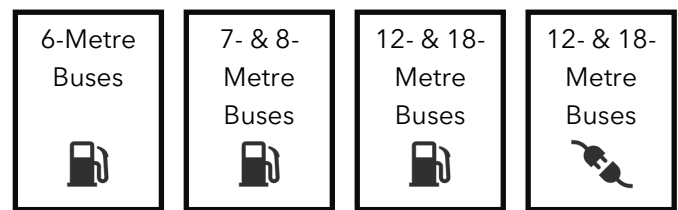
Efficiency Efforts

FY2023-24 was a transformational year for the TPI program. The team spent significant time identifying inefficiencies and pinpointing solutions to streamline processes with the goal of being able to develop and manage more simultaneous active contracts. The team created Request for Proposal (RFP) and contract template documents, modernized data management platforms and processes and simplified document sharing with external partners to augment the services the TPI program provides. With strong efficiency gains in procurement and commercial document development, the TPI team was able to hire a second Senior Project Officer to write new technical specifications for additional goods and services procurements.

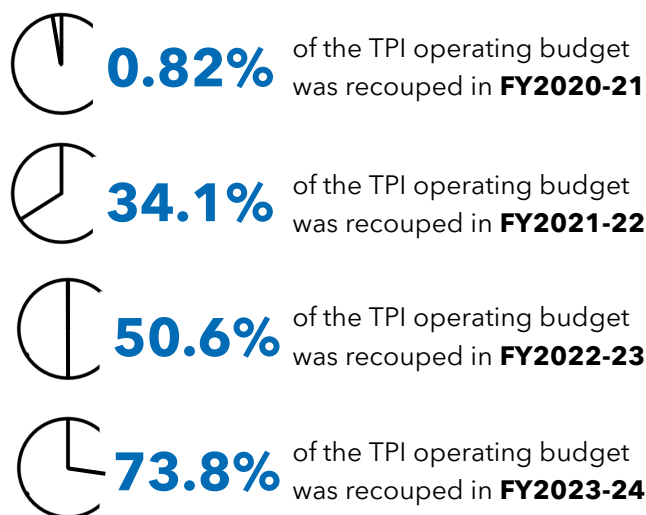
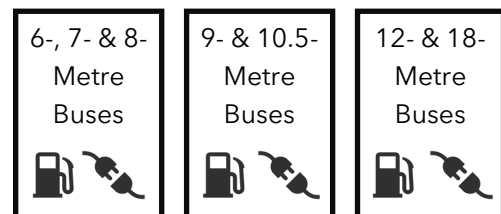
Amalgamating Bus Types

The TPI team is reducing the procurement burden for itself and its transit partners by amalgamating more bus types (lengths and propulsion types) into single procurements. Within the next two years, the program will have three bus contracts that will cover all available bus lengths and propulsion types available on the market. Once established, the team will ensure there is a new contract ready to replace any expiring ones so there will always be an active contract for whichever bus type a transit agency may need.

Current State of TPI Contracts



Future State of TPI Contracts



Program Cost Recovery

The TPI team collaborates with project steering committees to ensure that the Program Cost Recovery (PCR) fees do not outweigh the benefits accrued by transit partners through procurement efficiencies, effective contract management and bulk purchasing savings. As more active contracts are developed, there will be an increase in the number of orders placed and therefore the overall PCR fees collected. When the 100% cost recovery target is reached, the PCR fees per order will begin to decrease.

Active Contracts



12- & 18-Metre Diesel, Hybrid & CNG Bus

January 2024–January 2027
10 participating transit agencies



12- & 18-Metre Battery Electric Bus

October 2023–October 2025
10 participating transit agencies



6-Metre Gasoline Minibus

July 2021–July 2024
9 participating transit agencies



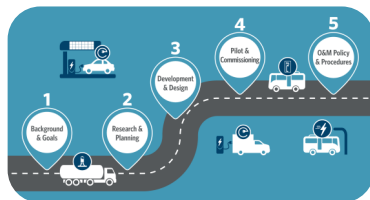
7- & 8-Metre Gasoline Bus

October 2022–October 2024
8 participating transit agencies



Batteries

March 2023–March 2025
6 participating transit agencies



Fleet Electrification Consulting Services

April 2022–April 2024
14 participating transit agencies



Coming Soon

Charging Systems

May 2024–May 2026

TBA

Looking Forward...

With an expanded team and numerous efficiency improvement initiatives completed, the TPI team is now eagerly looking ahead and strategizing for the future.

By the end of the next fiscal year, the TPI team will have an active contract for every bus length and propulsion type available.

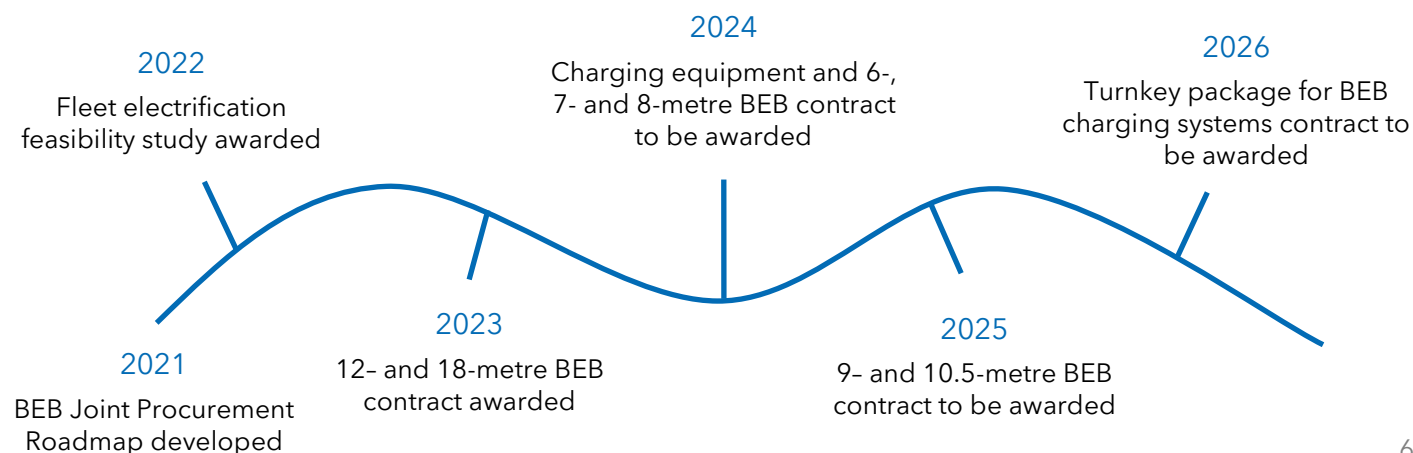
The team has worked hard to be at the forefront of facilitating transit agency fleet electrification, but recognize the operational and budgetary constraints transit agencies face related to electric buses. The team will therefore develop and award contracts by the end of the next fiscal year for all bus lengths (6-metre to 18-metre) and all propulsion types (diesel, gasoline, compressed natural gas, hybrid and battery electric) that are available on the market and of interest to the transit partners.

In February 2024, the TPI team released a survey to all Ontario transit agencies to gauge the interest and demand in joint procurements for different bus types and transit goods and services. The TPI team prioritized the joint procurements over the next year based on the feedback received.

In FY2024-25, the TPI team plans to develop and/or award the following joint procurement contracts:

- Accessible vans (gasoline and hybrid options)
- 6- to 8-metre buses (gasoline and electric options)
- 9- and 10.5-metre buses (diesel and electric options)
- Low-voltage batteries for buses
- Charging equipment for battery electric buses (BEB) and fleet support or municipal vehicles
- Turnkey package for BEB charging equipment

Plug In, We're Going Electric



Our Partners



The Team



Marlene Monkman
Vice President,
Procurement Services



Gave Aivazian
Director,
Procurement Services



Kristy Mlkar
Sr. Manager,
TPI



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Andrea Carlisle
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