



## STAFF REPORT ACTION REQUIRED

### Use of Province of Ontario's Vendor of Record for Car Share Services

<b>Date:</b>	March 16, 2016
<b>To:</b>	Government Management Committee
<b>From:</b>	General Manager, Fleet Services Division And Director, Purchasing and Materials Management Division
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2016\Internal Services\Fleet\Gm16001fleet (AFS #22363)

#### SUMMARY

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The purpose of this report is to seek authority to enter into an Acknowledgement Agreement with the Province of Ontario and into separate agreements with each of the Province of Ontario's Vendors of Record, for the supply of Car Share services, from the date of approval.

#### RECOMMENDATIONS

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**The General Manager, Fleet Services Division and Director, Purchasing and Materials Management Division recommend that:**

1. City Council authorize the General Manager, Fleet Services Division, to enter into an Acknowledgement Agreement with the Province of Ontario to allow for use of their Vendors of Record for Car Share services.
2. City Council authorize the General Manager, Fleet Services Division, to enter into separate non-exclusive agreements with each of the Province of Ontario's Vendors of Record for Car Share services as follows:
  - a. With Enterprise CarShare for a term of 4 years and a total value of \$100,000 (exclusive of all taxes); and,
  - b. With Zipcar for a term of 4 years and a total value of \$100,000 (exclusive of all taxes)

## Financial Impact

There is no financial impact beyond what has already been approved in the current year's budget as costs for business transportation are included in the 2016 Approved Budgets of the City's Divisions and Agencies. The car share program will replace part of the City's transportation requirements currently covered by other methods of transportation.

Associated costs will depend on the usage volumes of each participating City Division and Agency.

The total anticipated cost for the car share program over a 4 year period is \$200,000 net of all taxes and, \$226,000 including all taxes charges. The total potential cost to the City is \$203,520 net of HST recoveries.

It is anticipated that usage in 2016 will be \$24,627 net of HST recoveries. Funding in the amount of \$24,627 net of HST recoveries is included in 2016 Approved Operating Budgets of City Divisions and Agencies under cost elements: 4225 (Business Travel – Public Transportation); 4205 (Business Travel – Kilometrage); 7100 (Fleet Maintenance) and 7102 (Fleet Short Term Rentals). Funding for years 2 to 4 will be included in the annual Operating Budget submission for City Divisions and Agencies.

G/L Account	Cost Centre	Date of Agreement to December 31, 2016 Net of HST Recoveries	January 1, 2017 – December 31, 2017 Net of HST Recoveries	January 1, 2018 – December 31, 2018 Net of HST Recoveries	January 1 2019 – December 31, 2019 Net of HST Recoveries	Total Cost Net of HST Recovery
4425 4205 7100 7102	TOR1	\$24,627	\$36,941	\$55,410	\$86,542	\$203,520

Savings are anticipated resulting from a reduction in costs associated with other modes of transportation employed by the City. Actual savings would depend on the actual application, type of vehicle, vehicle kilometres, and overall trip management. Following one full year of implementation of the car share program, Fleet Services Division in conjunction with Financial Planning Division will analyze costs and benefits of the program and work with Divisions and Agencies to capture savings that are realized and sustainable from the program. These savings will be included in future year budget submissions.

To indicate potential savings of using car sharing, Table 1 compares the annual cost of using car sharing compared to a City owned vehicle, and car rental.

**Table 1: Annual Cost Comparison for Compact Passenger Vehicle (based on the City's 2014 Car Share Pilot data)**

Annual Kilometres Driven	Car Share Compact Car	City Owned Compact Car	Rental Compact Car
2,000	\$1,840	\$5,336	\$8,804
4,000	\$3,680	\$5,548	\$9,016
6,000	\$5,520	\$5,760	\$9,228
8,000	\$7,630	\$5,973	\$9,441
10,000	\$9,200	\$6,185	\$9,653

Source:

<http://www.toronto.ca/legdocs/mmis/2015/gm/bgrd/backgroundfile-80444.pdf>.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

The consideration of car share vehicles for the City's fleet was initiated by a request from Government Management Committee (GMC) at its meeting March 11, 2010 (GM29.23).

<http://www.toronto.ca/legdocs/mmis/2010/gm/decisions/2010-03-11-gm29-ds.htm>

At its meeting on July 6, 7, and 8, 2010, City Council requested the Director, Fleet Services Division, to implement a pilot project with respect to the use of car share vehicles and report back to the Government Management Committee after a one year period.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.GM32.17>

Car Share one-year pilot project results report was presented to the Government Management Committee on June 15, 2015 (GM5.21).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM5.21>

At its meeting on July 6, 7, and 9, 2015, City Council authorized the Director, Fleet Services, in consultation with the Director, Purchasing and Materials Management, to issue a Request for Proposal (RFP) for a city-wide car share program for City of Toronto Divisions and Agencies, including potential use of car share technology in managing City-owned vehicles.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM5.21>

## **ISSUE BACKGROUND**

The City of Toronto currently employs a number of different modes of transportation in delivering its services. Traditionally, the City's approach has been predominantly geared towards vehicle ownership. In addition, rental vehicles are used to cover seasonal demand fluctuations and in some instances, City employees are allowed to utilize their own vehicles.

Car sharing is a membership program where members are able to use vehicles on an hourly/daily basis, providing them with an alternative to car ownership. Car sharing is based on the concept of vehicle access as opposed to vehicle ownership, by offering the benefits of vehicle usage without the cost and responsibilities of ownership.

In February 2015, Fleet Services Division concluded a one-year car sharing pilot. Results of this pilot indicated the potential long term benefit of implementing a car share program for City of Toronto Divisions and Agencies, including use of car share technology in managing the existing City Fleet vehicles, through improved utilization (<http://www.toronto.ca/legdocs/mmis/2015/gm/bgrd/backgroundfile-80444.pdf>).

After obtaining Council authority to issue an RFP for a Car Share Program it was identified that the Province of Ontario had already issued an RFP for the same services. Fleet Services consulted with the Province during the development of the RFP ensuring City of Toronto car share requirements would be met. As a result of this RFP, on February 29, 2016, the Province of Ontario entered into an agreement with two (2) successful proponents, Enterprise CarShare and Zipcar, for the supply of vehicle sharing ("car share") services. The use of the Province's Vendors of Record was subsequently opened up to all Ontario municipalities, colleges, universities, school boards, hospitals, Community Care Access Centres, Children's Aid Societies, and shared service organizations.

## **COMMENTS**

The primary financial advantage to using the Provincial Vendor of Record arrangement is guaranteed access to best pricing for Canadian Public Sector customers as documented in the Province of Ontario's Master Agreement with all its Vendors of Record.

The Vendor of Record arrangement also facilitates the procurement of services by reducing the effort and elapsed time required for procurement.

Legal Services Division has reviewed the Province's Forms of Agreement for the Vendors of Record and concluded that it is comprehensive and would be acceptable for the City to use. This would include both an Acknowledgment Agreement with the Province to use their Vendors of Record and separate agreements with each Vendor of Record.

The Fair Wage Office confirms the recommended firms understand the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

**CONTACT**

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**SIGNATURE**

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