



## Staff Report for Decision

DATE OF MEETING NOVEMBER 22, 2021

AUTHORED BY JAMIE ROSE, MANAGER, TRANSPORTATION

**SUBJECT BUS SHELTER AND BENCH STRATEGY**

### **OVERVIEW**

#### **Purpose of Report**

To provide information to Council on the current and future program to manage amenities and services at transit stops across the City and to seek direction from Council on a preferred process to move forward. |

#### **Recommendation**

That Council direct Staff to issue a Request for Proposal to provide transit stop amenities with a contract term up to 25 years, as outlined in Table 1, Option 1.

### **BACKGROUND**

Transit service within the City of Nanaimo (the City) currently operates as a partnership between the City and the Regional District of Nanaimo (the RDN). Under this partnership, the RDN functions as the operator, and the City as the land use and road authority, and provider of on-street amenities. With the exception of formal transit exchanges, the City is responsible for providing comfortable and inclusive bus stop amenities such as benches, shelters, and refuse/recycling receptacles. The City has utilized the services of a third party contractor since 1985, to supply and maintain shelters throughout the City. This process has resulted in the placement of 39 shelters at high visibility locations, which generates roughly \$26,000 of revenue for the City annually.

In 2012, the City issued a Request for Proposal (RFP) to expand service to include public benches. There are approximately 300 of these benches across the City, with the majority located at transit stops. This separate contract typically generates \$48,000 of revenue annually for the City.

Both of these contracts terminate in June, 2022 without options to extend.

Fundamentally, each of these contracts has been structured to generate revenue for the contractor and the City, while providing a service to the community. The challenge with the terms in these contracts is that the City has little control over where shelters are placed and when they are renewed. The contractor determines this. The conclusion of these contracts

provides the City with an opportunity to revisit the priorities of the program and potentially make changes to enhance the service provided to transit users. |

## **DISCUSSION**

The Transportation Master Plan set a target to increase transit ridership by 2041 to five times present day ridership. Similarly, the Transit Future Plan has set a goal of increasing regional transit mode share from 2.5% to 8% by 2036.

Working together, the City and the RDN are taking steps to achieve these goals. The 2021 Transit Redevelopment Strategy is refining the overall system to enhance service and attract greater ridership over the next five years while the City is updating its Official Community Plan through the Relmagine Project. The emerging themes from Relmagine are a strong desire for land use that is less reliant on personal vehicles and provides better support for alternative modes of transportation, such as walking, biking, and transit. Complimentary land use and mobility plans are foundational to creating the community that our residents want to live in; first and last mile amenities will play a critical role in the overall success.

With this in mind, it is imperative that the amenities the City provides at transit stops are safe, comfortable, clean, and include the most desirable services such as weather protection, refuse or recycling receptacles, wayfinding, and bike storage where appropriate.

Since 2013, the City has worked with the RDN and BC Transit (BCT) to add shelters at critical locations where contractors were not willing to. As of 2021, the City owns 10 of these. These shelters have not required a significant amount of annual maintenance, nor have they generated income. The current contractor has not been open to incorporating these into their advertising program and based on feedback, it is unlikely this will change, even if a different contractor is engaged.

Staff have explored a variety of options to deliver the services needed in an economical fashion. These options are outlined in the table below.

Table 1 Options

Option	Description	Benefit	Drawback
1	<b>Request for Proposal (25 year term):</b> City issues a Request for Proposal for combined transit stop amenities and services which include updated contract terms that better reflect the needs of the City.	<ul style="list-style-type: none"> <li>• Presents opportunity to enhance terms of contract to better align with community needs.</li> <li>• Longer term contract would make private investment in new infrastructure more viable.</li> <li>• 20+ year contract term roughly aligns with life cycle of infrastructure, which would mean the next contract could enable the renewal of amenities.</li> <li>• Should still generate revenue.</li> <li>• Allows for greater market competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Does not align with corporate procurement policy and would require approval from the Director of Finance.</li> <li>• Obligates the City to one contractor for an extended period of time.</li> </ul>
2	<b>Request for Proposal (up to 5 year term):</b> City issues a Request for Proposal for combined shelter and bench services, with updates to the contract terms to better reflect the needs of the City.	<ul style="list-style-type: none"> <li>• Aligns with corporate procurement policy.</li> <li>• Presents opportunity to enhance terms of contract to better align with community needs.</li> <li>• Should still generate revenue.</li> </ul>	<ul style="list-style-type: none"> <li>• Short contract term impedes competition from non-incumbent contractors when bidding.</li> <li>• Short term makes infrastructure renewal financially challenging for proponents.</li> <li>• Market may not see value in the work which could be reflected by few or no bids.</li> <li>• Alterations to contract terms may result in lower revenue.</li> </ul>
3	<b>Alternate (would still require option 2):</b> City utilizes Option 2 to maintain service for a period of time, while a transition to City/RDN owned assets can be developed and executed.	<ul style="list-style-type: none"> <li>• Potential for the City or the RDN to assume ownership and responsibility (control) of bus stop amenities and services.</li> </ul>	<ul style="list-style-type: none"> <li>• (Re)placement of 40 shelters and 300 benches would cost approximately \$2 million.</li> <li>• Maintaining revenue from program would be challenging.</li> <li>• Operation and maintenance would likely create a cost negative program.</li> <li>• The City would also be responsible for replacement when assets reach end of life.</li> <li>• Market may not be receptive to utilization of Option 2 to facilitate a transition to City owned assets.</li> </ul>

## **OPTIONS**

1. That Council direct Staff to issue a Request for Proposal to provide transit stop amenities with a contract term up to 25 years, as outlined in Table 1, Option 1.

- The advantages of this option are that the City would receive the greatest benefits with the least financial commitment.
- The disadvantages of this option are that the City will be committed to a contract with an unusually long term.

Financial Implications: This option should continue to generate revenue for the City but as this is market driven, the value is unknown.

2. That Council direct staff to pursue a different option from Table 1.

- The advantages, disadvantages, and financial implications of this option are outlined in Table 1.

3. That Council provide Staff with alternate direction, such as an alternate contract term noting that drawbacks noted for option 2 are likely applicable for any term less than 20 years.

### **SUMMARY POINTS**

- The City has utilized contractor services to provide transit stop amenities for over 30 years and has developed a reliance on the assets and revenue to serve the community.
- Transitioning from third party to City owned amenities would reduce or eliminate revenue and would require approximately \$2 million in capital investments.
- Proceeding with a long duration contract would enable the City to enhance service to the community and maintain revenue.

#### **Submitted by:**

Jamie Rose  
Manager, Transportation

#### **Concurrence by:**

Poul Rosen  
Director, Engineering

Laura Mercer  
Director, Finance