SUBJECT: Accessible Transportation Services (ATS) Review – Request for Additional Information (City Wide) (PW05075(d))

Discussion of Appendix G of Report PW05075(d) in camera in accordance with Section 8.1, subsections (d) and (f) of the City's Procedural By-law and Section 239 of the Ontario Municipal Act as the subject matter pertains to subsection (d) labour relations or employee negotiations, and subsection (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose, and necessary communications containing third party information supplied in confidence and protected under the Municipal Freedom of Information and Protection of Privacy Act.

Discussion of Appendix H of Report PW05075(d) in camera in accordance with Section 8.1, subsection (f) of the City's Procedural By-law and Section 239 of the Ontario Municipal Act as the subject matter pertains to subsection (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

RECOMMENDATION:

(a) That staff be directed to implement an “External” governance model for the City’s Accessible Transit Services (ATS) program, as described in Option A within this Report;

(b) That Council authorize and direct that DARTS be the single-source provider of specialized transit services to the City of Hamilton;

(c) That staff be authorized and directed to negotiate a five (5) year performance based contract for services with DARTS, with performance metrics as outlined in Appendix I to this Report, with an option for a further one-time contract renewal of up to five (5) years at the sole discretion of the City and upon further Council approval, provided that:

(i) DARTS develop, deliver and maintain a five (5) year business and operating plan which conforms to the general guidelines set out by Council with regard to current and future capital and operating budgets;
(ii) DARTS confirm the essential mandate of its Board of Directors to be management and delivery of an efficient and effective accessible transportation service as defined in any such Agreement; and
(iii) any such Agreement be to the satisfaction of the General Manager of Public Works and the City Solicitor;

d) That Council appoint the Director of Transit and the Manager of Fare Administration & ATS as Observers of the activities of DARTS’ Board of Directors on behalf of the City of Hamilton;

(e) That staff be authorized and directed to carry out re-branding of the DARTS component of the ATS program to be reflective of the respective roles of the City as program owner and DARTS as the program deliverer.

Joseph Rinaldo
Acting City Manager

EXECUTIVE SUMMARY:

This report responds to a Council direction to staff to report back with additional information to assist Council in arriving at an informed decision respecting an ongoing governance model review of the City’s Accessible Transit Services (ATS) program. This review was initiated by Council through its ATS Review Sub-Committee. It is understood that Council’s Sub-committee, in commissioning this review, set a primary goal of establishing clear accountability within the Specialized Transit program.

The key policy related aspects of a change in governance, in the view of staff, are summarized below:

- That Council limit further consideration of a change in the current ATS governance model at this time to either of:
  - Option A: External Model - single source contract with DARTS conditional upon successful contract negotiations with DARTS;
  - or
  - Option D: Internal City Model - conditional upon successful negotiation of collective agreement integration and/or harmonization with ATU.

- The External Model and the City Managed Brokerage Model, Options A and C respectively, offer the greatest flexibility to leverage financial and human resources and correspondingly the greatest opportunity to mitigate future anticipated extraordinary financial pressures being driven primarily by emerging Provincial legislation, albeit with increasing risk to the City;

- Option A: External Model, assuming Council designates DARTS as the single source provider, may be viewed as attractive for the alternative revenue and partnership opportunities associated with a not-for-profit agency and the known competitive costs, in addition to the opportunities to mitigate future extraordinary cost pressures through greater organizational flexibility, but with increased long
term risk to the City through reliance on a single organization with an unstable history of management and program performance to deliver a high profile service for which the City is accountable;

- Option C: City Managed Brokerage Model, is the preferred governance model of staff based on the findings of a recent Peer Review, Consultant recommendations (PSTG and iTrans), and the experience of staff. Notwithstanding, staff is recommending that no further consideration be given to the Brokerage Model by Council at this time as the unique local threats to the future sustainability of this model outweigh the potential benefits;

- An all Internal City Model, Option D, would provide for the greatest degree of accountability achieved through full integration of the “Family of Transit Services” into a single Transit program, albeit at the highest cost, and likely with less long term program flexibility to mitigate the significant anticipated expenditure increases expected from strong demand for growth in the service through changing demographics, and more significantly, emerging Provincial service level regulations;

- Staff is recommending that no further consideration be given to a competitive RFP for a private-for-profit all external service provider at this time.

City Council at its meeting held on April 23, 2008 tabled Report (PW05075(c)) that recommended bringing the DARTS component of Accessible Transportation Services (ATS) “in-house”, and gave direction to staff as follows:

_That staff be directed to report back to the Committee at the earliest appropriate date with a strengths, weaknesses, opportunities and threats (SWOT) analysis that would include costing and compares an all external model (Option A), the hybrid model as recommended by the Consultant (Option C) and an all internal model (Option D) as recommended by the Accessible Transportation Services Review Sub-Committee, relative to status quo;_

The Committee also verbally requested a summary of the historical changes in the working relationship between the City and DARTS, and associated reviews. This has been completed and included within the Background section to this Report.

Staff was further asked to provide a response (prior to the issue coming back before Council) to ten (10) questions as set out in a letter from Booker & Associates which was written on behalf of the DARTS Board, in response to Report PW05075(c), and brought forward by Councillor Whitehead. Staff’s response was sent to Members of Council on May 13, 2008 and is attached as APPENDIX A.

**Governance Models:**

The current arrangement governing disposition of the key functional areas of program management, core operational functions, and service delivery for the specialized transit service can briefly be described as follows.

**Status Quo: Joint Accountability Model**

- **ATS** performs program management (e.g. policy development, strategic planning, contract management (DARTS and Taxi Scrip)
• **ATS and DARTS** jointly perform core operational functions (e.g. advance and same day reservations, scheduling, dispatch, etc.)
• **DARTS and its external provider** perform service delivery (e.g. drivers, vehicles)

The status quo relationship between the City and DARTS is generally viewed as untenable by the parties, as there are significant issues involving accountability, authority and autonomy that cannot be resolved with the current overlap of responsibilities and accountabilities. Status quo is therefore viewed as not being a sustainable option. Strategic planning for imminent extraordinary financial pressures on this program driven by demand for program growth is being stalled in the current environment of seemingly perpetual program review.

The Consultant (PSTG) report identified three viable governance models for Council’s consideration as alternatives to the status quo, as briefly described below (refer to the Alternatives for Consideration section for a detailed outline).

**Option A: External Model**

Shifts additional program management and accountability to DARTS;

• **ATS** performs program management
• **DARTS** performs core operational functions
• **DARTS and its external provider** perform service delivery

**Option C: City Managed Brokerage Model**

Hybrid as recommended by the PSTG Consulting which shifts additional program management and accountability to City contract management (Transit Division);

• **ATS** performs program management
• **ATS** performs core operational functions
• **external provider(s)** perform service delivery (RFP would be required)

**Option D: Internal City Model**

As recommended by the ATS Review Sub-committee of Council) which transfers full program management and accountability to the Transit Division;

• **ATS** performs program management
• **ATS** performs core operational functions
• **ATS and external provider(s)** perform service delivery

**SWOT Analysis:**

The requested SWOT Analysis is contained in the Analysis/Rationale section of this Report. Key detail from the SWOT analysis, relative to status quo, is summarized below. It should be noted that there are several key criteria, inherent in each of the models, but not included in the below summary below. These include:

• elimination of existing functional duplication and associated costs, through bundling of reservations, scheduling & dispatch;
• confirmation of the role of ACPD as the advisory body to Council and the Transit program on accessible transportation issues;
- maintenance of full eligibility for Provincial capital subsidy of fleet purchases;
- establishment of a service configuration able to respond to changing legislated requirements; and
- administration of services to contractually established standards by City staff on behalf of Council.

**Option A: External Model**

| S          | - Service delivery outside higher City cost structure (at currently known cost)  
|            | - Improved accountability  
|            | - Service delivery by specialized organization |
| W          | - Reliance on single source procurement  
|            | - Instability in history of management and program performance  
|            | - Loss of Corporate knowledge of program |
| O          | - Ability to pursue alternate revenues through NPO status  
|            | - Ability to pursue funding partnerships with other community organizations |
| T          | - Places a high profile service outside direct control of the City  
|            | - Absence of a longer-term business strategy |

**Option C: City Managed Brokerage Model (Hybrid)**

| S          | - Performance based competitive procurement promotes cost containment  
|            | - Improved service provider accountability through contract incentives, penalties and competition  
|            | - Facilitates service flexibility by using local transportation resources (taxis, livery services, school buses, Red Cross, etc.)  
| W          | - Alignment of City (customer service, cost control) and Contractor (profitability, market share) interests becomes more complex  
|            | - Resource intensive complex procurement process with no guarantee of results |
| O          | - Potential for lowest costs and greater responsiveness to City's needs  
|            | - Facilitates integration with City 'Family of Services' by delegating accountability to ATS |
| T          | - Uncertainty regarding availability of successful competitive bid response  
|            | - Common employer issue unresolved exposing the City to litigation with uncertain outcome |

**Option D: Internal City Model**

| S          | - Single integrated transit program provides clarity for passengers and community  
|            | - Fully accountability by delegating accountability to ATS |
| W          | - Historical industry experience of migration to highest cost structure, which will exacerbate the extraordinary financial pressures anticipated for this program  
|            | - Irreversible |
| O          | - Full integration of City 'Family of Services'  
|            | - Potential for adoption of ATU work rules that would result in improved productivity |
| T          | - Constraints around contracting of services re collective agreement i.e. irreversible |
- Potential for adoption of ATU work rules that would result in reduced productivity

Financial Analysis:
Detailed costing for each of the Options can not be definitive, as these would normally be derived through either a competitive procurement process where agencies external to the City are to be involved; or through negotiation or means under applicable collective agreements where internal operations are to be changed. Therefore, costing of the external model may not be all inclusive and costing of the internal model represents the “worst case” assumption.

The following table summarizes the gross impact of each Option when compared to the current ATS program budget (refer to the Analysis / Rationale section for a detailed description):

<table>
<thead>
<tr>
<th></th>
<th>2008 Budget</th>
<th>Option A External Model</th>
<th>Option C City Managed Brokerage Model</th>
<th>Option D Internal City Model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenditures</td>
<td>FTE</td>
<td>Expenditures</td>
<td>FTE</td>
</tr>
<tr>
<td><strong>Total Program</strong></td>
<td>$11,358,789</td>
<td>150</td>
<td>$11,419,759</td>
<td>150</td>
</tr>
<tr>
<td><strong>Change from 2008 Budget</strong></td>
<td></td>
<td></td>
<td>$117,520</td>
<td>0</td>
</tr>
</tbody>
</table>

Option A: External Model
For the purposes of costing Option A, External Model, staff has assumed that DARTS would be chosen without a formal RFP process. The costs shown are based on an informal request of DARTS to provide a costing based on the approved 2008 budget, adjusted for assumed changes in City staffing requirements that result from migration of some functions to DARTS. DARTS has not quantified the likely changes to IT and facility infrastructure, nor of any capital cost requirements to implement or maintain the Model. It should be noted that the costs as currently identified under this Option may be subject to further risks as identified within Appendix G (to be discussed In Camera) to this Report.

Option C: City Managed Brokerage Model (Hybrid)
A reliable methodology for costing Option C, City Managed Brokerage Model can not be provided since it requires issuing a competitive Request for Proposal for defined portions of the service. As such, no financial analysis of Option C has been provided within this Report. However, based on prior reviews and industry experience, staff is of the view that that the brokerage model has high potential for cost containment achieved through private sector competition.

Option D: Internal City Model
The costing for Option D is that which had previously been reported to Public Works Committee in Report PW05075(c). This costing will necessarily remain open to change as the assumptions made were primarily ‘worst case’ and do not reflect any short term or longer term mitigation that might be achieved by either negotiation with ATU regarding collective agreement terms and conditions, or operating efficiencies that might be anticipated once an appropriate integrated internal Transit operating model is fully implemented.
Recommended Approach:
Generally summarized, Option A: External Model assuming DARTS as the single-source provider, provides for operation of the service at about the same cost as is currently incurred by the program, and is about $670K to $1.08M less expensive than Option D as it is currently estimated (range based on obligations of City should all Transit staff be moved to OMERS). The staff estimate is based on the historical experience of other municipalities that have undergone a change in governance model from external to internal and in the absence of any negotiations with ATU that would provide a more definitive costing. This cost advantage is somewhat offset by the risks of the City returning to a relationship model which has proven problematic in the past, and has generated no less than 4 operational or governance reviews by the City based on performance and management issues directly attributable to DARTS.

In order to better position the program for the future, staff would recommend that Council support moving to a governance model as described in Option A, with DARTS as the single-source provider, provided that agreement can be reached with DARTS, to the satisfaction of the General Manager of Public Works and the City Solicitor, with regard to:

- resolution of outstanding facilities and infrastructure issues which have not been addressed within the current DARTS costing submission;
- re-branding of the DARTS component of the ATS program to be reflective of the respective roles of the City as program owner and DARTS as the program deliverer, as had previously been directed by Council under Recommendation (d) of Report PW05075(a) (see APPENDIX D);
- confirmation of the essential mandate of the DARTS Board of Directors to be management and delivery of an efficient and effective accessible transportation service as defined in the contract, as had previously been directed by Council under Recommendation vii. of Report TOE02207(a) (see APPENDIX F);
- development, delivery and maintenance by DARTS of a 5 year business and operating plan which conforms to the general guidelines set out by Council with regard to current and future capital and operating budgets; and
- negotiation of a performance based contract with DARTS which addresses the needs of the City as the ATS program evolves, for a period of five (5) years with option for renewal for up to five (5) years further.

Staff would report back to Public Works Committee at key milestones within the transition plan to confirm that each of the above noted prerequisite steps has been accomplished to the expectations of the City.

City Representation
In order to further establish clean lines of accountability under the recommended Model and within the future contractual relationship, staff would further recommend that:

- Council may appoint persons to act as observers of the activities of DARTS’ Board of Directors (the “Observers”). The Observers shall not be considered as members of DARTS’ Board of Directors (the “Board”) for any purpose whatsoever. The Observers shall have all of the rights and privileges of members of the Board (except the right to vote) including but not limited to access to any reports or audits considered by the Board save and except those matters in which there is or may be a conflict between the interests of DARTS and those of
the City and which are subject to solicitor and client privilege. The Observers shall have the right, at their own discretion, to advise Council of information obtained in their capacity as observers of the Board. Neither the Board nor any person connected with DARTS shall have [any] recourse whatsoever against the said Observers for disclosure of such information to Council or for any actions that result therefrom. It shall be recognized that the provisions of the Municipal Freedom of Information and Protection of Privacy Act shall apply to any such disclosure by the Observers to Council; and

- Council shall appoint the Director of Transit and the Manager of Fare Administration & ATS as Observers; and
- Council may appoint no more than two members of Council as Observers.

City representation on the DARTS Board of Directors is discussed in Appendix H (to be discussed In Camera) to this Report.

This recommended approach presents the best balance between resources, cost and quality for the program; it leverages existing community resources and known cost advantages to the City, and maintains service quality, doing so with acceptable risks to the program that are mitigated through an enhanced performance based contractual relationship.

**BACKGROUND:**

The information/recommendations contained within this report have City wide implications.

There are several historical points at which there has been review of the relationship between the City and DARTS, or where a change in the governance model for specialized transit services has been implemented.

**1975 – 1980**

- DARTS formed in 1975 by local service agencies interested in coordination of transportation needs and resources within the community.
- Funding initially derived from agency contracts, direct passenger fares, donations and grants, with minimal participation of the municipality. DARTS carried out all aspects of the specialized service, including eligibility determination based on its own guidelines and standards; service provision included direct delivery of wheelchair trips, with subcontracting of major service component ambulatory disabled trips to a private for profit provider.

**1981 – 1992**

- Provincial subsidy required direct relationship of DARTS with municipality.
- Increasing concern of Council with accountabilities, escalating costs – relationship did not support evolving obligations of municipality.
- **Review Point:** DARTS operational review carried out in and around 1985.
- **Review Point:** “Study of Transportation Services for Persons with Disabilities” carried out in and around 1992.

**1993 – 2002**
The Study of Transportation Services for Persons with Disabilities completed in 1993, recommending creation of Accessible Transportation Services (ATS) Program, with focus on:

- management of specialized transit on a contractual basis, with DARTS as the single source service provider;
- development of a Taxi Scrip Program;
- development of HSR accessibility through low floor bus and community bus demonstrations; and
- procurement and ownership by the Region of key assets associated with accessible and specialized services.

ATS “Family of Services” concept implemented.

Agreed that DARTS would maintain autonomy over operations, including key business processes of reservations, scheduling, and dispatching.

Contract with DARTS maintained from 1993 to 2002 in essentially the same form as originally conceived, i.e. a financial model of best efforts for money, and a large degree of autonomy for DARTS in determining how the service would be delivered.

1998 Audit by municipality led to termination of DARTS General Manager by DARTS Board of Directors and subsequent request of municipality to provide interim management.

**Review Point:** Council direction to issue RFP for specialized services in and around 1999.

Procurement resulted in conclusion that better cost and quality could not be obtained through different relationship than that with DARTS.

**2002 – 2004**

- High level of unaccommodated trip requests, combined with 16% budget increase request, led to staff report to Council dated November 4, 2002, “DARTS Contract Renewal – Consideration of an Alternate Service Delivery Option (TOE02207)”.

  **Review Point:** Council direction to undertake a social and economic analysis comparing an “in-house” operation of specialized transit services to the current not-for-profit contract with DARTS; consulting firm (IBI Group) retained to carry out analysis.

  Recommendations approved by Council, as detailed in APPENDIX F were:
  - Renew a contract with the Disabled and Aged Regional Transit System (DARTS) for a term of five years (June 2003 to June 2008).
  - City would assume responsibility for provision of the Customer Services and Trip Management (reservations, scheduling and dispatching functions) previously provided by DARTS.
  - Confirmed essential mandate for DARTS Board and Advisory Committee for Persons with Disabilities.

**2005 - 2006**
January 2005: Council direction - “That staff be directed to explore options on providing accessible transportation to people with disabilities through a partnership with a private sector transportation company.”

March 2005: Council direction - “That staff report back on the cost of an Operational Review of the Accessible Transit System to find internal efficiencies.”

**Review Point:** Council direction – recommended operational review terms of reference be carried out, and incorporated into future RFP for service, as detailed in APPENDIX E.

Consulting firm, iTRANS Consulting, engaged to assist with the review.

ATS Review Sub-Committee of Council formed to direct study.

Outcome that current “hybrid” model could work with clarification of roles and responsibilities.

Recommendations, as detailed in APPENDIX D, approved by Committee of the Whole July 12, 2006:

- That a Task Force be established to review improvements, look for efficiencies and make recommendations quarterly, to the General Manager.
- That the above results be incorporated into a competitive RFP process which will be compiled in 2007 with the approved vendor(s) beginning work in 2008.
- That the report prepared by iTRANS Consulting, be received for information.

2006 to present

- Task Force established; work carried out to implement Council direction but not completed due to stakeholder disagreement on form and substance of relationships, operational issues, and subsequent Council direction (see below).

- Staff completed a Request for Information (RFI) in January 2007 to measure the level of interest that a private or voluntary sector entity may have in contracting with the City to address the specialized transportation needs.

- March 28, 2007: Subsequent to Council’s direction, the ATS Review Sub-Committee was re-established to address the recommendations as approved by Council on July 12, 2006.

- May 8, 2007: Director of Transit presented a briefing note to ATS Review Sub-Committee requesting further direction on 3 issues:
  a) Whether to proceed with the RFP;
  b) The governance model to be included in the RFP; and
  c) Whether to proceed with a Scheduling Review.

**Review Point:** July 16, 2007 Committee of the Whole - approved recommendations as detailed in APPENDIX C:

- Staff authorized and directed to extend the DARTS contract for a period of one year to June 2009.
City Manager authorized and directed to engage the services of PSTG Consulting, a governance specialist, to facilitate the development of governance model options for the Specialized Transit program.

- Governance model options developed by PSTG Consulting through consultation process with City, DARTS, and VETS.

- January 9, 2008: ATS Review Sub-Committee received the report of PSTG Consulting respecting Governance Model Options, which concluded three viable options:
  - Option A – External Model
  - Option C – City Managed Brokerage Model (Hybrid)
  - Option D – Internal City Model

- The consultant recommended Option C which was a hybrid model similar to the existing model, but not identical; however, the Sub-Committee did not concur with the consultants recommendations.

- The Sub-Committee ratified two motions as detailed in APPENDIX B:
  - “That Option D – City Delivery Model as set out in the Accessible Transit Service: A Review of Governance Model Options Final Report, be recommended as the preferred option for the delivery of Accessible Transportation Services and that the report be forwarded to the Public Works Standing Committee.
  - “That, in conjunction with the above recommendation, Staff is directed to provide the following information: cost analysis of moving the service in-house, provide a legal opinion re Human Resource issues, what would the structure look like, how would moving the service in-house occur, how would bringing the service in-house affect the overall service delivery, identify funding source(s), etc.”

- April 14, 2008: Public Works Committee received the report of the ATS Review Sub-Committee, as detailed in APPENDIX B, and directed:
  - That the presentation from staff and the consultant be received; and
  - That staff be directed to report back to the Committee at the earliest appropriate date with a strengths, weaknesses, opportunities and threats (SWOT) analysis that would include costing and compare an all external model (Option A), the hybrid model as recommended by the Consultant (Option C) and an all internal model (Option D) as recommended by the Accessible Transportation Services Review Sub-Committee, relative to status quo; and
  - That Report PW05075(c) be tabled until such a time as the information requested is presented to the Committee.

- April 23, 2008: Council added the following to the Public Works Committee Report, as detailed in APPENDIX B, such that:
  - That Information Item (h)(i) of Public Works Committee Report 08-007 respecting the Accessible Transportation Services (ATS) Review be referred in its entirety to the Committee of the Whole for consideration;
  - That those organizations who had requested to appear before the Public Works Committee on this matter, and who were approved by the
ANALYSIS/RATIONALE:

SWOT Analysis

Council emphasized that the SWOT analysis present a balanced representation of each governance model. In response to Council’s direction staff populated a SWOT table with relevant criteria, then selected those criteria with the greatest social and financial relevance to assist Council in deciding on the appropriate governance model for the ATS program in the future. Several key criteria, inherent in each of the models, include:

- elimination of existing functional duplication and associated costs, through bundling of reservations, scheduling & dispatch;
- confirmation of the role of ACPD as the advisory body to Council and the Transit program on accessible transportation issues;
- maintenance of full eligibility for Provincial capital subsidy of fleet purchases;
- establishment of a service configuration that anticipates changing legislated requirements; and
- administration of services to contractually established standards by City staff on behalf of Council.

An Internal City Model, Option D, would provide for the greatest degree of accountability achieved through full integration of the “Family of Transit Services” into a single Transit program, albeit at the highest cost, and likely with less long term program flexibility to mitigate cost pressures in an environment poised to face unprecedented service level demands and associated financial pressures.

The External Model and the City Managed Brokerage Model, Options A and C respectively, offer the greatest flexibility to leverage financial and human resources and correspondingly the greatest opportunity to mitigate future anticipated extraordinary financial pressures being driven primarily by emerging Provincial legislation, albeit with increasing risk to the City.

Option A: External Model, assuming Council designates DARTS as the single source provider, may be viewed as attractive for the alternative revenue and partnership opportunities associated with a not-for-profit agency and the known competitive costs, in addition to the opportunities to mitigate future extraordinary cost pressures through greater organizational flexibility, but with increased long term risk to the City through reliance on a single organization with an unstable history of management and program performance to deliver a high profile service for which the City is accountable.

Option C: City Managed Brokerage Model, is the preferred governance model of staff based on the findings of recent Peer Review, Consultant recommendations (PSTG and iTrans), and the experience of Staff. Notwithstanding, the Brokerage Model poses unique local threats to the future sustainability of this model that outweigh the potential benefits.

Based on the outcome of RFP’s for the provision of specialized transit services undertaken in other municipalities in recent history throughout Canada, it is likely
that the extensive resource requirements to pursue this option will not yield a successful outcome as there are currently too few service providers in this field to establish and sustain a competitive contractual environment.

In consideration of and as a result of the above analysis, staff is recommending that Council limit further consideration of a change in the current Governance Model to either:

- Option A: External Model - single source contract with DARTS conditional upon successful negotiations with DARTS;
- Option D: Internal City Model - conditional upon successful negotiations with ATU.

<table>
<thead>
<tr>
<th>Option A: External Model</th>
<th>Option C: City Managed Brokerage Model (Hybrid)</th>
<th>Option D: Internal City Model</th>
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<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td><strong>Strengths</strong></td>
<td><strong>Strengths</strong></td>
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<tr>
<td>largely addresses common employer issue</td>
<td>performance-based contracts with multiple competitive service providers should offer relative economies</td>
<td>single point of accountability for program performance through integration of service planning and delivery</td>
</tr>
<tr>
<td>service delivery outside the City cost structure currently offers relative economies through known service costs</td>
<td>improved service provider accountability through performance based contract</td>
<td>fully addresses common employer issue</td>
</tr>
<tr>
<td>service delivery by specialized organization</td>
<td>facilitates service flexibility by better leveraging community resources through competitive procurement</td>
<td>best alignment with Council policy and vision</td>
</tr>
<tr>
<td>flexibility with regard to partnership opportunities</td>
<td>City retains operational knowledge</td>
<td>integrated transit system provides clarity for passengers and community</td>
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<td></td>
<td></td>
<td>leverages City technical and management resources</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td><strong>Weaknesses</strong></td>
<td><strong>Weaknesses</strong></td>
</tr>
<tr>
<td>reliance on single source provider i.e. DARTS</td>
<td>customer service competes with profitability for PFP operator and/or cost control for NPO provider</td>
<td>highest assumed cost structure fails to address expected program cost pressures</td>
</tr>
<tr>
<td>lack of passenger and community clarity re separate transit system</td>
<td>requirement for complex RFP process with potential for no successful compliant service provider(s)</td>
<td>irreversible</td>
</tr>
<tr>
<td>uneven record of management and performance at DARTS</td>
<td>potential conflicts with providers over work requirements, cost escalations and mitigation, etc.</td>
<td>fails to fully leverage competitively procured community resources</td>
</tr>
<tr>
<td>customer service competes with need for cost control due to DARTS NPO status</td>
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<tr>
<td>loss of City knowledge of program</td>
<td></td>
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<tr>
<td><strong>Opportunities</strong></td>
<td><strong>Opportunities</strong></td>
<td><strong>Opportunities</strong></td>
</tr>
<tr>
<td>leverages alternate revenues i.e. donations, grants, etc.</td>
<td>potential for lowest cost through competitive bids for trip delivery contracts</td>
<td>integration with City ‘Family of Services’ strategy</td>
</tr>
<tr>
<td>enhanced partnerships in service delivery with other community organizations</td>
<td>facilitates integration with City ‘Family of Services’</td>
<td>potential for adoption of work rules under ATU CA - better suited to delivery of services</td>
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<tr>
<td><strong>Threats</strong></td>
<td><strong>Threats</strong></td>
<td><strong>Threats</strong></td>
</tr>
<tr>
<td>potential continued conflict</td>
<td>uncertainty re competitive</td>
<td>constraints around</td>
</tr>
</tbody>
</table>
over full control, autonomy, authority for overall program • increased risk re high profile service largely outside the direct control of the City • uncertainties re DARTS longer term business and operational strategies  

local market for service providers • ongoing issue of common employer status • constraints around contracting and general service flexibility re ATU CA  

contracting of services and general service flexibility re ATU CA • potential for application of work rules under ATU CA that would result in reduced productivity • historically greater risk of labour disruptions

**ALTERNATIVES FOR CONSIDERATION:**

The current arrangement governing disposition of the key functional areas of program management, core operational functions, and service delivery for the specialized transit service can briefly be described as follows.

**Status Quo: Joint Accountability Model**

- **ATS** performs program management (e.g. policy development, strategic planning)
- **ATS and DARTS** jointly perform core operational functions (e.g. advance and same day reservations, scheduling, dispatch, etc.)
- **DARTS and its external provider** perform service delivery (e.g. drivers, vehicles)

The responsibilities within the current arrangement are shown in greater detail in the below table; the ✓ indicates responsibility for the function; the grey text indicates no accountability for the function. There is some degree of joint accountability for several functions.

**Status Quo: JOINT ACCOUNTABILITY MODEL**

<table>
<thead>
<tr>
<th>ATS is responsible for:</th>
<th>DARTS is responsible for:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Management</strong></td>
<td><strong>Program Management</strong></td>
</tr>
<tr>
<td>✓ program policy</td>
<td>✓ program policy</td>
</tr>
<tr>
<td>✓ strategic planning</td>
<td>✓ strategic planning</td>
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<tr>
<td>✓ contractor management</td>
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<td>✓ performance management</td>
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<td>✓ program budget</td>
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<td>✓ asset management</td>
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<tr>
<td>✓ communications / marketing</td>
<td>✓ communications / marketing</td>
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<td>✓ client registration</td>
<td>✓ client registration</td>
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<tr>
<td>✓ customer service</td>
<td>✓ customer service</td>
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<tr>
<td><strong>Core Operational Functions</strong></td>
<td><strong>Core Operational Functions</strong></td>
</tr>
<tr>
<td>✓ advance reservations</td>
<td>✓ advance reservations</td>
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<td>✓ operational data management</td>
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<td>✓ passenger service</td>
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<td>o same day reservations</td>
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<td>o operational policy</td>
<td>✓ operational policy</td>
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<tr>
<td>o operational budget &amp; reporting</td>
<td>✓ operational budget &amp; reporting</td>
</tr>
</tbody>
</table>
SUBJECT: Accessible Transportation Services (ATS) Review – Request for Additional Information (City Wide) (PW05075(d)) - Page 15 of 22

All parties to the current Joint Accountability Model agree that there are significant issues involving accountability, authority and autonomy that cannot be resolved with the current overlap of responsibilities and accountabilities. Status quo is not viewed as sustainable, and was not identified as a viable option within the PSTG report.

The PSTG report identified three viable governance models. The following three tables detail the changes from the status quo for each Model. The ✓ indicates who would be responsible for each function; the Bold text with N indicates new or enhanced responsibility for functions; the grey text indicates no accountability for the functions.

**Option A: External Model**
- ATS performs program management
- DARTS performs core operational functions
- DARTS and its external provider perform service delivery

<table>
<thead>
<tr>
<th>Option A: EXTERNAL MODEL</th>
<th></th>
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<tbody>
<tr>
<td><strong>ATS would be responsible for:</strong></td>
<td><strong>DARTS would be responsible for:</strong></td>
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<tr>
<td>• Program Management</td>
<td>• Program Management</td>
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<tr>
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<td>✓ customer service</td>
<td>o customer service</td>
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<tr>
<td>• Core operational functions</td>
<td>• Core operational functions</td>
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<tr>
<td>o advance reservations</td>
<td>N advance reservations</td>
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<tr>
<td>o advance scheduling</td>
<td>N advance scheduling</td>
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<tr>
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<tr>
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</tbody>
</table>
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- operational budget & reporting
- fare management

• Service Delivery
  - service management
  - on-road supervision
  - service delivery / driving
  - vehicle maintenance
  - facilities

- operational budget & reporting
- fare management

• Service Delivery
  - service management
  - on-road supervision
  - service delivery / driving
  - vehicle maintenance
  - facilities

Option C: City Managed Brokerage Model (Hybrid as recommended by the PSTG Consulting)
  - ATS performs program management
  - ATS performs core operational functions
  - external provider(s) perform service delivery (RFP would be required)

Option C: CITY MANAGED BROKERAGE MODEL (HYBRID)

<table>
<thead>
<tr>
<th>ATS would be responsible for:</th>
<th>Contractor(s) would be responsible for:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Management</strong></td>
<td><strong>Program Management</strong></td>
</tr>
<tr>
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</tr>
<tr>
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<tr>
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<td>N dispatching</td>
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<tr>
<td>N operational policy</td>
<td>o fare management</td>
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<tr>
<td>N operational budget &amp; reporting</td>
<td>o technical support</td>
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<tr>
<td>N fare management</td>
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<tr>
<td>• Service Delivery</td>
<td><strong>Service Delivery</strong></td>
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<tr>
<td>o service management</td>
<td>✓ service management</td>
</tr>
<tr>
<td>o on-road supervision</td>
<td>✓ on-road supervision</td>
</tr>
</tbody>
</table>

- same day reservations
- same day scheduling
- dispatching
- operational policy
- operational budget & reporting
- fare management
**Option D: Internal City Model (as recommended by the ATS Review Sub-committee of Council)**

- **ATS** performs program management
- **ATS** performs core operational functions
- **ATS and external provider(s)** perform service delivery

### Option D: INTERNAL CITY MODEL

<table>
<thead>
<tr>
<th>ATs would be responsible for:</th>
<th>Contractor(s) would be responsible for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Program Management</td>
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</tr>
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<tr>
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<tr>
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<td>✓ same day scheduling</td>
</tr>
<tr>
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<td>✓ dispatching</td>
</tr>
<tr>
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<td>✓ operations data</td>
</tr>
<tr>
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<td>✓ fare management</td>
</tr>
<tr>
<td>N fare management</td>
<td>✓ technical support</td>
</tr>
<tr>
<td>• Service Delivery</td>
<td>• Service Delivery</td>
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<tr>
<td>N service management</td>
<td>✓ service management</td>
</tr>
<tr>
<td>N on-road supervision</td>
<td>✓ on-road supervision</td>
</tr>
<tr>
<td>N service delivery / driving</td>
<td>✓ service delivery / driving</td>
</tr>
<tr>
<td>N vehicle maintenance</td>
<td>✓ vehicle maintenance</td>
</tr>
<tr>
<td>N facilities</td>
<td>✓ facilities</td>
</tr>
</tbody>
</table>
There are a number of steps necessary to implement any Option that may be directed by Council.

In the event that Council directs the adoption of Option A, External Model with DARTS as the single-source provider of services, staff will:
  o develop a transition plan that accomplishes Council direction no later than June 30, 2009;
  o complete activities, in collaboration with DARTS, that will resolve outstanding facilities and infrastructure issues which have not been addressed within the DARTS costing submission;
  o complete activities, in collaboration with DARTS, with regard to the re-branding of the specialized transit component of the ATS program to be reflective of the respective roles of the City and DARTS as program owner and program deliverer, as had previously been directed by Council under Recommendation (d) of Report PW05075(a);
  o confirm the essential mandate of the DARTS Board of Directors to be management and delivery of an efficient and effective accessible transportation service as defined in the contract, as had previously been directed by Council under Recommendation vii. of Report TOE02207(a);
  o require that DARTS develop and deliver a 5 year business and operating plan which conforms to the general guidelines set out by Council with regard to current and future capital and operating budgets;
  o negotiate a performance based contract with DARTS which addresses the needs of the City as the ATS program evolves;
  o negotiate and complete transition activities with DARTS and internal stakeholders (e.g. ATU Local 107) with regard to functions that would necessarily migrate to DARTS; and
  o report back to Public Works Committee at key milestones within the transition plan.

In the event that Council directs the adoption of Option C, City Managed Brokerage Model, staff will:
  o develop a transition plan that accomplishes Council direction no later than June 30, 2009;
  o complete activities with regard to the re-branding of the specialized transit component of the ATS program to be reflective of the respective roles of the City and service providers as program owner and program deliverers, as had previously been directed by Council under Recommendation (d) of Report PW05075(a);
  o develop and deliver a RFP for services, and retain qualified vendors under performance based contracts which address the needs of the City as the ATS program evolves;
  o negotiate and complete transition activities with DARTS and internal stakeholders (e.g. ATU Local 107) with regard to functions and affected DARTS staff that would necessarily migrate to the City; and
  o report back to Public Works Committee at key milestones within the transition plan.

In the event that Council directs the adoption of Option D, Internal City Model, staff will:
develop a transition plan that accomplishes Council direction no later than June 30, 2009;  
complete activities with regard to the re-branding of the specialized transit component of the ATS program to be reflective of the respective roles of the City and service providers as program owner and program deliverers, as had previously been directed by Council under Recommendation (d) of Report PW05075(a);  
develop and deliver a RFP for services, and retain one or more qualified vendors under performance based contracts which address the needs of the City as the ATS program evolves;  
negotiate and complete transition activities with DARTS and internal stakeholders with regard to functions that would necessarily migrate to the City;  
negotiate transition of affected DARTS employees with ATU Local 107  
report back to Public Works Committee at key milestones within the transition plan

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial Implications

The financial implications of Options A and D are summarized in the table below, inclusive of major driving factors.

It should be noted that the portion of costs for Option A associated with external accountabilities for core operational functions and service delivery are as identified by DARTS on June 25, 2008 within a written response to an informal request of the City for costing information, and further as identified within Appendix G (to be discussed In Camera) to this Report.

<table>
<thead>
<tr>
<th></th>
<th>2008 Budget</th>
<th>2008 Option &quot;A&quot;</th>
<th>2008 Option &quot;D&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Related Cost</td>
<td>$7,482,030</td>
<td>$7,519,550</td>
<td>$8,434,171</td>
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<tr>
<td>Other</td>
<td>$2,703,837</td>
<td>$2,783,837</td>
<td>$2,526,556</td>
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<tr>
<td>Contract - Dedicated Service</td>
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<td>$1,742,302</td>
<td>$1,742,302</td>
</tr>
<tr>
<td>Contract - Non-Dedicated Service</td>
<td>$1,387,750</td>
<td>$1,387,750</td>
<td>$1,387,750</td>
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<tr>
<td>Facilities</td>
<td>$185,200</td>
<td>$185,200</td>
<td>$185,200</td>
</tr>
<tr>
<td>Fuel</td>
<td>$675,341</td>
<td>$675,341</td>
<td>$675,341</td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$(1,743,171)</td>
<td>$(1,743,171)</td>
<td>$(1,743,171)</td>
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<tr>
<td>Operating Revenue</td>
<td>$(15,000)</td>
<td>$(15,000)</td>
<td>$-</td>
</tr>
<tr>
<td>Donations / Other Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Grants, Subsidies and Transfer from Reserves</td>
<td>$(1,059,500)</td>
<td>$(1,059,500)</td>
<td>$(1,059,500)</td>
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<tr>
<td><strong>Total Program</strong></td>
<td>$11,358,789</td>
<td>$11,476,309</td>
<td>$12,148,649</td>
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<tr>
<td><strong>Option Cost Comparison to Current</strong></td>
<td>$117,520</td>
<td>0</td>
<td>$789,860</td>
</tr>
</tbody>
</table>

Option A: External Model
For the purposes of costing Option A, External Model, staff has assumed that no single source of services other than DARTS would be acceptable to Council without a formal RFP process.

The costs shown are based on an informal request of DARTS to provide a costing relative to the approved 2008 budget, along with assumed changes in City staffing requirements that result from migration of some functions to DARTS. The costs identified by DARTS have not been subject to a competitive procurement process as might normally be employed by the City when considering delivery of services by a vendor or agency outside the City structure. Further, DARTS has not included capital or operating costs with regard to provision of its own IT or facilities infrastructure, as had been requested by City staff, and as would be expected of other interested vendors.

The costs indicated anticipate impacts on City staffing, which are set forth in Appendix G (to be discussed In Camera) to this Report, but do not anticipate other potential risks to be identified within the In Camera discussion.

Option D: Internal City Model

The costing for Option D is that which had previously been reported to Public Works Committee in Report PW05075(c). This costing will necessarily remain open to change as the assumptions made were primarily ‘worst case’ and do not reflect any short term or longer term mitigation that might be achieved by either negotiation with ATU regarding collective agreement terms and conditions, or operating efficiencies that might be anticipated once an appropriate internal operating model is fully implemented.

A reliable methodology for costing Option C, City Managed Brokerage Model, can not presently be determined by staff. A costing of this model can only be achieved through a competitive Request for Proposal process, as this model inherently assumes that multiple contractors will be retained. A complex set of requirements, along with a carefully considered risk analysis and transition plan, would need to be created to issue such an RFP. As such, no financial analysis of Option C has been provided within this Report.

Staffing Implications

In both Options A and D, there are collective agreement implications for the City regarding future staffing levels, which are set forth in Appendix G (to be discussed In Camera) to this Report.

Legal Implications

There are no legal implications arising immediately from this Report, although any direction from Council with respect to implementation of any Option will result in necessary negotiation of contractual agreements with affected parties, which may have legal implications for the City.

POLICIES AFFECTING PROPOSAL:

The options discussed in this Report will result in implementation of a governance and service structure that will meet City of Hamilton Mission, Vision and Values goals of providing a high quality service while acting in a fiscally responsible manner, and will enhance the City of Hamilton’s stated value of promoting accountability within a core service program.
Vision 2020
Goal: To develop an integrated sustainable transportation system for people, goods and services, which is environmentally friendly, affordable, efficient, convenient, safe and accessible.
Strategies: 100. Provide transportation services for people with disabilities that are equivalent to regular public transit and which provide for emergency needs and improve DARTS service so there are less time based restrictions”.

Objective: Personal Health and Well-Being

Goal: To develop the social and physical environments to create a barrier-free community that allows all citizens to participate fully in community life.
Strategies: 149. Integrate the various transportation services (HSR, DARTS, CTAP and taxis) in order to establish a fare that is equitable across the system and addresses the quality of life of its passengers.

Objective: Community Well-Being and Capacity Building

Transportation Master Plan (May 2007)
Objective(s) - to promote a seamless transit system, supporting measures in sharing access with persons with disabilities.

RELEVANT CONSULTATION:
Consultation was undertaken in the studies leading up to this report that included DARTS, VETS, industry peers, Advisory Committee for Persons with Disabilities, Seniors Advisory Committee, and Transit and Governance consultants.

Internally, consultation has occurred between the Office of the City Manager; Corporate Services including Legal Services, Human Resources and Finance and Administration; and Public Works.

CITY STRATEGIC COMMITMENT:
By evaluating the "Triple Bottom Line", (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. □ Yes □ No
Information Report only.

Environmental Well-Being is enhanced. □ Yes □ No
Information Report only.

Economic Well-Being is enhanced. □ Yes □ No
Information Report only.

Does the option you are recommending create value across all three bottom lines? □ Yes □ No
Information Report only.

Do the options you are recommending make Hamilton a City of choice for high performance public servants? □ Yes □ No
Information Report only.

APPENDICES
SUBJECT: Accessible Transportation Services (ATS) Review – Request for Additional Information (City Wide) (PW05075(d)) - Page 22 of 22


Appendix B excerpts from City Council Minutes, April 23, 2008 and Public Works Committee Report 08-007; and Accessible Transportation Services (ATS) Review - Report (PW05075(c))

Appendix C excerpt from Committee of the Whole Report 07-024 regarding Accessible Transportation Services (ATS) Review – Report (PW05075(b))

Appendix D excerpt from Committee of the Whole Report 06-016 regarding Accessible Transportation Services (ATS) Review – Report (PW05075(a))

Appendix E excerpts from City Council Minutes, July 13, 2005 and Committee of the Whole Report 05-010 regarding Accessible Transportation Services (ATS) Review – Report (PW05075)

Appendix F excerpt from Committee of the Whole Report 03-011 regarding DARTS Contract Renewal Alternate Service Delivery Option Report (TOE02207A)

Appendix G In Camera

Appendix H In Camera

Appendix I Performance Metrics for Inclusion in Agreement Under Option A
At its meeting held Monday April 14th, 2008, members of the Public Works Committee received a copy of a letter addressed to Ms. Heather Moore, Chair of the Board of Directors for DARTS from Booker & Associates that had been prepared on the Board’s behalf in response to Report PW0575(c).

During the presentation, it was noted that neither the ATS Working Group or members of the Senior Management Team were aware of the correspondence and as a result, the Public Works Committee requested Staff to respond to the ten (10) questions in advance of this issue being brought back to the Committee.

Therefore, please find below, Staff’s response to the ten (10) questions as set out in the letter.

Question #1: What is Staff’s position on the Consultant’s recommendation?
All of the studies referred to in the staff report PW05075(c) dated April 7, 2008 were initiated at the direction of Council in response to ongoing complaints from DARTS and Vets regarding program accountability problems which they attributed to the governance model. Following the changes to the governance model implemented in 2003, City staff has never been directed to provide a position or make a recommendation as to which governance arrangement should be upheld by Council. Community consultation was never directed by the ATS Sub-committee.

Question #2: Is the current DARTS model offering the city good value for money?
Under the existing service contract, DARTS provides the City with good value for money. This has never been contested by the City. The favourable cost of the DARTS operation is substantially achieved through lower compensation which is traditional among not-for-profit-service providers. In addition, the low cost of the trips subcontracted through VETS contributes to this cost effectiveness.

Question #3: Before 2004, wasn’t City Staff either directly or indirectly managing DARTS?

City staff was neither directly nor indirectly managing DARTS. The decision to bring reservations and scheduling within the control of the City was at the direction of Council in an effort to resolve ongoing issues, short of Council's consideration of bringing the entire program in-house. The acquisition of the current software was also viewed as a necessary course of action as the program had outgrown the former semi-automated scheduling software. The current software is in use in over 80% of mid to large sized communities throughout North America. As previously stated, DARTS provides the City with good value for the money.

**Question #4: Have Industry Governance Models been fully considered including cost effectiveness?**

Had the table in the report included all Canadian municipalities with 100,000 or greater population the results would have shown that 12 are wholly Municipal operations, 15 are Municipal/PFP, 3 are Municipal/NPO (Hamilton) and 1 is wholly NPO. Municipalities of less than 100,000 are not considered suitable comparators.

**Question #5: How are benefits of Option D substantiated?**

The benefits as stated are conclusions drawn by staff through reference to key criteria identified within the PSTG Report to ATS Review Sub-Committee. While it was not the intention of the report as requested by the Sub-Committee to draw comparisons between the models, it is a reasonable assumption that several of these benefits may be achieved through other identified models.

The list of benefits does infer that service efficiencies may be obtained though the identified model in key areas including accountability, clarity, coordination, and resource management. It is not the view of staff that delivering the specialized service or obtaining the noted benefits would be more difficult under integration of the specialized service with the larger fixed route service, but rather that the delivery of the service would be enhanced through the greater technical and management resources available through the Transit Division and general City structure.

**Question #6: Does the City have the ability to deliver the service?**

Yes. The City would respect successor rights, thereby transferring the vast majority of the experience of DARTS employees to the City. In addition, the Transit Management Team has in excess of 100 years of combined experience in the business of delivering TRANSIT to the public, including those with disabilities.

**Question #7a): Have full employment costs been identified?**

Yes. Staff has accurately captured the costs and is supported by a 3rd party audit. Further, the figures used by Booker and Associates to calculate the potential full cost include costs that will NOT be incurred by the DARTS employees (until such time they are negotiated).

**#7b): Won't the OMERS pension be an almost immediate cost of $400,000?**

This point has been misunderstood by the writer. OMERS does NOT have a contribution holiday. It is the HSR Plan (which is the Plan that will cover the DARTS employees) that has a contribution holiday and this has been in place for several years. Staff do reference in the report that there is the possibility a merger will take place, however the timing of this is unknown, therefore it is incorrect to assume that the $400,000 will be an immediate expense.

#7c) Are there any additional costs to 137 staff on conversion from CUPE to ATU?
All employee costs were taken into consideration and reviewed by a 3rd party audit.

Question #8: What are the realignments that staff anticipates?
This question goes beyond the scope of the governance review and therefore has no relevance.

Question #9: Wouldn’t this money be better spent on 5,000 – 10,000 more rides/month?
Any increased cost in moving away from the current model would be better spent on service expansion. However, the ongoing governance issues as expressed by the contractor would continue to be unresolved.

Question #10: Has the staff considered the cost of growth in service demand from Seniors who no longer drive and the recently improved eligibility allowance?
There will be additional cost pressures associated with program growth regardless of the governance model.

Should Members of Council require any further clarification, please contact Connie Wheeler at 905-540-5779.
CITY COUNCIL MINUTES
Wednesday, April 23, 2008
(Powers/Collins)

That the following be added as Item 13 to Public Works Committee Report 08-007:

13. Accessible Transportation Services (ATS) Review (PW05075(c)) (City Wide)

(a) That Information Item (h)(i) of Public Works Committee Report 08-007 respecting the Accessible Transportation Services (ATS) Review be referred in its entirety to the Committee of the Whole for consideration;

(b) That those organizations who had requested to appear before the Public Works Committee on this matter, and who were approved by the Committee, be invited to make their respective presentations to the appropriate Committee of the Whole meeting when this issue is discussed.

CARRIED.

Public Works Committee REPORT 08-007 (as amended by City Council on April 23, 2008)
Monday, April 14, 2008

THE PUBLIC WORKS COMMITTEE PRESENTS REPORT 08-007 AND RESPECTFULLY RECOMMENDS:

(h) STAFF PRESENTATIONS (Item 7)

(i) Accessible Transportation Services (ATS) Review (PW05075(c)) (City Wide)

On a motion (McCarthy/Ferguson) the Committee took the following actions:

(a) That the presentation from staff and the consultant be received;

(b) That staff be directed to report back to the Committee at the earliest appropriate date with a strengths, weaknesses, opportunities and threats (SWOT) analysis that would include costing and compares an all external model (Option A), the hybrid model as recommended by the Consultant (Option C) and an all internal model (Option D) as recommended by the Accessible Transportation Services Review Sub-Committee, relative to status quo;

(c) That Report PW05075(c) be tabled until such time as the information requested is presented to the Committee.

CARRIED.

As a result of the tabling of Report PW05075(c) to a future meeting, the Committee Secretary was directed to contact those organizations who had requested to address the Committee to determine their preference to appear before the Committee i.e., the next regular meeting of the Public Works Committee, being May 5, 2008, or at such time as the information/ report requested in sub-section (b) noted above is presented.
CITY OF HAMILTON

ATS SUB-COMMITTEE

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<td>City Council</td>
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<tr>
<td>Submitted by:</td>
<td>Terry Whitehead, Chair</td>
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<td>ATS Sub-committee</td>
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<td>Date:</td>
<td>April 7, 2008</td>
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<tr>
<td>Prepared by:</td>
<td>Connie Wheeler, ext. 5779</td>
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<td>Don Hull, ext. 1860</td>
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<td>Paul Thompson, ext 1862</td>
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SUBJECT: Accessible Transportation Services (ATS) Review – (PW05075c) - (City Wide)

RECOMMENDATION:

(a) That Option D – City Delivery Model as set out in the Accessible Transit Service: A Review of Governance Model Options Final Report attached hereto as Appendix A, be recommended as the preferred option for the delivery of Accessible Transportation Services.

(b) That the additional funds as set out in report (PW05075c) be approved and included in the 2009 budget.

(c) That the information requested by the ATS Review Sub-Committee of Council, as set out in the In-Camera item - Appendix B, be received.
Committee of the Whole REPORT 07-024

August 8, 2007

COMMITTEE OF THE WHOLE PRESENTS REPORT 07-024 AND RESPECTFULLY RECOMMENDS:

17. Accessible Transit Services (ATS) Review (PW05075(b)) (City Wide) (Item 7.4)

(a) That staff be authorized and directed to offer DARTS and their sub-contractor Veteran’s Transportation (VETS) a one-year extension on their contracts with all the current terms and conditions to remain in place for the period June 2008 through June 2009, and to continue on the basis of a month-to-month mutually agreeable extension, in accordance with Council’s ATS Sub-committee direction to delay issuance of the Specialized Transit Service Delivery Request For Proposal (RFP).

(b) That the City Manager be authorized and directed to engage the services of PSTG Consulting to facilitate the development of governance model options for the Specialized Transit Program, at a cost not to exceed $15,000 and to be funded from the 2007 Transit Division budget.

CARRIED.
Committee of the Whole REPORT 06-016
July 12, 2006

COMMITTEE OF THE WHOLE PRESENTS REPORT 06-016 AND RESPECTFULLY RECOMMENDS:

20. Accessible Transit Services (ATS) Review (PW05075(a)) (City Wide) (Item 6.8)
   (a) That a Task Force be established to review improvements, look for efficiencies and make recommendations quarterly, to the General Manager of Public Works respecting Accessible Transit Services;
   (b) That the Accessible Transit Services governance structure attached as Appendix A to Report PW05075(a), be approved for a period of three months at which time the Accessible Transit Services Steering Committee will reconvene to determine the appropriateness of the new model and/or revise the model based on a report from the Task Force outlining their initial success or further recommendations;
   (c) That the above results be incorporated into a competitive RFP process which will be compiled in 2007 with the approved vendor(s) beginning work in 2008;
   (d) That the City program be re-branded which, in turn, would allow both DARTS and Vets the opportunity to individually brand their services;
   (e) That there are to be no additional costs as a result of any changes made to the program;
   (f) That any savings be applied to enhancing the service;
   (g) That a Business Analyst (Trapeze software) be hired, subject to acceptance of this review (currently in Budget, awaiting conclusion of review);
   (h) That the Director of Transit and the Manager of Transit Fare Administration & ATS be reaffirmed as Public Works staff representatives on the DARTS Board of Directors as non-voting members;
   (i) That Transit staff continue to liaise with the Advisory Committee for Persons with Disabilities and the Seniors Advisory Committee to ensure these Advisory Committees have access to City staff regarding the City’s paratransit program;
   (j) That the report prepared by iTrans Consulting, attached hereto as Appendix B to Report PW05075(a), be received for information;
   (k) That Outstanding Business Item M, as listed on the Public Works, Infrastructure & Environment Committee Agenda, be removed.

CARRIED.
COMMITTEE OF THE WHOLE PRESENTS REPORT 05-010 AND RESPECTFULLY RECOMMENDS:

1. Accessible Transit Services (ATS) – Consideration of an Operational Review (PW05075) (Item 5.1)
   (a) That Staff be directed to carry out a limited scope Peer Audit Review of the Accessible Transportation Services (ATS) Program, defined by the Terms of Reference attached to this report as Appendix “A”, specifically, to undertake a peer audit review for the purpose of evaluating the potential for improvements in efficiency & effectiveness that could be achieved through variations in the level of City or private sector involvement in the current ATS program structure.
   (b) That Council authorize funding for the Peer Audit Review from the Transit Working Fund Reserve DeptID #112405 at a cost not to exceed $50,000 in total.
   (c) That Council create a Steering Committee for this Review comprised of Councillors Merulla, Morelli, Collins, interested members of Council, Staff representing Transit, Finance & Administration and a Consultant from the Public Works roster.
   (d) That the Steering Committee report back to Council on the findings and recommendations of the Peer Audit Review no later than October 2005.

CITY COUNCIL MINUTES
Wednesday, July 13, 2005

Item 1 Accessible Transit Service (ATS) – Consideration of an Operational Review (PW05075)
(Merulla/Collins)

That subsection (c) be amended to add Councillor Whitehead to the Steering Committee membership.

CARRIED.
THE COMMITTEE OF THE WHOLE PRESENTS REPORT 03-011 AND RESPECTFULLY RECOMMENDS:

11. D.A.R.T.S. Contract Renewal Alternate Service Delivery Option (TOE02207a) (City Wide) (Item 5.1)

   i. That the Mayor and City Clerk be authorized to execute a Contract with the Disabled and Aged Regional Transit System (D.A.R.T.S.) and a supporting Lease Agreement for a term of five years, subject to the amending provisions recommended within this report and in a form satisfactory to the General Manager of Public Works and the Acting City Solicitor.

   ii. That, in addition to the established contract management activities, the D.A.R.T.S. budget be reviewed annually by Staff specifically to report to Council respecting D.A.R.T.S. contractual compliance with approved budget and trip delivery.

   iii. That if the Contractor is found to be in variance of Contract, Staff be directed to report to Council with a recommendation specific to consideration of continuance or termination of the Contract.

   iv. That the City assume responsibility for provision of the Customer Services and Trip Management (Reservations, Scheduling and Dispatching functions) previously provided by D.A.R.T.S. under contract to the City.

   v. That the scope and timelines for the assumption of these responsibilities, inclusive of Complement and Budget to be transferred to the Accessible Transportation Services Section (ATS) within the Transit Division of the Public Works Department, be negotiated with D.A.R.T.S.

   vi. That the proposed Contract with D.A.R.T.S. reflect the changes in responsibilities and suitable employment be offered to the displaced Staff within the City.

   vii. That Council confirm the essential mandate of the D.A.R.T.S. Board within the term of the contract renewal to be management and delivery of an efficient and effective accessible transportation service as defined in the contract.

   viii. That Council confirm the essential mandate of the Advisory Committee for Persons with Disabilities, created by Council on August 14, 2002, as specified in the Terms of Reference (separate attachment, Appendix II) to recommend policies, procedures and guidelines that address the needs and concerns of persons with disabilities.

CARRIED.
Performance Metrics for Inclusion in Agreement under Option A

There are a number of performance metrics which will require inclusion in any Agreement for Services under Option A: External Model, with DARTS as the single source provider. These will necessarily include metrics that have been established within the City of Hamilton under terms of its 2004 settlement with the Ontario Human Rights Commission and complainants under the Code.

Performance metrics to be observed will include, but may not be limited to:

- a contracted number of annual trips to be delivered by DARTS in consideration of such annual budget for the service as may be directed by Council;
- a contracted price per trip, which may be refined to include a price per “wheelchair” trip and a price per “ambulatory” trip;
- a contracted minimum daily service duration to be delivered by DARTS;
- a defined level of system reliability, measured as the Rate of On-time Performance, to be achieved by DARTS;
- a defined level of system trip accommodation, measured as the Rate of Trips Denied, to be achieved by DARTS; and
- a defined level of customer service performance, measured as Complaints per ‘000 Trips, to be achieved by DARTS.

Additionally, there will be a number of required metrics to address quality of service to passengers, which may include measures such as passenger on board time; maximum ride time per passenger trip; and ratio of ride time to distance per passenger trip.