

ATS Review Committee

DARTS

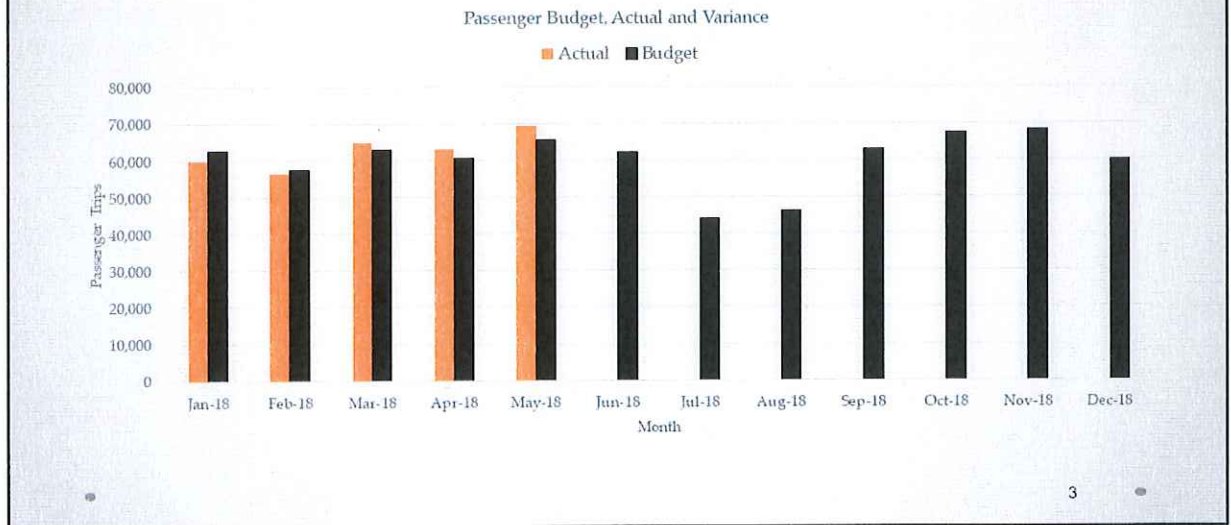
Second Quarter 2018 Review



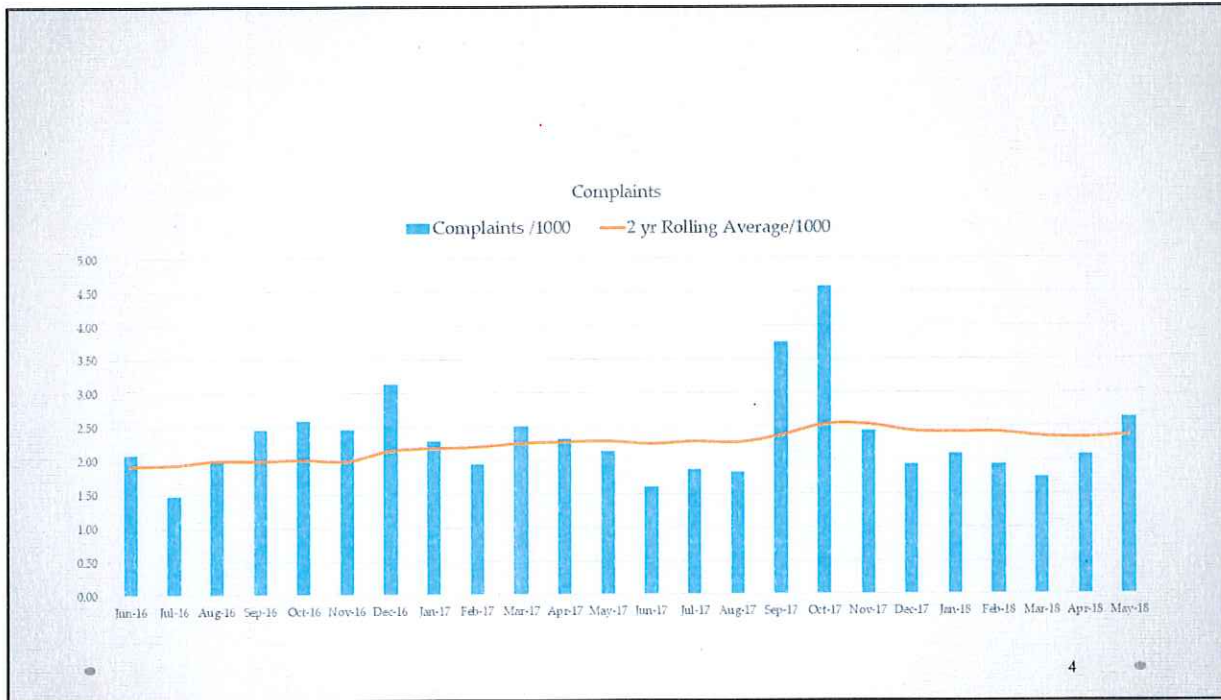
Discussion Agenda

- Budget
 - The current passenger trip variance: slightly positive
 - The current financial variance: very negative
- DARTS Contract: 2 Outstanding Clauses
- Status of the negotiations: Collective Agreement
- Passenger Experience with Change in Vehicles
 - Group home issue status: improved interface to DARTS
 - Service Animals on small vehicles

Slightly over Budget in Trips



The DARTS service has delivered 4,933 trips *over* budget as a whole YTD 2018. The Orange bars are the actual trips delivered for 2018 year to date. The black bars are budget.



Complaints are at 2.67 complaints/ 1000 rides, with the main complaints being late rides.

Late rides are caused by wheelchair vehicle capacity issues and new subcontracted drivers' difficulty with policy on cell phones and door-to-door. Passengers are also adjusting to the fleet of Micro –Transit vehicles from buses. DARTS continues to work with ATS on customer vehicle complaints and with on-road driver performance supervisors to monitor on road performance of drivers.

Financials



Vehicle Productivity Rates

Bus	Promaster	MV	Van
<ul style="list-style-type: none">• 2.33 - 2017• 2.35 - Request• 2.35 - Proposed	<ul style="list-style-type: none">• 2.03 - 2017• 2.25 - Request• 2.05 - Proposed	<ul style="list-style-type: none">• 1.84 - 2017• 2.20 - Request• 2.00 - Proposed	<ul style="list-style-type: none">• 2.30 - 2017• 3.00 - Request• 2.50 - Proposed

DARTS has four different types of vehicles, each with its own productivity. In 2017, buses carried 2.33 passengers/hour. ATS requested that we up that performance to 2.35 passengers/hour in 2018. Since the plan was to divest the service of buses, DARTS agreed to the performance increase.

In 2017, the Promaster vehicle carried 2.03 passengers per hour. ATS requested 2.25 passengers per hour in 2018. DARTS proposed 2.05 pass/hour for 2018. To reach these numbers DARTS would have to outsource most of the service to subcontractors with lower wage rates. ATS stood fast at 2.25, which has led to a negative variance year to date in 2018.

In 2017, the MV vehicle carried 1.84 passengers/hour. The vehicle is very hard to load efficiently/productively. ATS requested 2.20 passengers/hour. To reach that number, DARTS would have to outsource most of the service to subcontractors with lower wage rates. DARTS proposed 2.20 pass/hour for 2018. ATS has stood fast at 2.20 pass/hour, which has led to a negative variance year to date.

In 2017, Vans carried 2.3 passengers per hour. ATS requested 3.00 passengers/hour. To reach that numbers, DARTS would have to outsource most of the service to subcontractors with lower wage rates. ATS has stood fast at 3.00 pass/hour, which has led to a negative variance year to date.

As of May 31, the negative variance is **\$893,563**.

The \$893,563 Total Expenditure Variance

By Vehicle/Provider	Amount	Reason
DARTS Vans	(110,951)	Optimistic Trip Cost Budget
DARTS Bus	(225,416)	Delayed Retirement
DARTS MV	104,205	Under Budget
DARTS Promaster	(137,475)	Optimistic Trip Cost Budget
Sub Contract Vets Van	(81,563)	Bill 148
Sub Contract Vets MV1	(39,905)	Bill 148
Sub Contract Hamilton Cab Vans	(37,825)	Increase Outsourcing + Bill 148
Sub Contract Htown	(364,633)	Increase Outsourcing + Bill 148
Total	(893,563)	

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At current service levels, the \$893,563-variance year to date will grow to \$1.6 M by the end of the 2018. The various vehicle budget overruns (including sub contractors) are outlined above. The subcontractor variances are wage increases mandated by Bill 148.

Year over Year Comparison

Line		2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 ACTUAL	2018 BUDGET B	2018 BUDGET C	Upsel Budget
	Cost									
1	Capital	1,420,276	1,744,115	1,961,129	1,846,409	1,054,282	314,523	314,523	314,523	314,523
2	Expense	12,416,958	13,680,755	15,369,256	16,484,530	17,547,984	18,181,884	18,532,912	20,084,913	21,381,698
3	Total	13,837,234	15,424,870	17,330,385	18,330,939	18,602,266	18,496,407	18,847,435	20,399,436	21,696,221
4	COST PER TRIP	31.71	32.09	32.71	31.65	28.59	27.01	26.16	28.32	30.12
	TRIPS									
5	DARTS	301,611	331,172	350,648	344,355	386,185	398,494	369,363	365,616	365,616
6	SUBCONTRACT	134,808	149,543	179,228	234,769	264,363	286,354	351,040	354,787	354,787
7	TOTAL TRIPS	436,419	480,715	529,876	579,124	650,548	684,848	720,403	720,403	720,403
	Drivers									
8	DRIVER Hr RATE	\$25.22	\$25.59	\$23.51	\$23.85	\$22.69	\$21.81	\$20.80	\$22.34	\$24.92

Transfer of capital cost of fleet to DARTS.

DARTS now required to lease its vehicles.

Up to 2015, the bus fleet was provided by ATS for a dollar to DARTS. In other words, the capital cost of the DARTS fleet was not included in the DARTS budget. All of the replacement vehicles are now leased by DARTS and that cost has been transferred to the operating expense line (line 2). Line 1 now only includes the 6 buses still in the fleet that are owned by ATS. Note that even with the added cost of the vehicles the trip cost is still lower than in 2012.

Avoided Cost 2015-18

	2015			2016			2017			To May 2018		
	Annual Trips	Trip Cost	Total Cost	Annual Trips	Trip Cost	Total Cost	Annual Trips	Trip Cost	Total Cost	Trips to Date	Trip Cost	Total Cost
Bus	313,890	41.43	13,004,463	246,105	44.57	10,968,900	134,363	45.37	6,096,049	21,797	44.04	959,940
Pro				2,803	35.56	99,675	56,150	33.87	1,901,801	44,420	37.79	1,678,632
MV				6,994	28.49	199,259	42,594	33.86	1,442,233	27,325	38.67	1,056,658
VAN	30,469	22.27	678,545	130,283	20.21	2,633,019	165,387	23.65	3,911,403	71,333	24.52	1,749,085
	344,359		13,683,007	386,185	A	13,900,853	398,494	A	13,351,485	164,875	A	5,444,315
	Annual Trips	Trip Cost	Total Cost	Annual Trips	Trip Cost	Total Cost	Annual Trips	Trip Cost	Total Cost	Annual Trips	Trip Cost	Total Cost
Bus	313,890	41.43	13,004,463	338,506	44.57	15,087,202	358,634	\$45.37	16,271,212	150,428	44.04	6,624,861
Van	30,469	22.27	678,545	49,302	20.21	996,399	39,490	23.65	933,950	14,205	24.52	348,301
	344,359		13,683,007	387,808	B	16,083,601	398,124	B	17,205,162	164,633	B	6,973,162
					B-A	2,182,748		B-A	3,853,677		B-A	1,528,848
												7,565,273

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The switch to Micro transit vehicles from buses in 2016 has saved the city approximately \$7.5 million in capital and operating costs. The slide above shows the allocation of trips on the DARTS from 2015 to May 2018. In 2015, the service was 72 buses and 21 vans. The above figure, the bottom two rows show what the service cost would have been if we had continued with the trip cost associated with vans and buses. The top four rows show the gradual change in trip cost of the service as the lower cost vehicles (MV,PRO) are introduced in to the fleet and more rides are pushed to vans over the last two years and continuing on into May 2018.

Bus vs Micro-Transit

- **Passengers**

- Less space to maneuver wheelchairs in the smaller vehicles
- Group homes unhappy with the replacement vehicle sizes for groups
- Passengers sitting much closer together
- Passengers attempting to select their vehicle: Service Animals

- **Vehicles**

- MV-1 vehicles are no longer made –Service levels are inconsistent
- MV-1's not as productive as buses
- Not enough wheelchair vehicles – 72 buses vs 54 bus/MV-1/Promasters
- Need to fix contract term issue to increase leased units

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Issues experienced as we move the DARTS fleet from bus-based to Van and Micro transit based.

Memorandum of Agreement Issues



No Agreement on Service Budgeting

Proposed Clause 2.2.1 (h)

Notwithstanding any other provision contained within this Agreement or any Schedule attached hereto, nothing herein shall obligate the City to approve the submitted budget of the Contractor and the City's approval of such budget shall be fully discretionary on the part of City Council and the City shall be fully entitled to approve whatever budget requirements may be deemed necessary in its absolute discretion, **subject to the understanding that the amount of the budget determines the level of service the Contractor is able to deliver. The Contractor cannot be expected to deliver a level of service which, based on recent service level experience, cannot be delivered based on the City's proposed budget.**

Existing Clause 2.2.1 (h)

Notwithstanding any other provision contained within this Agreement or any Schedule attached hereto, nothing herein shall obligate the City to approve the submitted budget of the Contractor and the City's approval of such budget shall be fully discretionary on the part of City Council and the City shall be fully entitled to approve whatever level of service and budget requirements may be deemed necessary in its absolute discretion.

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DARTS meets with ATS monthly and fully discloses all service costs to ATS at these meetings. DARTS is asking that language be put into clause so that there are reachable service targets (based on recent performance levels) that result in predictable small variances every year.

Remembering “No Reserves”

Proposed Clause 4.1(d)

In the event of termination or expiration of this Agreement, the City **shall be** responsible for:

- I. liabilities incurred by the Contractor in accordance with the provisions of this Agreement and the approved budget and variances thereto up to the date of termination; and
- II. any and all windup costs incurred by the Contractor, including but not limited to payment of any amounts payable as a result of statutory obligations, collective bargaining or employment agreements, third party leases (including vehicle leases) and agreements, and other liabilities or obligations of the Contractor incurred in relation to or for the purpose of delivering the Services under this Agreement).

Existing Clause 4.1(d)

In the event of notice of termination under this Agreement, the City **shall not be** responsible for: any further liability, obligation or accountability other than liabilities incurred by the Contractor in accordance with the provisions of this Agreement and the budget approvals of Council up to the date of termination or as a result of the termination of the Agreement (inclusive of windup costs incurred by the Contractor as a result of statutory obligations, collective bargaining agreements and third party leases and agreements pertaining to the delivery of the Services under this Agreement).

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To avoid DARTS setting up extensive reserves to cover the costs of the wind-up of DARTS (severances, contract cancellations cost etc) which can be millions of dollars. DARTS and ATS agreed over 15 years ago that the City would cover the cost of wind-up, should the City decide to operate paratransit services in an alternative mode. Consequently DARTS has no reserves to cover these corporate obligations.

The above clause 4.1(d) says that , but the language in the existing clause is not clear which will only result in extensive legal bills should one party argue the meaning of the clause. DARTS would like the city to clarify the obligations as suggested in the proposed clause.

Term of Contract

- Clause 4.1b of the Contract states:
"Either party may cancel this agreement upon giving the other party 120 Days notice...."
- Short contract term lengths matter To vendors
 - Unfavorable lease terms for vehicles
 - Unfavorable credit terms from financial Institutions
 - Unfavorable pricing for goods and services with no contract term length
- Impacts strategic planning/long range planning
- Short contract term lengths are costly/inefficient
- Not really needed with 4.1b in the agreement

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ATS has a nuclear clause in the DARTS Memorandum of Agreement. ATS can wind up DARTS at any time with 120 Days' notice. This clause is in all agreements that DARTS has with it's subcontractors. However, DARTS MOA agreement term is only until 2020 which is less than 2 years away. Without a long-term agreement, DARTS pays extra for lease rates and service contracts that require a term of more than 2 years. These costs are ultimately passed on to the City as part of the DARTS budget.

MOA Recommendations

- Sign off on the 2 clauses **or** provide alternative wording
- Set the contracts at 5 years to allow favorable terms
 - ***Use the nuclear option (4.1b) if the city decides to wind-up DARTS***

Status of CUPE 5167 Negotiations



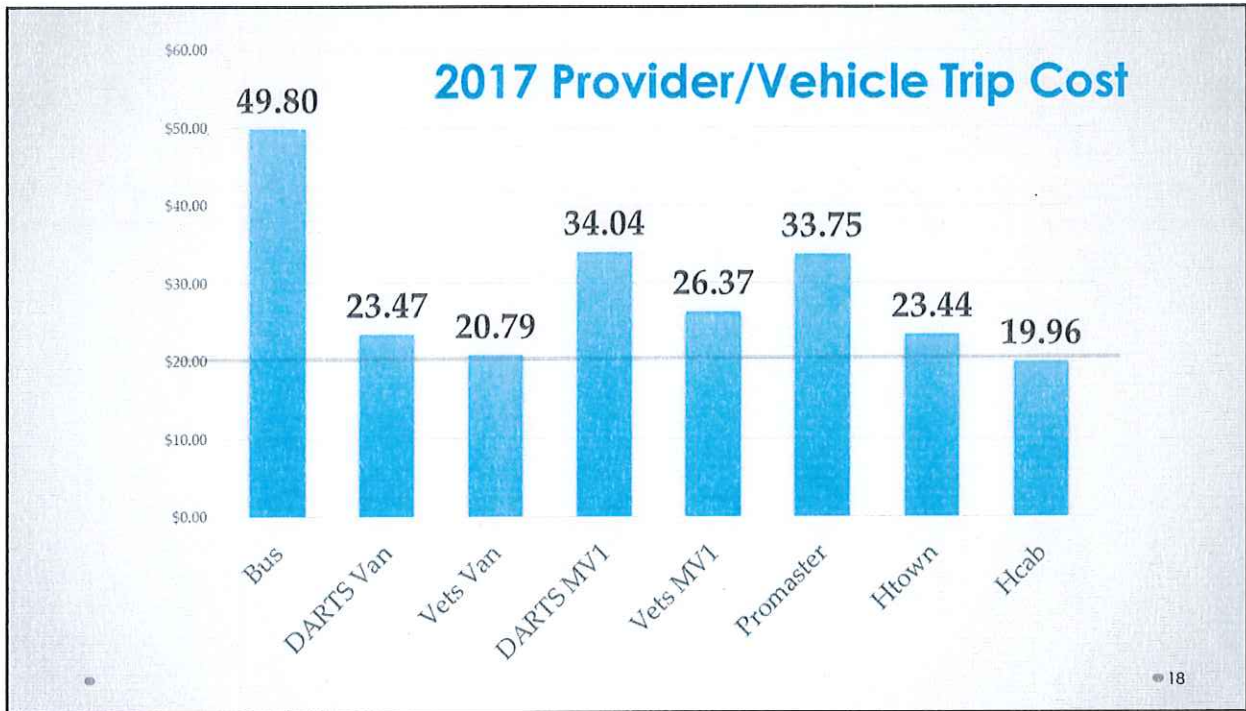
Context

- Wage rates are set by vehicle type and license
- Extensive reduction in high wage rate bus schedules
- Extensive increase in lower wage micro-transit and van schedules
- Increase in the use of lower wage cost subcontractors

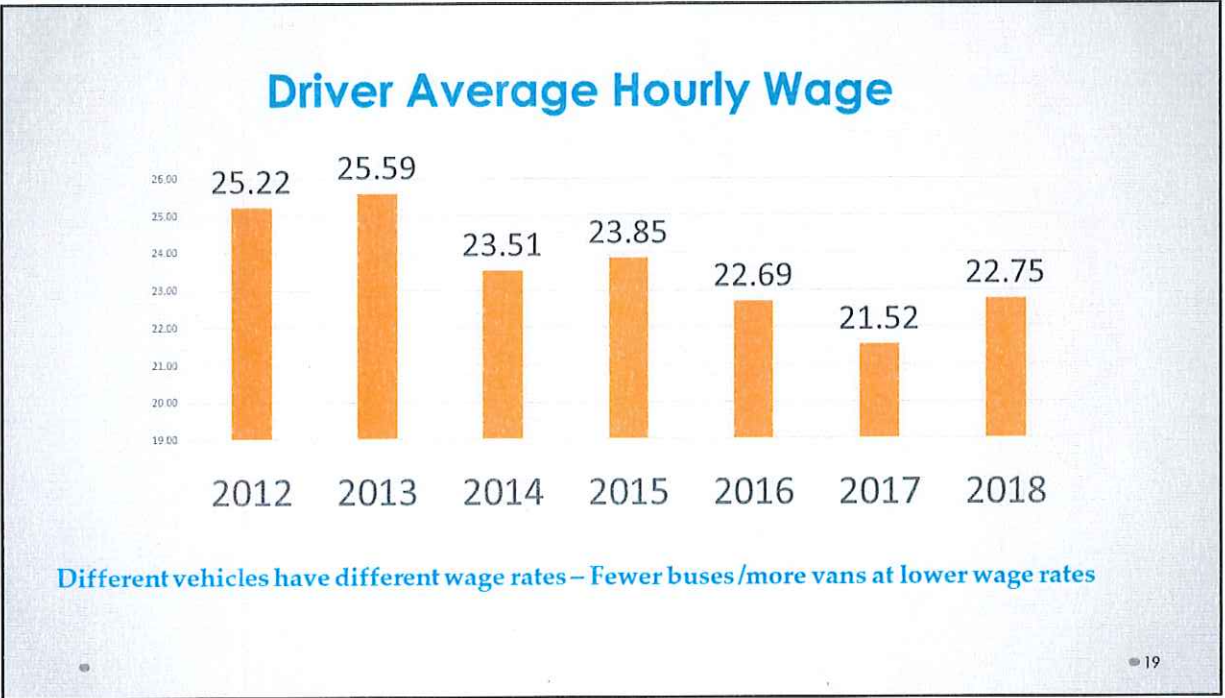
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With the reduction of DARTS buses, DARTS bus drivers saw a significant reduction in available service hours which had a significant reduction in wage.

The push to outsource rides to subcontractors has resulted in a request for some commitment to job security.



- Shown here is the average cost per trip in the 2017 budget of the various DARTS and subcontractor trip costs.
- Note the high of \$49.80 for bus and the low \$23.47 for DARTS van.



There are different wage rates for the various vehicles.

- In 2017, promaster and bus drivers were paid \$24.65/hr
- In 2017, MV-1 driver wage was \$20.05
- In 2017, the van wage was \$17.80

The switch to smaller vehicles and the reduction in the bus fleet impacted the average DARTS driver 2017 wages negatively.

To see the effect, the total hours worked for the various years, divided by the total wages paid in that year, shows an average driver wage has gone down from a high in 2013 of \$25.59 to a 2017 average of \$22.75.

The effective reduction in wages has substantially impacted the morale of the DARTS driver workforce.

Status of Negotiations

- No agreement yet with the drivers or the inside unit
- To meet the low trip cost demands of the DARTS contract
 - Significant counts of rides outsourced to subcontractors
 - Reduction in bus runs cut bus driver hours substantially
 - Job security is a prime concern
- Bargaining Committee Issues
 - Latest offer turned down by 84%
 - Reviewing list of concerns with rejected offer
 - Expect at least one more meeting to be scheduled with the Conciliator

Group Homes

- Problems arising from reduced access to bus vehicles
- More group home staff required to staff outings on multiple vehicles
- @ 16,000 trips a year, no business case for increasing bus fleet
- Will work with group homes to improve transportation services
- Organize the users of DARTS into a large user group
- Developing a portal to improve group ride management for homes

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With DARTS reducing the fleet of buses, the group homes are unable to schedule outing for the residents. DARTS has met with the group home representatives. DARTS plans to organize further meetings with all group home interested parties to support the home's transportation issues. The first step is to improve the ride scheduling service of the group home with the group home portal.

Service Animals and Guide Dogs

- Advent of smaller vehicles cannot accommodate service animals
- Larger vehicles can accommodate all service animals
- AODA and Human Rights advocate equal service for all passengers
- Passengers are accommodated on the service, on the larger vehicles
- See attached policy



Dept:	PASSENGER SERVICES	Policy No.	PS 4.1.24
Section:	POLICIES AND PROCEDURES	Issued and Effective:	July 2018
Title:	GUIDE DOGS AND SERVICE ANIMALS	Revised:	July 2018

PURPOSE

The purpose of this policy is to ensure DARTS is AODA compliant when transporting passengers with guide dogs or service animals

POLICY

If a person with a disability is accompanied by a guide dog or other service animal, DARTS shall ensure that the person is permitted to enter the vehicle with the animal and to keep the animal with him or her.

Guide dogs and service animals travel for free on DARTS.

SCOPE

This policy applies to the DARTS organization.

JOINT RESPONSIBILITY

It is the responsibility of the passenger to inform DARTS that they will be travelling with a guide dog or service animal at the time of booking the trip.

This is to ensure that the appropriate assigned vehicle is able to accommodate the passenger and their service animal.

It also ensures that other passengers, who may be excluded from travelling with service animals, are not scheduled at the same time.

It is the responsibility of DARTS to ensure that the person traveling with a service animal is permitted to enter the vehicle and keep the animal with him or her during the trip.

DEFINITIONS

"Guide dogs" or "Service animals" are used by people with many different kinds of disabilities. Examples of service animals include dogs used by people who are visually impaired, hearing alert animals for people who are hard of hearing and animals trained to alert an individual to an oncoming seizure and lead them to safety. Service animals are not always dogs. A bird, cat, or other trained animals may also be service animals.

"Guide dog" shall have the same meaning as set out in Ontario Regulation 429/07 of the Accessibility for Ontarians with Disabilities Act, 2005, S.O. 2005, c. 11, as amended;

Guide Dog – is a highly-trained working dog that has been trained at one of the facilities listed in Ontario Regulation 58 under the *Blind Persons' Rights Act*, to provide mobility, safety and increased independence for people who are blind.

Service Animal – as reflected in *Ontario Regulation 429/07*, an animal is a service animal for a person with a disability if:

- it is readily apparent that the animal is used by the person for reasons relating to his or her disability; or
- the person provides a letter from a physician or nurse confirming that the person requires the animal for reasons relating to the disability.

Service Dog – as reflected in *Health Protection and Promotion Act, Ontario Regulation 562* a dog other than a guide dog for the blind is a service dog:

- if it is readily apparent to an average person that the dog functions as a service dog for a person with a medical disability; or
- if the person who requires the dog can provide on request a letter from a physician or nurse confirming that the person requires a service dog.

For the purposes of this policy, an animal is a service animal for a person with a disability if,

- the animal can be readily identified as one that is being used by the person for reasons relating to the person's disability, as a result of visual indicators such as the vest or harness worn by the animal; or
- the person provides documentation from one of the following regulated health professionals confirming that the person requires the animal for reasons relating to the disability:
 - A member of the College of Audiologists and Speech-Language Pathologists of Ontario.
 - A member of the College of Chiropractors of Ontario.
 - A member of the College of Nurses of Ontario.
 - A member of the College of Occupational Therapists of Ontario.
 - A member of the College of Optometrists of Ontario.
 - A member of the College of Physicians and Surgeons of Ontario.
 - A member of the College of Physiotherapists of Ontario.
 - A member of the College of Psychologists of Ontario.
 - A member of the College of Registered Psychotherapists and Registered Mental Health Therapists of Ontario. O. Reg. 165/16, s. 16.