

LETTER OF UNDERSTANDING – ALTERNATE SERVICE DELIVERY

(1) ALTERNATE SERVICE DELIVERY (ASD) – BUS OPERATIONS

New Services

- A Request for Proposal (RFP) for a private contract for the provision of unconventional transit service will be prepared by HSR management.
- HSR management will prepare an internal bid for provision of the service together with the ATU based on:
 - a) Wage - maximum Step 1 Bus Operator rate and a 70-hour bi-weekly guarantee;
 - b) Benefits - "X" % of Step 1 Bus Operator rate;
 - c) All other costs including overheads, maintenance, capital depreciation, etc., costed at - "X" % of Step 1 Bus Operator rate.

* The internal ATU bid will be sealed and opened publicly with private sector submissions. Award of the bid will be solely on the basis of lowest cost with the understanding that if the ATU bid is within 10% of the lowest bid, ATU will be awarded the contract.

Conversion of Existing Services to Alternate Service Delivery

- It is agreed that any conversion of existing fixed route conventional transit services from the date of ratification of a Collective Agreement will be exclusively ATU work.
- The new service will be posted for bid to current Operators. The wage rate and bi-weekly guarantee will be that of the Operator who successfully bids this work.
- Additional duties may be assigned to the Operator as determined necessary by Management such as the use of a cellular phone to take bookings without access to wage premium(s).

(2) MAINTENANCE DIVISION

In addition, the Company further agrees that the Engineering Maintenance Division will not contract out more than 10% of its annual gross operating budget as approved each year by City Council. Warranty and capital projects are excluded from this clause.

(3) This letter will remain in effect for the term of the agreement.

Note: It is agreed that unconventional transit service shall include demand responsive service, community bus service and flexible routing bus service.