



BC Transit Regionalization

Kamloops

Merritt

Clearwater

Ashcroft/Clinton/

Cache Creek



What is Operational Regionalization?

- What is operational regionalization? Where possible, the grouping of transit systems into a region that is operated by one contracted Operating Company to ensure continual improvements in customer excellence and service.
- In January 2024, the BC Transit Board approved the 2024 Regional Contract Strategy that recommended the regionalization of operational transit service in:
 - Kamloops (conventional, custom and community)
 - Merritt
 - Ashcroft/Clinton/Cache Creek
 - Clearwater
- The ability to contract with a larger, more mature operator to run the systems
- Operating contracts will now be a 9-year contract term with options to extend for two additional three-year terms.
 - Firm costs for initial three years in RFP
 - Costs for subsequent three-year terms negotiated subject to performance



Why Regionalization?

- **The Regional contracting strategy is designed to deliver:**
 - Value for taxpayers and riders
 - Safe, reliable transit service with good customer experience
 - Capacity for growth and operating flexibility
 - Adhere to Provincial procurement requirements and BC Transit Policy
- **Management Oversight:**
 - Single leadership team providing support and oversight to one operational area
 - Standards in training and service delivery across the systems
 - Use of combined operator resources to support a bigger system
- **Customer Service:**
 - Single management oversight for customer service standards
 - Consistency in messaging in service delivery and changes
 - One central booking/customer enquiry line
- **Maintenance:**
 - Maintenance oversight of one fleet
 - Standards in service work and cost controls
 - Parts inventory controlled through one maintenance shop
 - Mechanics specializing in the repair of buses provided by BC Transit

The goal is to improve safety, reliability, customer service and efficiency



Challenges and Benefits

- **Challenges with the current state**

- Four transit systems that are geographically close with 3 operating companies providing service: TransDev (Kamloops); Nicola Valley Transportation Society (Merritt); Ashcroft/Clinton/Cache Creek and Clearwater (Yellowhead Community Services).
- Operational standards vary between providers
- Vehicle maintenance oversight varies between Operating Partners
- Merritt has recently come up against a leasing challenge for a property to house buses and an administrative office
- 3rd party maintenance providers are not always able to offer the priority to transit to ensure we make service.

- **Benefits**

- Improvements to management oversight, centralized and consistent customer service at a higher standard, maintenance oversight of one fleet with more controlled cost
- Potential for greater interconnectivity in regional planning
- Potential for more collaboration with other regional partners
- Ashcroft/Clinton/Cache Creek and Clearwater systems have natural travel pattern into Kamloops that will allow for an efficient maintenance model.



When is this Proposed to Happen?

SEPTEMBER 2024	1 AUGUST 2025
Request for Proposal (RFP) process	Start of new operating contract and service implementation

There is an opportunity for Local Government consultation along the process:

- Preparation: Service Specifications, Requirements and Standards
- Submissions: **Vendor discovery**, site tours
- **Evaluation**
- Lead Proponent: Identification and BC Transit Board Approval
- Final Agreement: Service Implemented

What's in the RFP and Get Involved

- The content of the Request for Proposal includes:
 - Purpose, Scope, Administrative
 - Service Specifications
 - Operating Company Requirements
 - Management responsibilities (Maintenance, HR, service delivery, revenue collection and security, safety, training, emergency management and business innovation.
 - Performance management and reporting requirements
 - Customer service requirements
- Submission Requirements
 - Management plan and cost model for initial 3 years of agreement period
- **Get Involved in the process:** Local Government Partners are encouraged to sit in on the RFP process as an observer during the review stage as an opportunity for transparency, increased partnership and to gain a full understanding of the process. Final decisions are made by the Board of BC Transit.



Who Else has Gone Through Regionalization?

Region	Transit System	Operating Company
North East	Dawson Creek, Fort St. John	PWT
Sea to Sky	Whistler, Pemberton, Squamish	PWT
West Kootenay	West Kootenay, Boundary, Kootenay Lake West	PWT
Central Okanagan	Kelowna, Vernon, Shushwap	TransDev
North West	Prince Rupert, Port Edward, Kitimat, Terrace, Skeena, Hazelton	PWT
South Okanagan	Penticton, Summerland, Okanagan Similkameen, Osoyoos	Berry and Smith
Central Vancouver Island	Campbell River, Comox, Port Alberni	PWT
Central Fraser Valley	Abbotsford, Chilliwack, Agassiz-Harrison, Hope	TransDev
South Vancouver Island	Victoria handyDART, Cowichan Valley, Cowichan Commuter, Cowichan Custom, Youbou	TransDev
East Kootenay	Elk Valley, Columbia Valley, Kimberley, Cranbrook, Creston	NextGen
Prince George	Prince George, Prince George Custom, Buckley Nechako	PWT

What Are the Cost Implications?

- Cost implications would be speculative at this time as **costing is determined through the RFP process.**
- Local governments can expect an **increase in fixed and variable costs** for certain aspects of service delivery and driver's wages compared with what they are paying now but can also **expect a decrease in third party maintenance** due to regionalization.
- Once the RFP advances to the “cost per point” stage of the evaluation, Local Government partners will have a better sense of what to expect for budgeting. This part of the process will occur **in early 2025.**
- Your **Government Relations Manager will keep you updated** along the way and you are **encouraged to join the RFP process as observers.**



Typical Questions

These are the Questions we typically hear from councils, committees and communities regarding operational regionalization:

- ✓ Will existing service levels, route coverage, fare structure or accessibility change?
No, as this is a change in who is delivering the service and not a change to the service itself.
- ✓ What impact will regionalization have on local business? Minor running repairs can still happen locally. Larger maintenance will now be done in a central workshop (Kamloops), which does mean taking that work out of the community. In many cases there is limited support locally and at times our buses need more support than can be handled in the community. This model provides the best of both options to keep buses in service.
- ✓ What impact does this have on LGP decision making? Regionalization is about service provision and does not diminish the independence of each system. Decisions about service levels are still made by each Local Government body with the support of BC Transit.

Typical Questions

- ✓ What are the employment opportunities for those operators and administrative staff currently in place? Will there be local job loss? Any unionized staff are guaranteed positions as both employees and the collective agreement follow into the next contract based on labour code rules (Kamloops, Merritt). For non-Union employees BC Transit's board has a resolution requiring that where positions are needed to be filled that current non-Union staff are offered first opportunity to be retained. Leadership positions are excluded from this (GM, AGM, maintenance manager)
- ✓ Will there be potential disruption of service for community members? Riders and community members will not have a disruption of service. BC Transit has managed many operational change-overs and a specific process is followed to ensure a smooth transition that is undetectable to the customer.
- ✓ Will there be increased cost due to regionalization? Yes. Raising the service standards to align with BC Transit's standards and also industry standards for wage compensation will cause a lift. We can likely see some small savings to help offset this increase in the maintenance budget as a benefit of regionalization (Third party maintenance can be decreased from \$140/hour to approximately \$85/hour)

Points to Take Away

- Overall, regionalizing transit operations in neighbouring cities has the potential to deliver significant benefits however it takes the following to be successful:
 - It requires careful planning
 - An engaged and collaborative RFP process
 - Adaptation to change locally
- Addressing concerns regarding the cost of regionalization requires careful financial planning, transparent communication and engagement to sure that any financial impacts are managed effectively.
- The best way to ensure a successful outcome is for each local government partner to join the RFP process as an observer to consult in the process. This allows for full transparency and understanding of the process and its benefits to each transit system.