

# BC Transit *Advantage*

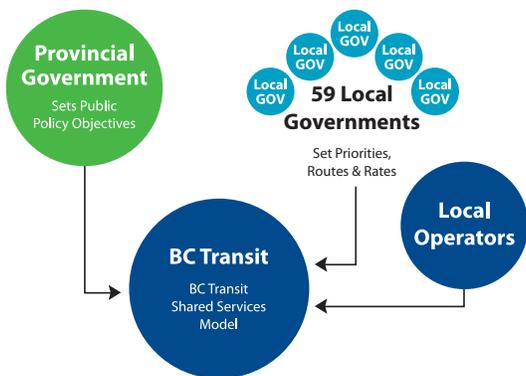
BC Transit's shared services model allows us to achieve operational and financial efficiencies through economies of scale, while delivering affordable quality transportation to the people of British Columbia. Efficiencies gained through the shared services model deliver value for money, positioning BC Transit as a leader of safe, effective and efficient customer-focused transit services.

## BC Transit Scope

BC Transit connects people, communities, and businesses across the province through cost-effective, sustainable public transit. The scope of BC Transit's programs as of March 31, 2014:

- Provides services to over 130 communities across B.C. in collaboration with 59 local government partners, including the Victoria Regional Transit Commission and regional health authorities
- Contracts with 18 private management companies, 6 public operating organizations and 13 non-profit agencies
- Provided 51 million passenger trips in 2013/14
- Serves more than 1.6 million people in B.C.
- Owns a fleet of 1,052 conventional and double-deck buses and minibuses
- Total operating expenditures in 2013/14 of \$222.3 million
- Total capital expenditures in 2013/14 of \$79.4 million

## Shared Services Model



BC Transit provides a wide range of management services that benefit all of the transit systems in the province. The shared services model:

- Pool expertise in areas such as planning, scheduling, operations, safety programs, marketing, communications, IT, financial management and fleet support;
- Provides an opportunity to lower costs through bulk purchases of supplies and assets, such as fuel and vehicles;
- Provides a framework to oversee and invest in transit on a provincial scale;
- Provides efficiencies in contract management for public transit operators and,
- Manages the distribution of provincial government funding.

## BC Transit Legislated Mandate

The *British Columbia Transit Act* requires us to:

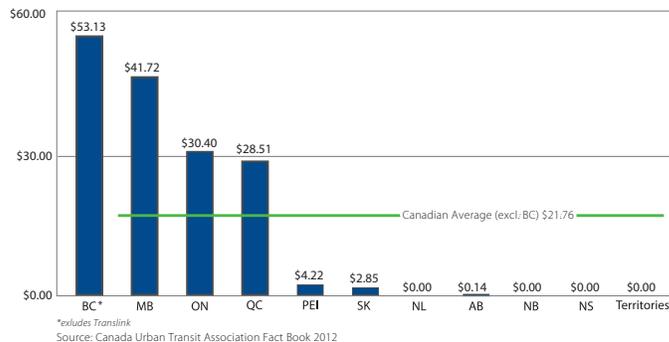
- Plan, acquire, construct or cause to be constructed public passenger transportation systems and rail systems that support regional growth strategies, official community plans, and the economic development of transit service areas.
- To provide for the maintenance and operation of those systems and,
- To enter into commercial revenue opportunities in respect of the authority's assets and resources.



## BC Transit Independent Review

In 2012, BC Transit's operations, governance, communications and funding relationship with local government partners was reviewed by an independent panel. The report confirmed BC Transit compares very favourably to peer transit systems across the country, "particularly in terms of ridership, supply of service, and efficiency of service provided" and that "the level of provincial support for public transit in British Columbia is unmatched in the rest of Canada"<sup>1</sup>. These advantages keep the contributions from local governments in B.C. comparatively low.

Provincial Operating Contributions for Transit per Capita



## Performance Advantage

BC Transit carries more passengers, using less service hours, at a lower cost than comparable transit systems across Canada. Our performance is benchmarked against transit statistics of similar size population groups, collected by the Canadian Urban Transit Association (CUTA)<sup>2</sup>. The measures compare overall service effectiveness and efficiency and are the statistics most universally used by the North American transit industry to track performance.

CUTA Performance Benchmark	Victoria vs CUTA (150,000 - 540,000)	Regional Systems vs CUTA (50,000 - 150,000)
Passengers / Capita	66.26 (29% higher) ✓	29.46 (10% higher) ✓
Passengers / Hour	30.59 (4% higher) ✓	27.30 (13% higher) ✓
Operating Cost /Service Hour	\$103.48 (6% lower) ✓	\$94.86 (6% lower) ✓
Operating Cost /Passenger	\$3.38 (9% lower) ✓	\$3.47 (19% lower) ✓

Even though labour rates are similar across the CUTA comparators, the BC Transit Advantage drives economies through bulk procurement, fleet and fixed asset management, and administrative efficiencies.

## Customer & Partner Satisfaction



When asked to rate their transit experience, BC Transit customers consistently rate their overall satisfaction level above average<sup>3</sup>. BC Transit satisfaction levels are surveyed annually by a contracted research company.

CivicInfo BC<sup>4</sup> surveys BC Transit partners each year to measure the performance of BC Transit. The local government & operating company surveys show strong results and improvements year over year. This marks a favourable trend and reflects on BC Transit's commitment to collaboration and cultivation of strong partnerships.

The Funding Partner Survey included in the Report of the Independent Review Panel<sup>1</sup> also returned positive results for BC Transit. It rated overall relationships, communication and value for money as good or fair by 90%, 86% and 73% of respondents respectively.

## Purchasing Advantage - Discount & Bulk Procurement

BC Transit achieves economies of scale in fuel and capital purchasing that result in an overall financial benefit to all of our transit systems and our funding partners. For example BC Transit saves approximately 20 per cent on fuel costs through bulk purchases, and 8 per cent on vehicle purchases due to volume discounts.

Cost management of fuel is fundamental to achieving financial efficiencies in transit operations as fuel accounts for approximately 11 per cent of the total expenditures. As the shared service model allows fuel to be purchased centrally, BC Transit is able to enter into targeted fixed price supply agreements on a portion of fuel consumption to contain cost volatility and mitigate fuel price risk.



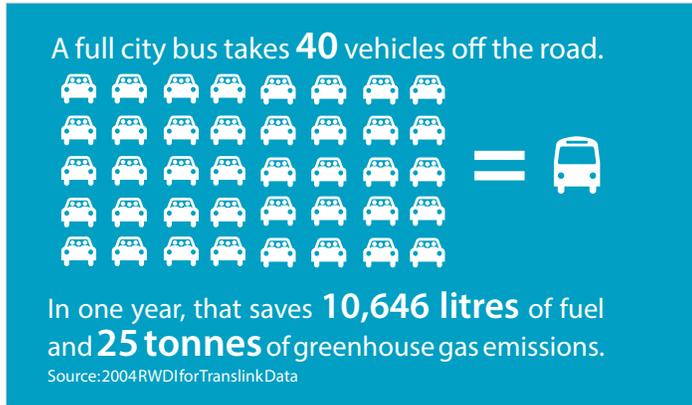
## Contracted Service

BC Transit's approach to contracting transit operations enables systems to take advantage of a wide range of transit operating expertise, including those provided by world-class transit management companies. Leveraging the experience of private transit operating companies contributes to BC Transit's favourable performance.



## Environmental Sustainability

Today, the provision of transit service is central to enabling more sustainable communities: optimizing land use and facilitating people's mobility by walking, cycling and transit. All of these actions reduce traffic, smog and GHG emissions by reducing the use of single-occupancy vehicles.



The benefits of transit to our regional economies is demonstrated by increased personal connections to employment, school, shopping, healthcare and recreation; by reduced pressure on traffic congestion and transportation infrastructure; by cleaner, more efficient energy use; and through the stable local employment opportunities offered in the transit industry.

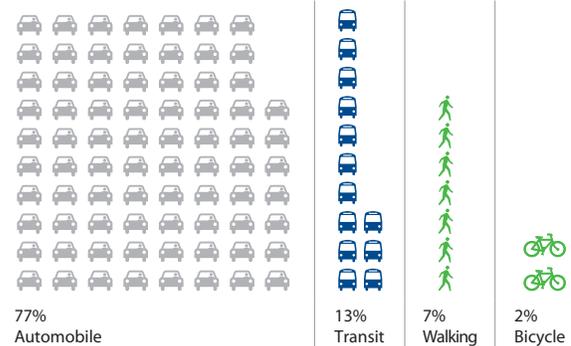
Since 2008, all public sector organizations, including BC Transit must provide Carbon Neutral Action Reports to outline actions taken to reduce energy use and greenhouse gas (GHG) emissions. Read online at [www.bctransit.com](http://www.bctransit.com)



## Shaping Livable Communities

Transit Future looks at how you can work with BC Transit to meet the needs of your community now and for future generations. Planning that future can come in a number of forms: a 25 year plan; a service review; or, infrastructure or major projects.

### British Columbia Commuter Modes



Source: Statistics Canada 2011, National Household Survey, Profile British Columbia, Modes of Transportation

## Fleet Innovation

The centralized shared services model of fleet acquisition fosters innovation. We are proud of our history and our leadership role in testing and implementing new lower-carbon vehicles and technologies.

- 1992 – First low-floor buses in North America
- 2000 – First low-floor double-decker buses in North America
- 2005 – First production hybrid buses in Canada
- 2010 – Largest demonstration hydrogen fuel-cell fleet globally
- 2011 – First hybrid double-deck bus in North America
- 2014 – Introduced CNG (Compressed Natural Gas) buses

In support of the opportunities and benefits of the natural gas industries abundant in British Columbia, BC Transit has introduced CNG buses in revenue service in the Regional District of Nanaimo and plans to launch a new CNG fleet of buses in Kamloops in early 2015.

BC Transit is also the first company in North America to test and purchase medium-duty buses which offer substantial advances in fuel efficiency and long-term cost savings in comparison to conventional buses.

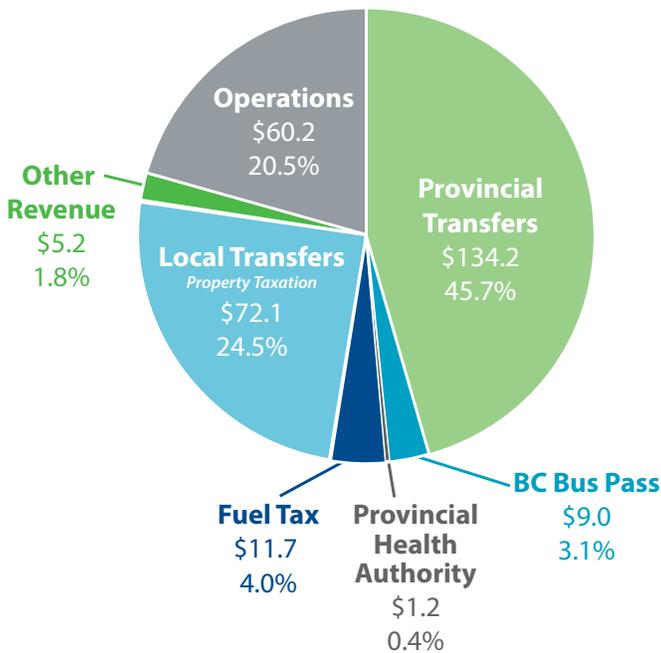


Compressed Natural Gas (CNG) Bus

## Funding

Funding for transit services is generated from three main sources. Provincial contributions through various forms for the most recent year accounted for 53.2 per cent of total funding; local government transfers from property taxation accounted for 24.5 per cent; and, the remaining 22.3 per cent was generated through operations (customer fares, advertising and investments).

BC Transit 2013/14  
(Millions)



## Governance

The corporation is governed by a seven-member Board of Directors appointed by the Province according to the *British Columbia Transit Act*. The Act requires four board members to be locally-elected representatives. The Board of Directors, through the Chair, reports to the Minister of Transportation and Infrastructure.

### References

1. [http://www.th.gov.bc.ca/BC\\_Transit\\_Review/documents/Report\\_BCTransit\\_Independent\\_Review\\_Panel\\_Aug2012.pdf](http://www.th.gov.bc.ca/BC_Transit_Review/documents/Report_BCTransit_Independent_Review_Panel_Aug2012.pdf)
2. Canadian Urban Transit Association (CUTA) Fact Book 2012
3. <http://www.bctransit.com/corporate/resources/pdf/res-perf-86.pdf>
4. [http://www.civicinfo.bc.ca/81\\_ver2.asp](http://www.civicinfo.bc.ca/81_ver2.asp)

## The BC Transit Advantage

- ✓ **Administrative Advantage**
  - Shared Services Model
  - Economies of Scale
- ✓ **Operational Advantage**
  - Bulk Purchasing
  - Volume Discounts
  - Cost Control Management
- ✓ **Entrepreneurial Advantage**
  - Lower Operating Costs
  - Customer & Stakeholder Commitment
  - Fleet Innovation
  - Revenue Opportunities

Jurisdictions from across Canada look to the BC Transit model as a best practice for the provision of transit services. Delegations from Alberta, Ontario, Quebec, and most recently Sweden, have investigated opportunities to leverage the BC Transit Advantage.

