

**Mayor's Office Report to  
Priorities and Finance Committee  
2018 November 06**

**ISC: UNRESTRICTED  
PFC2018-1291**

**Council Innovation Fund Application**

**Council Sponsor: Councillor Jyoti Gondek and Councillor Shane Keating**

**Internal Sponsor(s): Calgary Transit, Information Technology and Community Standards**

**Name of Project: On Demand Transit Service Pilot**

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**EXECUTIVE SUMMARY**

Councillor Gondek and Councillor Keating are sponsoring an application to the Council Innovation Fund (CIF) in partnership with City Administration, represented by Calgary Transit, Information Technology and Community Standards (Bylaw and Livery).

Councillors Gondek and Keating are requesting a withdrawal of \$338,000 from the CIF to fund an On-Demand Transit Service pilot project. This application proposes offering on-demand transit service in newer communities where transit demand is presently insufficient. A review of new technologies, best practices and pilot projects as other transit agencies has identified that a demand-responsive service model may be able to provide better service at a lower cost than traditional models in areas or time periods that typically experience lower customer demand. This type of on-demand operation, common with ride-sharing companies, is very new to public transit.

A pilot project is being recommended to determine the efficacy of this model within Calgary, and confirm outcomes prior to making large investments in capital and process change. The application on-demand and ride-aggregating technology to a large public transit system is relatively new. Use of the innovation fund will allow Calgary Transit to test this technology in a new community by gathering information and customer feedback in the Calgary context. If successful, this model can be applied to other areas across the city where low demand restricts the ability to provide cost-effective traditional fixed route transit services.

**ADMINISTRATION RECOMMENDATION:**

1. That the Priorities and Finance Committee recommend Council approve this application for the CIF for the On-Demand Transit Service pilot project in the amount of \$338,000.
2. That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q2 2020

**PREVIOUS COUNCIL DIRECTION / POLICY**

As part of the 2010 November deliberations on the 2011 budget, Council established the CIF and directed Administration to develop Terms of Reference for the fund and create criteria that would guide Council on withdrawals request from the CIF. The Terms of Reference (see attachment 2) were adopted in March 2011 and are based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Successful applications must provide detailed documentation and address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.

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- b) Pilot projects or experiments that have potential to change city-wide policies and procedures.

Any Council member(s) can submit an application to the Priorities and Finance Committee for review and consideration and ultimately for Council's consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

## **BACKGROUND**

The remaining budget in the Council Innovation Fund, including surplus from previously approved projects, totals \$1,228,662.

## **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

See Attachment 1 for more details.

### **Stakeholder Engagement, Research and Communication**

See Attachment 1 for more details.

### **Strategic Alignment**

See Attachment 1 for more details.

### **Social, Environmental, Economic (External)**

See Attachment 1 for more details.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

See Attachment 1 for more details.

#### ***Current and Future Capital Budget:***

Should this application for \$338,000 be approved, the remaining balance in the Council Innovation Fund would be \$890,662.

There are two applications for the CIF before the Priorities and Finance Committee on Nov. 6. Should PFC2018-1300 also be approved, the remaining balance in the CIF would be \$365,662.

## **Risk Assessment**

The Terms of Reference for the CIF have been developed to support a wide variety of candidate projects. Members of Council retain the discretion to develop and support applications to the CIF and Council retains the discretion and final decision-making power over withdrawals from the fund.

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**REASON(S) FOR RECOMMENDATION(S):**

This application meets the Terms of Reference for the CIF. This project is a one-time funding request that has the potential to have a city-wide impact. In addition, this project supports the Council Priorities as well as the Municipal Development Plan and the Calgary Transportation Plan.

**ATTACHMENT(S)**

1. Attachment 1 – Councillor Gondek and Councillor Keating CIF Application: On-Demand Transit Service
2. Attachment 2 – City Manager Report – Council Innovation Fund Terms of Reference (Policy Interpretation) PAC2011-05 - 2011 March 01