

Staff Report 2026-0218

Meeting: General Committee Meeting

Meeting Date: April 7, 2026

Subject: ARGO MICRO-TRANSIT PILOT

Submitted By: Dan Terzievski, Director of Transportation, Engineering, Public Works and Transportation
Tong Wang, Manager of Transportation, Engineering, Public Works and Transportation
Jay Modi, Sustainable Transportation Coordinator, Engineering Public Works and Transportation

RECOMMENDATION

That staff be authorized to enter into a 15-month On-Demand Micro-Transit Pilot Agreement with Argo Transit, subject to the approval of the Commissioner of Corporate Services & Chief Legal Officer, through a non-competitive sole source procurement, commencing October 1, 2026, and running through December 31, 2027, at a total cost to the Town of \$4.61 million;

That a capital project of \$4.61 million be established for the On-Demand Micro-Transit Pilot and funded from the uncommitted Provincial Gas Tax Reserve of \$1.1 million and Capital Asset Replacement Fund of \$3.51 million; and

That staff be authorized to include an option in the agreement to extend the pilot for one additional year ending in 2028, exercisable at the sole discretion of the Town with the approval of Council, and that all necessary agreements or related ancillary documents, including the execution of all agreements, documents, affidavits, statutory declarations, or undertakings, be completed in a form satisfactory to the Commissioner of Corporate Services & Chief Legal Officer.

REPORT HIGHLIGHTS

- The Town of Caledon currently delivers transit services to residents through fixed-route contracts with Brampton Transit. These provide transit to Bolton, the Mayfield West/Southfields communities and to select employment areas.
- These existing fixed-route services operate with limited frequency and coverage, resulting in service gaps, and they do not currently connect communities nor do they serve Caledon East.
- The Town's 2019 Transit Feasibility Study identified demand-responsive (on-demand) transit as a potential model for Caledon.
- Staff conducted a market scan of on-demand transit providers, including both software-only platforms and fully turn-key service providers, to assess on-demand micro-transit delivery models and options and their suitability for the Town.
- ARGO Transit is a turn-key micro-transit service provider with demonstrated experience delivering on-demand transit in growing communities, with services

- currently operating in the Town of Bradford West Gwillimbury (BWG) and in Brampton's Downtown core.
- ARGO Transit connected with the Town in December 2025 to engage in exploratory discussions with ARGO Transit on how their on-demand, fully electric micro-transit services could benefit the Town of Caledon.
 - Since those exploratory discussions, ARGO transit has presented a proposal for a pilot concept that would service Bolton, Mayfield West (Southfields), and Caledon East as a single, integrated transit network.
 - The proposed pilot would service three key communities — Bolton, Mayfield West (Southfields), and Caledon East, replacing three existing Brampton Transit routes (#81, #25 and #41), extending transit service into Caledon East, while also providing service connections between the three communities.
 - The pilot also includes integration with regional transit services (Brampton Transit, GO Transit, and York Region Transit), supporting improved inter-municipal connectivity and seamless transfers through PRESTO and the One Fare Program.
 - Service would operate seven days per week, ensuring coverage of existing service times offered through Brampton transit, and will target to reduce median wait times to 20-minutes while ensuring 100% trip fulfillment.
 - ARGO Transit would deliver the service on a fully turn-key basis, including vehicles, drivers, booking software, dispatch, and operations.
 - Staff recommend a 15-month pilot commencing October 1, 2026, which aligns with the Town's budget cycle, allows sufficient time for service stabilization and evaluation, and allows the newly elected Council to make decisions regarding the continuation or extension of service.
 - Staff are seeking Council approval for a total budget of \$4.61 million for the recommended 15-month pilot.
 - It is proposed that the 15-month pilot project be funded through a combination of \$1.1 million from uncommitted Provincial Gas Tax Reserve and \$3.51 million from the Capital Asset Replacement Fund.
 - ARGO Transit will take on all fare revenue risk for the full duration of the pilot.
 - The recommended pilot is consistent with the Town's key strategic objectives, including commitments under the Resilient Caledon Community Climate Change Action Plan to expand low-carbon transportation options.
 - The proposed pilot also builds on the findings of the Town's 2019 Transit Feasibility Study, which identified on-demand transit as a suitable model for improving service coverage and connectivity in Caledon.
 - Subject to Council approval, staff will advance implementation, including finalizing agreements, coordinating service transition, integrating with regional transit systems, and establishing monitoring and evaluation of pilot performance.

DISCUSSION

Background

Existing Transit Services in Caledon

The Town of Caledon currently provides transit service to residents through a contracted arrangement with Brampton Transit. There are five routes currently operating within Caledon:

- **Route #81 Mayfield West** – serving the Mayfield West / Southfields area, this route operates with a frequency of 45 minutes across the weekday AM and PM peak, midday and weekend daytime periods. There is no evening service on weekdays or weekends on this line.
- **Route #25 Edenbrook** – serving the Mount Pleasant / Mayfield West area, this route operates during weekdays AM and PM peak periods only, with a frequency of 36 minutes. There is no midday, evening, or weekend service.
- **Route #41 Bolton** – serving the Bolton area, the route operates on weekdays only, with a frequency of 55 minutes during AM and PM peak periods. There is no midday, evening, or weekend service.
- **Route #18 Dixie Road** – primarily services the UPS and the Dixie Road employment area and generally operates in alignment with shift schedules and employment needs.
- **Route #30 Airport Road** – primarily services the Prologis, NLS, and the Airport Road employment area and generally operates in alignment with shift schedules and employment needs.

These conventional fixed route operations currently create some service gaps within the areas they serve, and do not provide service connectivity between these communities. Furthermore, the suburban community of Caledon East currently remains unserved by transit.

Mirco-Transit as a Service in Caledon

The Town of Caledon completed a Transit Feasibility Study in 2019, which examined the future transit needs of the Town and evaluated various transit delivery models. The study identified the need for three tiers of transit service in Caledon: local service within communities, inter-community service connecting Caledon's settlement areas to one another, and inter-municipal service linking the Town to key destinations and adjacent municipalities and regions. The study identified demand-responsive transit as one of three viable service models for the Town, noting its suitability for communities where trip patterns are less predictable and more geographically dispersed — characteristics that reflect Caledon's current and growing built form.

Since 2020, on-demand micro-transit as a form of demand-responsive transit has been gaining popularity across North America due to its ability to effectively service suburban and lower-density communities. The key advantages of this service model include:

- A scalable service that can grow alongside community development and population growth, without requiring the upfront infrastructure investment associated with fixed-route expansion;
- Improved “first-mile, last-last mile” connectivity through door-to-door or near-to-door service which is more convenient, rider-centric, and improves transit satisfaction, accessibility, and equity for all residents, including seniors and those with accessibility needs;
- Improved cost efficiency by replacing traditional large buses, that may often run underutilized on low-demand fixed routes, with a fleet of smaller, right-sized buses that can be dynamically redeployed and scaled based on real-time demand;
- Flexible, real-time on-demand booking rather than reliance on fixed schedules, which helps reduce wait times and improves overall service responsiveness; and
- An environmentally sustainable transit solution that can support the Town's commitments of reducing transportation-generated greenhouse gas emissions under the Resilient Caledon Community Climate Change Action Plan.

Potential Service Providers

Staff completed a market scan of on-demand transit providers that could support a micro-transit service model for the Town of Caledon. Several companies currently offer on-demand transit solutions focused on software-only platforms, which require the municipality to separately source vehicles, drivers, and operations. While others offer fully turn-key service delivery models that bundle all components under a single provider. This distinction is an important consideration for the Town, as a software-only approach would require Caledon to independently procure and manage vehicles, hire and oversee drivers, arrange fleet storage and charging infrastructure, and provide resourcing to manage the overall service. The providers identified through this scan are summarized below and in **Table 1**.

- **ARGO Transit** – A Canadian owned company that delivers fully integrated, turn-key transit services, combined with local experience servicing communities of comparable size and geography in Ontario. ARGO Transit's began its first municipal transit deployment in Bradford West Gwillimbury in early 2025 and has since launched a supplementary service in Brampton's downtown core.
- **VIA Transportation** – A U.S.-based on-demand transit platform with extensive deployment across North America and internationally. Via offers both technology licensing as well as full-service turn-key delivery models and has partnered with transit agencies across North America to replace or supplement fixed-route services in suburban and small urban markets.

- **Blaise Transit** – A Canadian-based software platform that enables municipalities to deliver demand-responsive transit using their own or contracted vehicles (Blaise does not provide its own vehicles). Blaise offers a model focused on-demand transit software and scheduling optimization and has been used by several smaller Canadian municipalities to transition from fixed-route to flexible-route services.
- **Pantonium** – A Canadian company that provides on-demand transit software to optimize bus routes in real time based on rider demand, allowing transit agencies to decouple buses from fixed routes and redeploy them where demand is greatest. Like Blaise, Pantonium is a software-only provider; and the municipality is responsible for supplying and managing its own vehicles and drivers.
- **RideCo** – A Canadian-based on-demand transit technology company that partners with transit agencies and experienced fleet operators to design, simulate, launch and operate on-demand transit services. Its model sits between software-only and full turn-key, but municipalities would need to separately contracted fleet and drivers.
- **Share Mobility** – A U.S.-based on-demand transit technology provider offering software and operational support for demand-responsive services. Share has been deployed in various North American transit contexts, including employer-sponsored and community shuttle services.

Table 1: Potential On-Demand Transit Service Providers

Provider	Headquarters	Software Only ¹	Fully Turn-Key (Fleet + Ops)	Ontario/Canadian Experience
ARGO Transit	Canada	No	Yes	Yes (BWG, Brampton)
Via Transportation	USA	Optional	Yes	Yes (large-scale)
Blaise Transit	Canada	Yes	No	Yes
Pantonium	Canada	Yes	No	Yes
RideCo	Canada	Yes	No	Yes
Share Mobility	USA	Yes	No	No

¹Transit service providers which only offer a software service for facilitating on-demand transit operations, through algorithmic ride matching models, and with an online ride-booking platform.

ARGO Transit’s Service Solution:

ARGO Transit offers a Canadian-based, fully integrated, turn-key micro-transit solution. The service is designed to support growing communities. Unlike software-only providers, ARGO delivers an end-to-end service model that includes vehicles, drivers, technology, and day-to-day operations under a single contract, simplifying implementation and reducing administrative burden for municipalities. This model is supported by ARGO’s demonstrated experience operating on-demand transit services within Ontario, including active deployments in the Town of Bradford West Gwillimbury (BWG) and the City of Brampton. ARGO’s service offering includes:



- A fully electric fleet and charging infrastructure that can easily infiltrate into growing communities to provide on-demand door-to-door or near-to-door service;
- A fully integrated proprietary on-demand booking software that can be adapted to the Town's needs and provides service analytics;
- Multiple payment options as well as integration with Presto and the Province's One Fare system;
- Data reporting structure which provides service level summaries and uses it to inform about potential service improvements.

ARGO's service model is flexible and can be deployed to either supplement existing conventional transit or fully replace fixed-route services, depending on community needs. ARGO is currently operating both service models, acting as the sole transit provider in BWG and as a complementary service within the City of Brampton's downtown core.

Ongoing Discussions with ARGO and Bradford West Gwillimbury

Staff held introductory discussions with ARGO Transit in December 2025 to get a more detailed understanding of their service offerings and how they could fit in with the Town of Caledon's transit objectives.

These discussions have evolved over the past several months into a more detailed scoping exercise about service costs, deployment timing, potential service areas, service objectives, and other logistical details related to service set-up, operations, delivery, and contractual arrangements.

In addition to discussions with ARGO Transit, Caledon staff have engaged with the Town of BWG, which is currently piloting ARGO's on-demand transit service, to gather insights on their experiences, funding approach, service setup and delivery, ongoing operations, resourcing needs, and rider experience.

Based on several discussions with staff, it was noted that BWG has been generally pleased with the service that ARGO Transit has been able to provide. Under the pilot, BWG was able to achieve a 100% increase in ridership within 6-months, with ridership doubling compared to their conventional routes for the same service area. Also, 100% of bookings have been accommodated within the general levels of service that were planned. However, pilot adjustments were required in the early stages and throughout the process with involvement and input from BWG staff to achieve this stable service delivery.

Town of Caledon Micro-Transit Pilot

As an outcome of the discussions between ARGO Transit and Town Staff, ARGO Transit has presented a proposal for a potential micro-transit pilot in the Town of Caledon. The details of this proposal are outlined in the sections below.

Pilot Term

The current proposal from ARGO Transit is for a 15-month pilot starting October 1, 2026, and running to the end of 2027, with an option to extend the pilot for one additional year at the sole direction of the Town and Council.

The term of the pilot aligns with the Town's annual budget cycle and avoids the need for future in-year budget approvals should the Town elect not to continue the service following the pilot period. The 15-month pilot duration also provides sufficient time to set-up and calibrate the service and make initial services adjustments, while still allowing for a meaningful period of stable operations to properly evaluate performance and report back to Council.

An optional one-year extension at the Town's sole discretion will also allow the incoming Council to properly assess the service in 2027 and make an informed decision regarding any future continuation of the pilot or service adoption. This also give the Town the flexibility to pursue a fully open procurement process based on learnings from a piloted operation, without a long-term commitment.

Commencing October 1, 2026 also allows adequate time for Town staff to finalize contractual arrangements and give appropriate notices to Brampton Transit to pause services (90-day notice required), while also allowing time for ARGO Transit to set up their infrastructure (including charging facilities and software) and develop and deploy the public communication and marketing campaign.

Pilot Scope

The proposed ARGO Transit pilot would service three key communities in Caledon: **Bolton, Mayfield West (Southfields), and Caledon East**, under a single integrated local transit model. A detailed map of the proposed service areas is included in **Schedule A**. The service would provide residents with flexible on-demand door-to-door or near-to-door pick-up/drop-off for:

- local trips within each of the three serviced communities;
- inter-community trips between the three serviced communities; and
- inter-municipal trips to and from designated transfer points with Brampton Transit, York Region Transit, and GO Transit.

Specifically with respect to inter-municipal trips, the pilot proposes connections to Mayfield & Hwy 50 Park-and-Ride (regional connection point for GO Buses), 522 Mactier Drive (transfer point linking to York Region Routes 006 and 361), and 55 Cedarholme Avenue (transfer point linking to the Brampton funded portions of Brampton Transit Route 41).

Under the pilot, service would operate seven days per week, **Monday to Friday from 5:30 AM to 8:00 PM, as well as Saturday and Sunday from 7:00 AM to 7:00 PM**, with a targeted 20-minute median wait-time and 100% trip fulfillment within the defined service areas. This is consistent with, and in many cases surpasses, the operating hours of existing routes currently operating in the Town of Caledon.

As such, the pilot would serve as a replacement for the Brampton Transit Routes #81 Mayfield West, #25 Edenbrook, and #41 Bolton for the duration of the 15-month term.

Routes #18 (Dixie Road) and #30 (Airport Road) would continue to be serviced through Brampton Transit, as they primarily service employment areas outside the limits of these residential communities and operate with specialized service schedules which align with employment shifts.

Town staff have worked with ARGO Transit to scope expected ridership demand, service area boundaries, hours of operation, and service level expectations to prevent degradation to existing service levels. Notwithstanding, the Town and ARGO Transit will need to approach the transition from fixed Brampton Transit routes with care, as some trips will require a transfer between ARGO's micro-transit service and Brampton Transit. Thorough coordination of transfers, integration with Presto, and the Province's One Fare Program will be essential as part of pilot implementation.

Operating Responsibilities

ARGO Transit would deliver the service as a fully integrated, turn-key model. Under this arrangement, ARGO would be responsible for:

- Provision of a fully electric and accessible vehicle fleet;
- Fully trained, licensed, and qualified vehicle operators;
- Provision of facilities for vehicle storage and decentralized fleet charging infrastructure;
- Mobile app-based booking software, supplemented by an option to book trips over the phone;
- Coordination of fare set-up and integration;
- Transit marketing, communications, and promotion;
- Dispatch and customer support services;
- Management of day-to-day operations, including service monitoring and efficiency adjustments;
- Performance reporting and maintenance of operational records; and
- Support with provincial transit funding applications.

The Town of Caledon would retain control over service definitions, fare policy and structure, and key performance indicators (KPIs). This arrangement provides cost and level of service certainty for the Town while ensuring operational expertise and responsibility remain with the service provider.

Fare Structure

Fares for the proposed on-demand micro-transit pilot will be aligned with the existing fare frameworks of Peel Region, Brampton Transit, and the Town of Caledon to ensure consistency with the current fare structure. The intent is to maintain fare parity with current fixed-route services, minimizing disruption to existing users and supporting a seamless transition to the new service model. Integration with the PRESTO fare payment system and the Province's One Fare Program will enable riders to transfer between ARGO Transit and connecting services (including Brampton Transit) at no additional cost within the applicable transfer window.

As part of the negotiated agreement, ARGO Transit will assume full fare revenue risk for the duration of the pilot. Under this model, the Town will provide a fixed service payment, while ARGO retains all farebox revenue and is responsible for any variability in ridership or fare collection. This arrangement provides the Town with cost certainty and insulates it from fluctuations in demand, while also incentivizing ARGO to optimize service performance, increase ridership, and enhance the overall customer experience.

Insights from Discussions with Bradford West Gwillimbury Staff

Several valuable insights were gained through discussions with BWG. These include:

- Early implementation phases typically require ongoing monitoring and iterative service adjustments to optimize routing, service levels, and rider experience as demand patterns become better understood.
- It is important to clearly define the intended service scope at the outset, including geographic coverage, trip types (local vs. inter-community), and key destination hubs, to ensure the service remains focused and operationally efficient.
- Establishing clear and consistent customer expectations, such as pick-up/drop-off proximity, anticipated wait times, and service availability, is critical to achieving a high level of user satisfaction and system reliability.
- A phased implementation prioritizing core service areas to stable operations should be considered before a broader geographic expansion.
- Service design elements such as virtual stops or shared pick-up points may be considered, where appropriate, to support operational efficiency while maintaining accessibility and customer satisfaction for users.
- Providing flexible booking options, including real-time and advance trip scheduling, can improve both operational planning and customer convenience.
- Clearly defined performance metrics, reporting requirements, and data transparency are essential to effectively monitor service outcomes and inform any required adjustments throughout the pilot period.

These insights will be taken into consideration as part of the Town of Caledon's pilot agreement negotiations with ARGO transit.

Pilot Objective

The primary goal for undertaking this pilot is to evaluate how on-demand micro-transit service can be leveraged to potentially improve the quality, coverage, and connectivity of transit services for the residents of Caledon, in line with the recommendations of the 2019 Transit Feasibility Strategy. Specific objectives of the pilot include evaluating the operational, logistical, and financial feasibility of:

- Replacing existing fixed-route Brampton Transit services in Bolton and Mayfield West/Southfields with a more flexible, demand-responsive transit model that reduces service gaps and improves coverage;
- Extending transit service to the community of Caledon East, which is currently not served by any transit options;
- Providing/improving local transit accessibility and “first-mile last-mile” connections within each serviced community using micro-transit;
- Providing seamless transit inter-connectivity between Bolton, Mayfield West (Southfields), and Caledon East under a single integrated network;
- Improving access to transfer points and connections to Brampton Transit, York Region Transit, and GO Transit services;
- Improving existing service levels by operating seven days per week, with a 20-minute median wait-time target and 100% trip fulfillment;

The pilot will also be used to evaluate the overall effectiveness and cost-efficiency of on-demand micro-transit as a transit delivery model for the Town of Caledon, with the intent to inform future transit planning decisions, and also evaluate ARGO Transit's fully electric fleet as a way support the Town's sustainability and environmental objectives.

Alignment with Town Transportation and Sustainability Goals

Inclusion of on-demand transit is consistent with the Town's commitments under the Resilient Caledon Community Climate Change Action Plan (the Resilient Caledon Plan). The plan has an interim target of 36% GHG emission reductions by 2030 and net zero GHG emissions by 2050. A key pillar of the Plan is Low-Carbon Transportation, with priority actions that include increasing active transportation and public transit infrastructure and expanding the Town's electric vehicle charging network. A pilot with ARGO Transit advances these sustainability objectives by expanding transit coverage to Caledon East and including inter-community connectivity, all through an electric vehicle fleet.

The pilot also builds on direction established through the Town's 2019 Transit Feasibility Study, which examined transit options across Caledon's communities and service areas. That study identified on-demand service as one of three identified service models to expand transit services within the Town of Caledon

Next Steps

Subject to Council approval of a 15-month pilot as outlined in this report, staff will proceed with the following key actions to support the successful implementation of the on-demand micro-transit pilot commencing October 1, 2026:

- Finalize and execute a service agreement with ARGO Transit, including detailed provisions related to scope, service levels, key performance indicators (KPIs), reporting requirements, risk allocation, and financial terms;
- Continue to refine the pilot scope in collaboration with ARGO Transit, including confirmation of service area boundaries, operating parameters, vehicle requirements, and performance expectations to ensure clear alignment with Town objectives and expectations;
- Initiate formal coordination with Brampton Transit to provide required notice and confirm the transition plan for the replacement of Routes #81, #25, and #41, including continuity of service and integration at key transfer locations;
- Coordinate with Metrolinx and relevant transit agencies to confirm integration with PRESTO and the Province's One Fare Program, ensuring seamless fare payment and transfer functionality at launch;
- Work with ARGO Transit to develop and implement a comprehensive public communications and engagement strategy, including service branding, rider education, outreach materials, and advance notice of service changes to existing transit users;
- Support ARGO Transit in site selection and approvals, where required, for vehicle storage, charging infrastructure, and any operational facilities within the Town;
- Establish internal project governance and assign dedicated staff resources to oversee implementation, monitor performance, and coordination of ongoing operations with ARGO Transit throughout the pilot period; and
- Develop a monitoring and evaluation framework, including baseline data collection and performance tracking, to support future reporting to Council and inform any future decisions regarding continuation or expansion of the service;

FINANCIAL IMPLICATIONS

The recommended 15-month pilot has a total gross cost to the Town of \$4.61 million (including non-refundable 1.76% HST), spanning October 1, 2026, through December 31, 2027.

Based on ARGO's estimated ridership of 228,100 trips annually, the net Town cost equates to an average trip cost of \$16.15, which is comparable to the average trip cost of \$16.35 paid for existing Brampton Transit services in 2025 (excluding Routes #30 and #18). The Town's contribution will remain fixed for the duration of the pilot, with ARGO assuming all risk related to fare revenue, ridership variability, fleet storage and charging capital costs, and any other operational needs required to meet service performance expectations.

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costs, and any other operational needs required to meet service performance expectations set by the Town.

To initiate the pilot, ARGO Transit requires a deposit of 20% of first-year costs at the time the agreement is executed, with the remaining balance billed monthly.

In addition to the direct pilot costs, the Town has existing contractual commitments with Brampton Transit that require 90 days' notice to terminate. Assuming an October 1, 2026, pilot start date, Brampton Transit costs for the first nine months of 2026 are estimated at \$1 million. Any savings from the last three months of not running Route #81, #25 and #41 will be included in the Town's 2026 year-end surplus.

The Town will also continue to incur costs associated with Routes #18 and #30 throughout the pilot period, as these routes service employment areas that cannot be replaced by the ARGO service at this time. These costs are included in the 2026 budget separate from and in addition to the requested \$4.61 million pilot cost.

Recommended funding for the \$4.61 million would be provided via \$1.1 million from the uncommitted Provincial Gas Tax Reserve and \$3.51 million borrowed from the Capital Asset Replacement Fund. The portion funded from the Capital Asset Replacement Fund would be repaid over a two-year period, at approximately \$1.755 million per year, plus interest. This repayment will be funded through taxation and incorporated into the 2027 and 2028 operating budgets through the annual budget process.

Staff, with the assistance and expertise of ARGO Transit, will explore all possible grant and alternative funding opportunities through the duration of the pilot. Should alternative funding sources become available during the pilot period, funding will be reallocated where possible to reduce the tax impact during this period.

COUNCIL WORK PLAN

Strategic Plan 2023-2035

This report is directly related to the following priority in Caledon's 2023-2035 Strategic Plan:

Enhanced Transportation and Mobility

and

Environmental Leadership

Details about Caledon's 2023-2035 Strategic Plan can be found at caledon.ca/strategicplan.

ATTACHMENTS

Schedule A - Proposed ARGO Transit Service Areas.pdf