

This document can be made available in other accessible formats as soon as practicable and upon request



Staff Report

Operations Department

Report To: Committee of the Whole
Meeting Date: November 3, 2020
Report Number: CSOPS.20.058
Subject: Winter Maintenance Contract Extensions and Equipment Needs
Prepared by: Jim McCannell, Manager of Roads and Drainage

A. Recommendations

THAT Council receive Staff Report CSOPS.20.058, entitled "Winter Maintenance Contract extensions and Equipment Needs";

AND THAT Council endorse Option #1 and direct Staff to extend the three, six-month snow plow Operator contracts to the end of the 2023 winter season;

AND THAT Council directs Staff to bring forward a Capital budget sheet for consideration in the 2022 budget deliberation process for vehicle replacements to allow for winter maintenance activities.

B. Overview

On May 3, 2018, Committee of the Whole received Staff Report CSPW.18.041 entitled "Winter Road Maintenance for the 2018/2019 and 2019/2020 Season" (Attachment #1). As a result, Staff were directed to hire three contract snowplow drivers along with the purchase of 3 used snowplow trucks in response to increasing prices for contracted services for winter snowplowing. Staff is looking to extend the seasonal employment contracts with the current complement of drivers until the end of the 2023 winter control period. During this time, Staff will be assessing the longer term needs of the Town going forward. The growth in the Town requires a review of service levels which in turn affects equipment, staffing and facility needs.

C. Background

During the winter of 2018, the Town tendered for a Service Contract to include three snowplow trucks and several drivers to provide snowplowing services for the Town. Through this process the Town received one non-local bidder. The Town experienced a significant price increase to the point it was more economical to hire staff and purchase equipment to provide this service. Staff has found that by using Town staff for winter services there is a stronger relationship between the snowplow Operator and the residents that provides enhanced customer service level and reduces the number of service requests for additional service. Issues that trigger service requests include but are not limited too; pushing snow into laneways, drainage

problems due to snow filled ditches, excessive boulevard damage, the placement of snow in cul-de-sacs and mailbox damage.

The Town has several options for winter maintenance including: tendering out for the service of private snowplow trucks and drivers; leasing trucks and hiring drivers; or, purchasing trucks and hiring drivers. These options were considered in the May 3, 2018 Staff Report (Attachment #1). At that time, Council endorsed hiring drivers and purchasing used equipment as a pilot program to provide the required service for two (2) winters ending in 2020.

Staff are continuing the use of contracted, seasonal staff and the used trucks for the winter of 2020/2021 but require Council endorsement to extend the contracts.

D. Analysis

In 2018, the Town looked at several options on how to provide winter snowplowing services. The option of not providing winter maintenance is not available to the Town. In 2018, Staff completed a detailed review of the costs associated with using Town staff compared to contracting the service out. The cost comparison weighed in favour of hiring staff and purchasing equipment.

Option #1 - Continue with three, six-month contract snow plow Operator contracts to the end of the 2023 winter season;

And bring forward a Capital budget sheet for consideration in the 2022 budget deliberation process for vehicle replacements to allow for winter maintenance activities.

Pros:

- Provides expected level of service to the residents.
- New equipment provides for good reliability and low maintenance costs.
- Flexible staff that are willing to adjust schedules to be on call for duty.

Cons

- The purchase of trucks will require a significant investment in new equipment (~\$1,000,000). (Current pricing will reflect prices for the recent tender.)
- The delivery time of new snowplow trucks is approximately 12 months. New replacement trucks ordered in 2022 could not be ordered and confidently received in time for the start of the 2022/23 winter season.
- Additional facility space is required to store equipment. This could include Expansion of the Ravenna Yard plus a satellite storage area in Craighleith. This item will be included as a separate capital budget item for consideration in future Budgets.

Option #2 - Continue with three, six month contract positions. Lease snowplow trucks.

Pros

- Lower initial cost than purchasing
- Leasing new equipment provides for good reliability and low maintenance costs
- Ability to retain equipment only as needed.
- There may be opportunities to lease used equipment but will be limited.

Cons

- The annualized costs are more than purchasing and financing the truck by the Town directly especially if the equipment is to be used over an extended period of time.
- Lease terms less than a few years long will carry a premium to finance the disposition of used equipment.
- Due to the specialized nature of the equipment, the Town will pay a premium to not lease the equipment over the summer-time since there is limited interest to lease live bottom trucks (used for spreading salt and sand) during summer months
- The Town may only be able to lease trucks year-round and will incur carrying and storage costs.

Option #3 - Re-Tender for Contract services.

Pros

- Contractors provide just the service required and no value-added customer service
- Town has less responsibility to store and maintain equipment.

Cons

- New drivers cause more damage to boulevards and infrastructure and place snow in unfavourable locations due to the lack of familiarity with the route.
- Town has little control over who the contractor assigns to drive the route.
- Level of Service is decreased as Staff are not available to other works outside of snow plowing. The additional activities include tree cutting, sign and pothole repairs, pushing back snowbanks for sightlines, guiderail repairs (due to plow damage) drainage works during rain events.

Staff is recommending Option #1 which allows for the continuation of hiring contract staff each winter through to 2023 while purchasing Town owned vehicles and equipment.

Staff are continuing to assess improvements to the Ravenna Works Yard and to a future presence in the Craighleith area. Development growth may require Staff to research alternative types of equipment. Staff will investigate if alternative types of equipment might be better suited for new developments. For example, higher density development may require smaller types of plowing equipment. The introduction of more but smaller pieces of equipment may allow for increased efficiencies.

E. Strategic Priorities

1. Communications and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

There is no change in the Town's practice for snow removal activities. The burning of hydrocarbon fuels will release greenhouse gasses. Older diesel trucks will not operate as efficient or as clean as new equipment.

The Town will continue to monitor the use of winter deicing materials

G. Financial Impact

No change in the Town current Operating budget. Continuing the use of older equipment beyond its expected life cycle can result in increased maintenance and repairs costs. The Town should anticipate increased "down" time which in turn reduces the level of service provided to residents.

H. In Consultation With

Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Jim McCannell, managerroadsdrainage@thebluemountains.ca.

J. Attached

1. Attachment 1, CSPW.18.041 entitled "Winter Road Maintenance for 2018/2019 and 2019/2020 Seasons"

Respectfully submitted,

Jim McCannell
Manager of Roads and Drainage

Shawn Carey
Director of Operations

For more information, please contact:
Jim McCannell, Manager of Roads and Drainage
managerroadsdrainage@thebluemountains.ca
519-599-3131 extension 271

- The operators provide additional workforce to the Town for the 120 days each winter when snow plowing doesn't occur to undertake activities such as tree cutting, snow clearing and miscellaneous maintenance activities.
- Fulltime contract positions attract qualified and experienced operators. (Hiring contracted winter staff has proven to be more successful than contracted drivers.)

Cons

- Roads and Drainage Division supervisory staff must ensure that there is useful and productive work available for the additional contract staff during non-event days.

Alt 3 Sub-Option B1: Hire Stand-by drivers (5 positions)

Pros

- Standby drivers cost less than full-time contract staff since they are only paid wages while on duty plus a daily stand-by premium.
- Standby drivers can be available for non-driving activities or to fill in for other drivers who may be unavailable for added flexibility.

Cons

- In order to ensure drivers are available at all times to respond to snow events, 5 operators will be needed to rotate through the stand-by status.
- The cost to train 5 drivers increases orientation costs.
- There is additional responsibility on supervisory staff to monitor and manage the rotation of operators and ensure the stand-by operators are engaged and responsive.
- Using stand-by staff on varying routes and equipment can lead to damage along with increased health and safety risks.

E. Analysis

Award of Contracted Services

Staff have considered carefully whether to recommend increasing the winter control budget to fund the 55% increase in contracted services in order to award Tender 2018-21-T-IPW. However, in the end Staff feel that pursuing an alternate arrangement to contracting at this time is worthwhile to enable a more full review of the Town's options. Therefore, Staff recommend that Council cancel Tender 2018-21-T-IPW Winter Road Maintenance. Although Staff have this authority under the terms and conditions of the tender, Staff feel that the decision is of such profile that should Council make the final determination.

The alternative to re-issue the winter road maintenance tender is not viable. There is no time for contractors to purchase new equipment if required and/or will very likely result in even a higher bid price.