

Clause 2 in Report No. 14 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on September 24, 2015.

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Direct Purchase of Services for Underground Infrastructure
Damage Prevention and Compliance with Regulatory
Requirements

Committee of the Whole recommends adoption of the following recommendations contained in the report dated July 21, 2015 from the Commissioner of Environmental Services and the Commissioner of Transportation Services:

1. Recommendations

It is recommended that:

1. Council authorize the direct purchase of locate request notification and secondary screening services from Ontario One Call (ON1Call).
2. The Commissioner of Environmental Services and Commissioner of Transportation Services be authorized to execute agreements with ON1Call, as required for operational purposes and to meet provincial regulatory requirements, provided the total cost is within the approved budget.

2. Purpose

In accordance with provisions of the Purchasing Bylaw (2014-53), this report seeks Council approval for the direct purchase of locate notification and secondary screening services from ON1Call to meet legislative requirements for York Region's underground infrastructure. ON1Call is the single point of contact for locate requests in Ontario and the only entity capable of providing locate notification services. ON1Call is also the most suitable vendor for providing secondary screening services meeting regulatory requirements due to its integration with ON1Call's call centre and compliance department.

3. Background

Provincial legislation requires York Region to identify the location of its underground infrastructure upon request

The Environmental Services Department maintains and operates over 650 kilometres of underground water and wastewater infrastructure, including watermains, sewers and chambers. The Transportation Services Department maintains and operates 840 signalized intersections, 6,900 street lights, and 1,090 kilometers of underground culverts and storm sewers along Regional roads.

To ensure that safe digging practices are followed and underground assets are protected, Region staff process and respond to incoming requests to identify the location of Region owned underground infrastructure before any excavation activities begin. This process is known as providing a “locate”.

On June 19, 2012, the *Ontario Underground Infrastructure Notification System Act, 2012*, ("the Act") came into force, establishing legal duties for excavators, infrastructure owners and ON1Call relating to the request and completion of locates in Ontario. In short, the Act sets out the following key requirements as outlined in previous communication to Council from the Commissioner of Environmental Services, dated October 10, 2012, regarding 'Underground Infrastructure Locate Request Program ON1Call Membership' and another from the Commissioner of Environmental Services, Commissioner of Transportation and Community Planning and Commissioner of Finance, dated June 19, 2014, regarding Bill 8, The Ontario Underground Infrastructure Notification System Act, 2012:

- ON1Call is designated as the single point of contact for all underground infrastructure locate requests in Ontario and has the authority to assess administrative fines against members for non-compliance with the Act.
- Municipalities are deemed to be members of ON1Call as of June 19, 2014.
- No excavation may commence in Ontario without first obtaining locates for all underground infrastructure that may be affected by the proposed excavation.
- Upon receiving a locate notification from ON1Call, members must provide a documented response within a specified time period: five business days for standard requests, or two hours for emergency requests. The response must either confirm that no underground infrastructure will be impacted by the proposed excavation, or the Region must physically mark the location of its underground infrastructure that may be affected.

4. Analysis and Options

Mandatory service fees are paid to ON1Call for receiving locate notifications

ON1Call is a not-for-profit organization and does not charge excavators a fee for placing a locate request. Fees are collected from underground infrastructure owners, such as York Region and all other utility owners in Ontario, e.g. Enbridge, Rogers, Bell and our local municipalities. To encourage early municipal participation, ON1Call did not charge York Region any notification fees until July 1, 2015. Effective July 1, 2015, the annual cost of ON1Call notifications for Environmental Services and Transportation Services is estimated to be \$26,000 and \$46,000 respectively.

Optional secondary screening service provided by ON1Call mitigates risk and reduces work load for Environmental Services

Joining ON1Call has increased the number of locate requests directed at York Region, indicating increased asset protection and awareness. To accommodate this increase in demand, the Environmental Services Department and the Transportation Services Department have implemented a risk mitigation strategy to screen requests and prioritize high risk requests for appropriate attention by experienced locators.

There are two levels of locate screening offered by ON1Call:

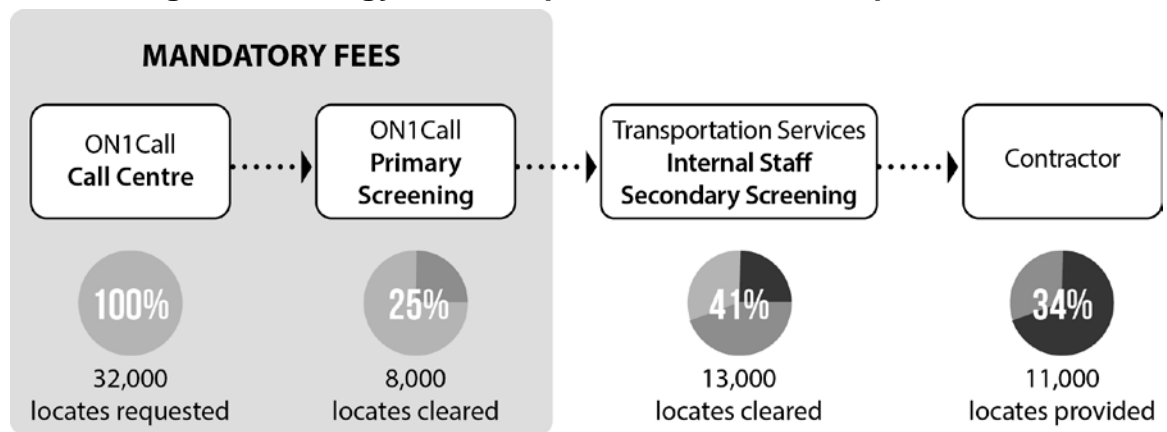
- **Primary screening:** An automated process whereby the ON1Call computer system clears locate requests based on criteria including type of work and depth of excavation. These criteria are specified in primary business rules defined by the Region. Primary screening is included in the cost of the mandatory notification service.
- **Secondary screening:** A manual process whereby a ON1Call staff member evaluates each locate request and may provide a clearance based on criteria including proximity to Region owned infrastructure. These criteria are specified in secondary business rules defined by the Region. Secondary screening is an optional service for an additional fee.

Both departments use ON1Call's automatic primary screening but they have taken different approaches in respect of secondary screening in view of different business needs, locate request volumes and available resources.

Direct Purchase of Services for Underground Infrastructure Damage Prevention and Compliance with Regulatory Requirements

As outlined in Figure 1, ON1Call receives 32,000 locate requests directed at Transportation Services each year. Primary screening clears 8,000 requests and the remaining 24,000 requests are directed to Transportation Services' internal Traffic Management Centre for review, resulting in a further 13,000 clearances. External contractors are engaged to complete the final 11,000 field locates. This strategy is suitable given the large number of locate requests to be cleared at the secondary stage (24,000), making internal screening a cost-effective solution. Since Transportation Services infrastructure is relatively easy to locate in the field, a contractor can competently complete the remaining field locates at an average additional cost of \$60 per locate.

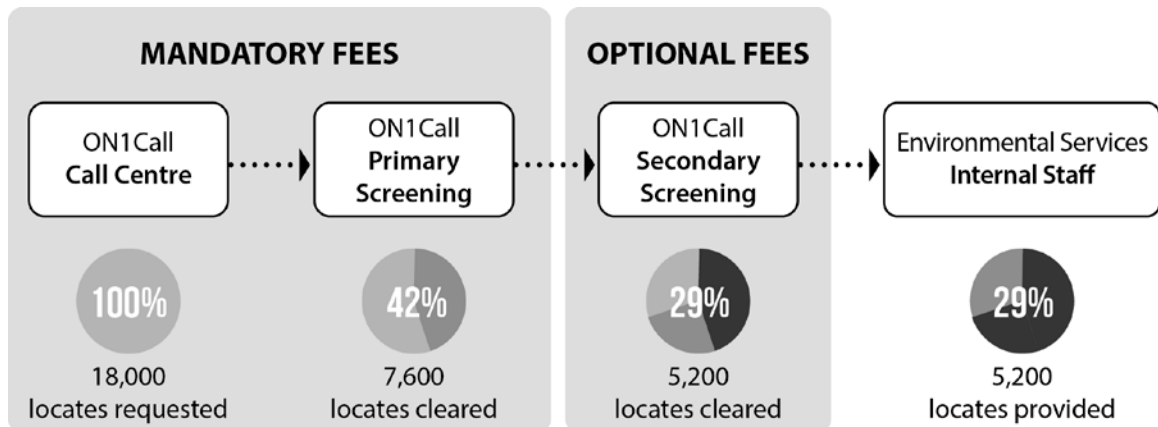
Figure 1
Risk Mitigation Strategy for Transportation Services Department Locates



As outlined in Figure 2, ON1Call receives 18,000 locate requests directed at Environmental Services each year. Primary screening clears 7,600 requests, leaving 10,400 requests to be reviewed by ON1Call's secondary screening staff, which results in a further 5,200 clearances. Environmental Services' internal damage prevention staff complete the remaining 5,200 high risk locates. This strategy is suitable for the relatively small number of locates that remain after primary screening (10,400) because engaging ON1Call for this volume is significantly less expensive than adding a full-time staff resource to complete this work.

Figure 2

Risk Mitigation Strategy for Environmental Services Department Locates



Screening of locate requests prioritizes the workload for Environmental Services staff. Those more complex and critical locates, which cannot be automatically filtered or screened out by ON1Call, are forwarded for completion by Region staff who are most familiar with the infrastructure. Staff conduct field visits and mark the infrastructure as required. In view of the criticality of the Region’s arterial water and wastewater infrastructure, the difficulty inherent to locating this type of infrastructure and the potential impact on public health and/or the environment if a damage occurs, the risk to Environmental Services is best mitigated by having experienced internal staff conduct these remaining locates.

Since secondary screening through ON1Call began in May 2014, the service has eliminated 50 per cent of routine, low risk locate requests that would have otherwise been processed by internal Environmental Services Department staff. This strategy has enabled the Environmental Services Department to achieve and consistently maintain strict compliance with regulatory requirements under the Act since Q3 2014.

Regulatory compliance is of paramount importance to secondary screening

The Transportation Services Department has full control over its regulatory compliance at the secondary screening stage as it is able to complete this work with internal resources. Conversely, for the Environmental Services Department to maintain control over its regulatory compliance when secondary screening services are provided by a third party, integration and compatibility with ON1Call’s call centre processes and regulatory framework is of paramount importance. For this reason, ON1Call is the most suitable vendor for providing the service.

Direct Purchase of Services for Underground Infrastructure Damage Prevention and Compliance with Regulatory Requirements

ON1Call serves multiple purposes as call centre, secondary screening service provider and regulator, responsible for investigating members and imposing administrative fines for non-compliance with the Act and regulations. The Region's ability to comply with time limits set out in the regulations (e.g. five day response time) is directly impacted by performance of the secondary screening service provider. ON1Call has a significant interest in making its secondary screening process achieve the goals of the Act and regulations. Accordingly, risk of non-compliance for Environmental Services is best mitigated by engaging ON1Call for secondary screening.

Since secondary screening began in May 2014, ON1Call's performance has been both accurate and timely. Based on bids received in response to a Request for Quotation for locate services in 2014, ON1Call's fee schedule is reasonable and less expensive than engaging another third party service provider. Since ON1Call's screening service is closely integrated with the ON1Call call centre, the implementation and ongoing relationship costs with ON1Call are minimal.

Direct purchase of ON1Call services requires Council approval

Region staff project the total five year cost of ON1Call services to be approximately \$433,000 for Environmental Services and \$283,000 for Transportation Services, which exceeds the \$100,000 threshold permitted under the Purchasing Bylaw (2014-53).

Total cost of ON1Call services varies annually and depends on the yearly fee schedule set by the ON1Call Board of Directors and the number of locate requests received per year in proximity to Region infrastructure. Locate volume is in turn dependent on economic environment as it relates to construction activities in the Region.

Assuming similar volume to 2014, with an annual increase of 7 to 10 per cent as advised by ON1Call, Region staff have forecast the cost of ON1Call locate notification and secondary screening services over the next five years in the following table:

Direct Purchase of Services for Underground Infrastructure Damage Prevention and Compliance with Regulatory Requirements

Table 1
Projected Costs for On1Call Services

Fees	2015	2016	2017	2018	2019	5 Year Total
Environmental Services Department						
Mandatory Fees: Notification & Primary Screening	\$26,000	\$29,000	\$31,000	\$35,000	\$38,000	\$157,000
Optional Fees: Secondary Screening	\$46,000	\$50,000	\$55,000	\$60,000	\$66,000	\$276,000
Subtotal	\$72,000	\$79,000	\$86,000	\$95,000	\$104,000	\$433,000
Transportation Services Department						
Mandatory Fees: Notification & Primary Screening	\$46,000	\$51,000	\$56,000	\$62,000	\$68,000	\$283,000
Total	\$118,000	\$130,000	\$142,000	\$157,000	\$172,000	\$716,000

Link to key Council-approved plans

Stewardship of the Region's assets is a priority of the 2015-2019 Strategic Plan. Support of the damage prevention programs is an integral component of preserving underground assets, ensuring service continuity and achieving regulatory compliance.

5. Financial Implications

The cost for the direct purchase of ON1Call services is included within the approved 2015 to 2018 operating budget of both the Environmental Services and Transportation Services Departments. The projected total five year impact of

direct purchase for the Environmental Services Department is \$433,000, with an average annual cost of \$86,600. The projected total five year impact of direct purchase for the Transportation Services Department is \$283,000, with an average annual cost of \$56,600.

6. Local Municipal Impact

Locate services prevent costly damages to underground infrastructure, promoting continuity of service to the local municipalities. The timely completion of Region locates also benefits construction projects led by local municipalities by helping reduce construction delays.

Each local municipality is similarly required to provide locates for their underground infrastructure in accordance with requirements of the Act.

7. Conclusion

Provincial legislation requires the Region to provide timely underground infrastructure locate services to protect the well-being of the public and minimize service interruptions. ON1Call is designated as the single point of contact for all underground infrastructure locate requests in Ontario and has the authority to assess administrative fines against members for non-compliance with the Act. The added value of the secondary screening services offered by ON1Call permits the Environmental Services Department to achieve the compliance goals and objectives of the Act at a reasonable cost. It is recommended that Council authorize the direct purchase of ON1Call locate notification and secondary screening services to ensure compliance with the Region's regulatory obligations and provisions of the Purchasing Bylaw (2014-53).

Direct Purchase of Services for Underground Infrastructure Damage
Prevention and Compliance with Regulatory Requirements

For more information on this report, please contact Brett Bloxam, Director, Operations, Maintenance and Monitoring, Environmental Services at ext. 75320 or Brian Titherington, Director, Roads and Traffic Operations, Transportation Services at ext. 75901.

The Senior Management Group has reviewed this report.

July 21, 2015

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