

ROADS ZERO BASED REVIEW UPDATE – DEFERRAL REQUEST

EXECUTIVE SUMMARY

Request to defer the update report on the Sign Shop. Progress updates are provided for the other seven areas of the Roads Zero Based Review, which include; street light maintenance, pavement marking, gravel crushing operations, pavement rehabilitation, traffic management centre, excavation permission services, and spring clean-up.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Transportation and Transit recommends that Council:

1. Approve Administration's request to defer the update report on the Sign Manufacturing business case until the Roads Zero Based Review Update in 2015 November.
2. Receive this update report for information.

RECOMMENDATION OF THE SPC ON TRANSPORTATION AND TRANSIT, DATED 2015 JUNE 17:

That the Administration Recommendations contained in Report TT2015-0476 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

At its 2014 November 3 meeting, Council approved a motion arising, "Moved by Councillor Chabot, Seconded by Councillor Pincott, that with respect to Report PFC2014-0802 and the Sign Manufacturing business case, Council direct the Administration to develop for Council's consideration, a plan to offer sign manufacturing services to other government and institutional customers at full cost, and report back to Council through the SPC on Transportation and Transit, along with the update on other business cases, no later than Q2 2015."

BACKGROUND

As part of the City's Zero Based Review process, Administration is required to provide a final report to Council in Q4 2015 with an overview of the implementation of Roads Zero Based Review recommendations, including process improvements and realized cost savings.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

As per direction from Council on 2014 November 3, Administration has begun to develop a business case for expansion of services at the Sign Shop. Additional time is required to complete a market assessment and detailed operational review, and an expert is being contracted to consult on the market assessment and the feasibility of service expansion. A new manager was hired for Traffic Field Operations, which oversees the Sign Shop, in Q1 2015.

An update of all Roads Zero Based Review (ZBR) items is due to Council in Q4 2015. Administration is requesting direction to bring these reports back as one in 2015 November.

Operational improvements for the other seven items from the Roads ZBR are underway and information continues to become available regarding savings and efficiencies. These ZBR progress updates are summarized below:

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Street Light Maintenance:

ZBR Recommendation Summary – Develop a street light maintenance strategy that supports multiple service providers through a competitive bidding process, places defined standards of service and performance measures into the contract, and addresses inventory costs.

Since the ZBR was conducted, Roads has revised the procurement tenders for street light infrastructure to encourage competitive bids from multiple vendors. This new procurement plan will contribute to the budgeted productivity gain targets in the Action Plan 2015-2018.

Roads has also made adjustments to sidewalk and concrete repair projects to include streetlight repair subcontracting as a requirement, rather than using the contracted streetlight maintenance vendors that work under a service level agreement. This will ensure that construction related streetlight repair is covered under the approved capital construction budget, resulting in efficient use of operating budgets and increased capacity for the vendor to address scheduled street light maintenance.

Pavement Marking:

ZBR Recommendation Summary – Maintain the present state relative to pavement marking services using Roads Business Unit staff and equipment.

A new pavement condition survey has been implemented that improves the coordination of the annual paint replacement program, including efficient scheduling that reduces waste and duplication of routes. The survey also adds the on-street parking spaces to the annual maintenance schedule; historically this work was conducted on a complaint, as-needed basis.

Gravel Crushing Operations:

ZBR Recommendation Summary – Endeavour to improve efficiency, and reduce costs of the mining, crushing and stockpiling of gravel at Spyhill by implementing industry standard cost control measures.

An industry standard of monthly reporting of production costs has been implemented. Administration has also made several changes to improve supervisory oversight of the operations, and have upgraded some equipment to improve efficiency such as a screendeck, feeder and programmable stacker.

Pavement Rehabilitation:

ZBR Recommendation Summary – Endeavour to improve efficiency, and reduce unit costs, by implementing industry standard measures for cost control.

Administration has developed an improved cost tracking system for daily, weekly and monthly updates based on industry standards. The ability to break down individual costs on a project, such as material use, labour and equipment maintenance costs has also been implemented. This data will improve future evaluation and estimation of work and costs based on pavement rehabilitation type and location. This information will allow for timely adjustments to work schedules, which may enable a reduction in costs per location.

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An evaluation has also been completed on trucking and loading times from the asphalt plants to the job locations, and production and quality gains have been identified. This may enable a reduction in costs based on faster completion times.

Traffic Management Centre (TMC):

ZBR Recommendation Summary – On-going work to support business continuity and operational efficiency, and to strengthen relationships with transportation and emergency response partners. Explore new technologies to enhance pro-active responsiveness, carry out tasks remotely, and to provide reliable traveller information.

An emergency back-up centre has been established at Roads' Spring Gardens location, computer servers upgraded, and supervisory coverage has been expanded to 24 hours/7 days a week to address business and operational continuity needs. Traveller information technology continues to evolve, and new information mediums are being added, such as the thirteen Dynamic Message Signs that have been installed along Deerfoot Trail and Crowchild Trail. Two more of these signs will be installed along Macleod Trail in early 2016.

The TMC partners with many agencies such as the Alberta Motor Association, Alberta Transportation and many internal partners including the Calgary Police Service, Calgary Transit and the Calgary Emergency Management Agency.

In addition to developing partnerships, the TMC is regarded as an industry leader across Canada. Recent visits to the TMC include the City of Regina and delegates from Mongolia and Norway.

Excavation Permits:

ZBR Recommendation Summary – Implement a strategy to increase the use of on-line applications for excavation permits, with a goal to have all permit requests done through the Roads ePermit system by the end of 2015.

Throughout 2014, Administration engaged the excavation industry customers regarding the ePermit program, and new infrastructure protection and maintenance strategies. As a result, all excavation permits are now going through the on-line ePermit system.

Spring Clean-Up:

ZBR Recommendation Summary – Roads, Fleet and Water Services will examine potential improvements to the Roads Spring Clean-up processes that could reduce the environmental impact and operational costs of cleaning up sand and gravel from the storm water system.

Collaboration between Roads and Water Services has resulted in tests scheduled for 2016 to develop more environmentally friendly street sweeping methods. The project will include research into new equipment to improve debris removal; the investigation of the recycling of sweepings; and the development of success measures to evaluate the operational and environmental results of the sweeping program.

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Roads conducted a pre-sweeping program in the early spring of 2015, due to favourable weather, which removed additional materials from the road before it could reach the storm water system.

Stakeholder Engagement, Research and Communication

Administration consulted both municipal and private industry service providers to research potential key performance measures to incorporate into a best practices standard of service delivery.

A consultant is being identified to support Administration with the development of a detailed business case for the expansion of sign manufacturing services at the Sign Shop.

Strategic Alignment

Alignment with the following four corporate policies was part of the Roads Zero Based Review (ZBR) and implementation planning: Council's Fiscal Plan, the Municipal Development Plan (MDP), Calgary Transportation Plan (CTP) and the 2020 Sustainability Direction.

Social, Environmental, Economic (External)

The implementation of the ZBR recommendations will assist Roads in managing their infrastructure assets wisely, and in a cost-effective manner, while ensuring it continues to be safe and reliable for all users.

Financial Capacity

Current and Future Operating Budget:

As part of the 2015-2018 Action Plan, Roads has incorporated the ZBR productivity gain targets of \$1.4 to \$1.9 million into the approved budget for each year.

Current and Future Capital Budget:

There are no capital budget implications identified at this time. Capital cost savings related to the procurement of street lights will be quantifiable for the Q4 ZBR report in November 2015.

Risk Assessment

No risks regarding this request to defer.

REASON(S) FOR RECOMMENDATION(S):

Administration requires additional time to complete a market analysis and business case for the Sign Shop with the assistance of an external expert. With the final Roads Zero Based Review (ZBR) report being prepared for November 2015, this report serves as a progress update for the implementation of ZBR recommendations to date.

ATTACHMENT(S)

None.