



Indemnified Contractors Whiteboarding Session- May 16, 2019

"What We Heard" Report

Summary of Input

- 21 companies on indemnify list, 1800 families represented. **4 less ICs this year (went out of business) due to process change.**
- 10 years' experience needed to get on that list
- 200 days of good conditions (2/3 year) to complete work, wasting time with paperwork. More steps and more length to the process.
- Little jobs are holding companies over, can't plan
- Minimum 4 weeks City processes to energize from paperwork/permits = 1-3 days' worth of physical work execution
- 6 groups within City to attain permits: Development Approvals, Inspections, Roadway Operations and Detours/Traffic, Water Resources, Clean Water Distribution, Urban Forestry, Plumbing & Gas. (Can take 4 week process from inspections to bucket in ground for a 2-day job. **5 years ago it was 1 week**)
- No collaborating/communications between all groups (6) involved
- 8-9hrs worth of physical work= 5hrs worth of paperwork (used to be able to move every day, but now slowed down)
- In the past, 3-5 movements from site to site (infill) projects. Now 2 movements per week.
- 2013 jobs: IC Stakeholder #1 approx. 148; IC Stakeholder #2 approx. 170
- 2018 jobs: IC Stakeholder #1 approx. 104; IC Stakeholder #2 approx. 130
- IC Process: internally starts with Permission to Construct Addendum request - use to be 2 days, now agreement letter comes through in 7 business days (for every project) due to re-org within Water Resources Department. Set up Traffic Permits (Traffic Dept.) - 7 business days minimum, need to give day and time of closure, need to wait for acceptance/approval, or re-apply if denied. If it rains, need to request permits be adjusted or bylaw can give fine for 1 day off from approval date due to weather. Utility locates (Alberta One Call), Water Distribution Valve Control, Excavation Permits (Roads Dept.) and Indemnification Agreement Inspection Request (notification to commence work).
- What about an annual permit? Can still submit to Roads and monitored by them.
- Distribution & Control department shut down job for 5 weeks this winter due to water main breaks. Shutting down 1 week of every month this summer for City flushes/work, no valve controls offered during those weeks (where no jobs can be done).
- Can only have 6 controls at a given time, 1 layer of permit process is off and throws off the complete job timeline
- Contractors use to be able to touch valves, now only City designated and certified individual can touch the valve (due to risk mitigation, policy enforced). Bring inspectors, who are onsite daily,

back in as certified to touch those valves (previously they use to be able to). Lack of resources/employees? Yes- could hire more certified/qualified control individuals.

- Currently 4 or 5 new inspectors who do not understand how to- what can be a 20min job turned into 3hrs due to lack of knowledge
- Use to be able to call Distribution “field guys”- now told to call 311, wait for 4 hrs for someone to call back who is from the wrong department
- City hires may not be knowledgeable on the industry needs
- Business Advisory Committee focus: Policy, procedure or bylaw issue? Who is involved in making those decisions and how can we revise? **Water Resources- an efficient program used to work and new management came in that “fixed” a system that wasn’t broken.**
- Councillor Sutherland asked when did everything change?
- 2 years ago (**investigate prior to 2017**)
- Urban Forestry saying 2 water lines needed for a \$200 tree that is most likely to die soon- deterring inner city development
- Road degradation fees (expensive) that did not exist 5 years ago
- City took sidewalks away from developers, now asphalt sidewalks in front of new show homes because City is behind on projects.
- **Online process for permits, can’t talk to people- no human interaction. Big issue, not as personable. Can receive general “declined” notification for permit with no reason displayed. Suggestion to have a point person (ie. File Manager equivalent) to contact when issues arise. Councillor Sutherland says paperless needs to remain, but would like one contact person.**
- Building Permit Driveway Let Down deposit campaign a couple years ago to make deposit refund availability more aware- **what happened to making this an accessible communication?**
- Ask to Roads, degradation and indemnification fees, permission to permit (not a tax collector for City) do not want to have a GST exempt on your account.
- When the project does not qualify for a flat rate Permission to Permit, the IC provides the Excavation Dept. with the trench cut measurements upon job completion and they bill the IC for the Road Degradation & Top Lift Paving Fees, which the IC then passes on to the project builder 4-8 weeks after completing the project. (This process presents significant collection issues and liability to the IC who has no recourse, unlike the City who can withhold future permits until payment received).
- Suggestion to make a flat rate (\$1900 residential, \$5000 for commercial) to eliminate absorbed unpredicted fees.
- Provide bid info on non-flat rate fees, and City calculates- should be billing flat rate upfront instead of Builder pay for that upfront.
- **Why is Storm Water Drainage revamp map not public/available to IC? Outdated and incorrect drawings regularly provided.**
- Flushing assembly- job at end of street, ensuring quality drinking water, why can’t a new service be tied to an existing pipe. City says it will go in to install a Flushing Assembly but it can take them 2-4months and developer waits. “Dead end main”
- Water Distribution department is the most difficult and has “really slowed everything down” in everyone’s process. Deal with uncooperative staff, unhelpful, not empowered to make their own decisions. New wave of Managers from schools of theory and not field/industry experience.
- Front line staff saying “not my job” for a permission to permit stamp.

Identified Departments

Water Resources/Services:

- i) Addendum (Permission to Construct)- This permit requires seven business days to obtain. Used to be two days, then five days, now seven.
- ii) Water Kill- Contractors depend on info from City to determine location of water kill (killing off the old service during excavation). This info can be wrong or out dated and the contractor then needs to dig in several locations to find it (ie. Located once on a different street from where they were digging to find). *Department advised it would be the contractors responsibility to find the kill at their own expense.
- iii) Valve Control (Distribution)- Lack of availability for valve control. Two IC stakeholder groups met with Manager of Water Distribution to smooth process, still an issue. Agreed on 6 valve controls at one time, with four being open site. Which several crews need to share amongst all crews. (No controls 1 wk every month during summer for preventative maintenance-freezing/water main breaks). Notified contractors Friday, May 3rd before May 6-9th no valve control. Scramble over weekend to adjust work timelines, tell clients work can't be conducted last minute. Distribution says they are "too busy", contractors perceive this as an increase in management/supervisors in the Water Resources department and not enough qualified front line workers to handle workload. Recently a number of inspectors hired, none of which are experienced/knowledgeable/qualified and are "less than helpful".
 - a. "Procedure is tedious and allows for no flexibility, ideal to have customer service that provides timely valve control and room for flexibility"
 - b. Turnaround time for reopening of valve can vary from one day to two weeks
 - c. More contractors being added to Indemnification List?

Suggestions Previously Raised by ICs

- 1) To have various City departments working together collaboratively (as per one of the City's pillars). Discuss impact of their individual decision make on developer or the contractor.
- 2) Requested Team Leaders or Managers to visit sites and see impact of various decisions on their work. To date, no one has been interested and contractors have been told that concerns can be addressed via email.
- 3) Be more cognizant of IC timelines ie. Notification on May 3rd of no valve control from May 6-9th. Contracts signed 6-9 months in advance of job commencement and confirm scheduling 4-6 weeks in advance.
- 4) Stakeholder engagement be held prior to substantial changes, more cost effective and collaborative to gain numerous perspectives (ie. An updated Master Agreement was drafted, no consultation to gain insight on adverse effects. Contractors told only minor changes made, when in reality over 20 changes made, many significant. *Contractors also led to believe if they refused to sign the document as it stood, results would be removal from Indemnification List.)
 - a. "In 2016, \$70,000 was spent on an engagement seminar intended to focus on creating a culture of collaboration. Money was not well spent"

- 5) Lack of staff conducting Valve Controls- contractors perceive this as an increase in management/supervisors in the Water Resources department and not enough qualified front line workers to handle workload.
- 6) Once agreed to have ICs provide two-week schedule for Valve Controls to assist Water Distribution in planning for controls. However, Water Distribution retains their six controls at a time with only four open sites allowed.

Business Advisory Committee Recommendations- July 2, 2019

Establishment of City Approved Indemnified Contractors Whiteboarding Session- Update

- 1) BAC conducted a whiteboarding session with Indemnified Contractors on May 16, 2019 and created a “What We Heard” Report.
- 2) BAC identified process barriers and opportunities regarding ICs stakeholder group.
- 3) Have appropriate City Administration from Water Resources and Water Services report back to BAC on analysis of the “What We Heard” Report and items currently actioned and any further actions to be taken no later than July 31, 2019.