

For Information

REPORT TITLE: **Locate Alliance Consortium Update**

FROM: Andrew Farr, Acting Commissioner of Public Works

OBJECTIVE

To provide an update on the Region of Peel's participation in the Locate Alliance Consortium.

REPORT HIGHLIGHTS

- In September 2017, Council authorized the Commissioner of Public Works to enter into direct negotiations with the vendors selected by the Locate Alliance Consortium to provide water and wastewater infrastructure locate services (Resolution 2017-732).
 - Resolution 2017-732 also authorized the Commissioner of Public Works to enter into Alternate Locate Agreements between the Region of Peel and eligible contractors.
 - In 2017, prior to joining the Locate Alliance Consortium, the Region only achieved compliance with the Ontario One Call performance requirements on 48 percent of locates performed.
 - In 2019, after being members of the Locate Alliance Consortium for two years, the Region is now achieving 85 percent overall compliance.
 - Joining the Locate Alliance Consortium and entering into Alternate Locate Agreements has resulted in an overall cost avoidance of \$7.8 million over two years.
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DISCUSSION

1. Background

The *Ontario Underground Infrastructure Notification System Act, 2012* (the "Act") mandates Ontario One Call to serve as the single point of contact for all underground utility locate requests in Ontario. This legislation required municipalities to become registered members of Ontario One Call by June 19, 2014. The Act also mandates the level of service for utility locates. All standard and priority utility locate requests must be completed within five business days and all emergency utility locate requests must be completed within two hours of notification.

Prior to the Act, the Region received approximately 21,000 locate requests per year. Region staff typically completed 85 percent of the utility locate requests with the balance performed by third-party locate service providers retained by the Region. After the legislation took effect in June 2014, the volume of utility locates requests nearly tripled (Figure 1).

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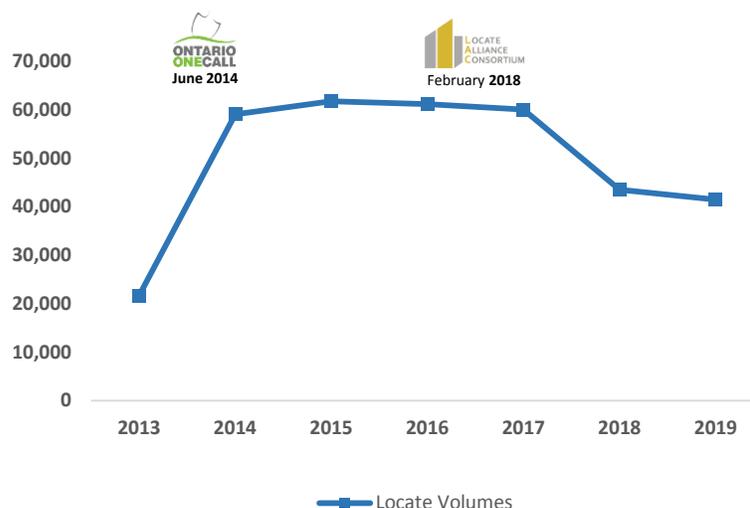


Figure 1: Peel's historical water & wastewater locate volumes

Under the new legislation, excavators were required to notify Ontario One Call prior to digging and all underground infrastructure owners were required to be registered members of Ontario One Call. Therefore, while the new legislation provides a higher level of protection, it resulted in an increase to the number of recorded locate notifications across Ontario.

As the volume of locates increased rapidly in 2014, the number of staff resources typically assigned to perform locates was found to be insufficient. To meet service demands staff had to be reassigned from other work such as routine preventative maintenance activities. The Region also began assigning more of the utility locate work to third-party service providers. However, the demand for locate services across the Province exceeded supply and locate unit costs rose sharply while overall performance fell.

Achieving compliance with legislated performance requirements became very challenging. In 2015, the Region only achieved compliance with the Ontario One Call performance requirements on 46 percent of locates performed.

a. Locate Alliance Consortium (LAC)

Given internal staffing limitations and the growing volume of locate requests, staff researched alternative service delivery scenarios and elected to join a six-month pilot project with the Locate Alliance Consortium (LAC) starting in May 2016. LAC is a collaborative group of utility owners striving to achieve consistent quality and cost-efficient utility locate services using third-party utility locate service providers. LAC establishes standardized terms and conditions, regularly audits and reports service provider performance, investigates failures and shares lessons learned.

During the pilot the third-party utility locate service provider selected by LAC completed 5,344 utility locate requests and achieved 94 percent compliance with Ontario One Call performance requirements. As a result of the success of the pilot staff recommended to Regional Council that the Region become a member of LAC.

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Council Resolution 2017-732 authorized the Commissioner of Public Works to enter direct negotiations with the locate service provider procured through LAC. The Region became a member of LAC in February 2018.

b. Alternative Locate Agreements

Resolution 2017-732 also authorized the Commissioner of Public Works to enter into Alternate Locate Agreements. These are agreements between the Region of Peel and contractors who use hydro vacuum excavation equipment for low risk excavation work. These agreements are approved by the Ministry of Labour and encouraged by Ontario One Call.

The agreements outline the terms and conditions agreed to by both parties permitting an excavator to proceed with certain allowable work without the need for a utility locate. The agreements benefit both the utility owner and contractors by reducing the number of unnecessary locate requests and reducing the time to get work completed.

2. Outcomes

a. Compliance with the Act

Joining LAC and implementing the Alternate Locate Agreements has significantly improved compliance with Ontario One Call performance requirements. The locate service providers procured through LAC currently complete 80 percent of the Region's water and wastewater utility locates. Region staff continue to complete after hours and emergency locate requests as well as locates of large diameter ($\geq 600\text{mm}$) water infrastructure.

The combination of these initiatives has enabled the Region to increase compliance with Ontario One Call performance requirements from 48 percent in 2017 to 85 percent in 2019 without adding additional staff resources (Figure 2).

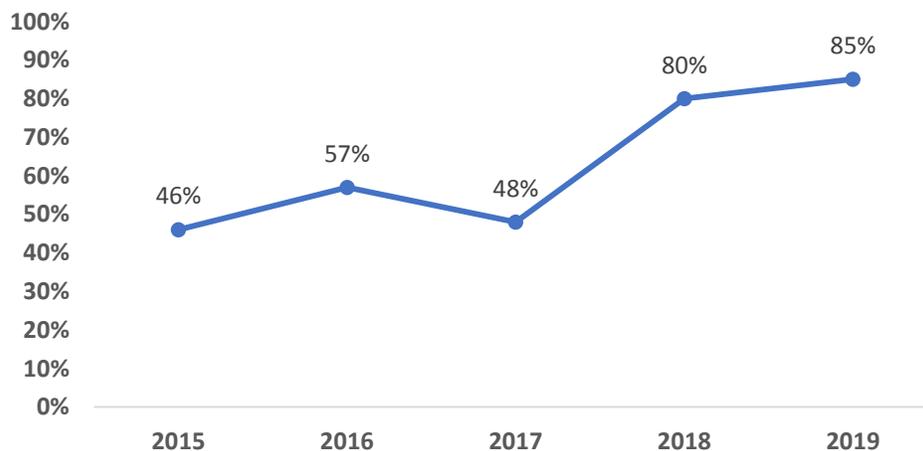


Figure 2: Water & Wastewater Legislated Compliance Levels

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Staff continue to actively identify additional suitable Alternative Locate Agreements partners and are reviewing additional technology improvements to achieve a higher level of compliance in 2020 and beyond.

b. Improved Level of Service

LAC members are focused on preventing damage to utilities by implementing best practices. The results of this collaborative approach benefits utility owners, contractors and those who hire contractors. LAC and the Alternate Locate Agreements enable faster, more consistent and less administrative service delivery for contractors issuing locate requests through Ontario One Call.

Members benefit from lower costs and improved quality control which ultimately helps prevent damage to infrastructure. Additionally, LAC members regularly audit locate service providers, evaluating failures and sharing lessons learned to help prevent future failures.

c. Cost Avoidance

The Region has achieved an overall cost avoidance of \$7.8 million since joining LAC in 2018 and by implementing the Alternate Locate Agreements.

Prior to LAC, each utility owner sent staff member or a vendor to a construction project to perform locates for their own infrastructure for each locate request received from Ontario One Call. Today, a single locate service provider completes locates for all LAC members at the same time. With numerous utility members (including Bell and Rogers), LAC also has significant buying power which leads to competitive pricing

The previous average unit cost per utility locate request completed in the field prior to joining LAC was as high as \$150 compared with \$52 in 2019. For the past two years Peel has reduced the unit cost of utility locates and avoided the following costs:

Year	Locates Performed	Cost Avoidance
2018	39,790	\$2,659,064
2019	41,444	\$3,122,247
Total	81,234	\$5,781,311

The Alternate Locate Agreements program has been very successful in reducing the number of locates performed which ultimately results in a significant cost avoidance. For the past two years Peel has decreased the number of locates and avoided the following costs:

Year	Number of Locates Reduced	Cost Avoidance
2018	18,532	\$897,111
2019	23,415	\$1,133,455
Total	41,947	\$2,030,566

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d. Locate Advocacy

LAC membership also provides opportunities to advocate on behalf of buried infrastructure owners. Recently, Peel's Manager of Water Operations was elected as the Ontario One Call Operations Committee Co-chair. In this role, Peel has been able to advocate for improving utility locate performance across the Province and for the continuous improvement of excavator and public safety.

CONCLUSION

The Region's membership in Local Alliance Consortium and implementation of the Alternative Locate Agreements are now in their third year and achieving significant improvements in legislative compliance, levels of service and cost avoidance. Staff will continue to collaborate with Local Alliance Consortium member utility owners, contractors and locate service providers to manage risk to water and wastewater infrastructure, improve compliance performance and service delivery.

For further information regarding this report, please contact Anthony Parente, Acting General Manager, Water and Wastewater Division, Ext. 7833, anthony.parente@peelregion.ca.

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Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



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