



AUDITOR GENERAL'S REPORT ACTION REQUIRED

Transportation Services – Review of Winter Maintenance Services

Date:	April 26, 2011
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

The Auditor General's 2010 Work Plan included a review of Transportation Services' winter maintenance services. The objective of this review was to assess the adequacy and effectiveness of controls and processes in the management of the City's winter maintenance program and compliance with policies and procedures.

This report contains seven recommendations along with a management response to each of the recommendations. The implementation of these recommendations will improve the overall effectiveness of the City's winter maintenance operations and could result in cost savings.

RECOMMENDATIONS

The Auditor General recommends that:

1. The City Manager, in consultation with the General Manager, Transportation Services, ensure that the service review of Transportation Services include winter maintenance service levels, with a view to:
 - a. Determining the incremental cost of providing higher standard of service than legislated and providing additional winter maintenance services, such as clearing residential windrows, bike lanes, trail paths and transit lanes;
 - b. Determining the implications arising from any service level increases or decreases, including any potential liability exposure; and

- c. Prioritizing services that could be reduced or discontinued to effect cost savings.
2. The General Manager, Transportation Services, re-confirm with City Council, the City's winter maintenance service levels that would serve as basis for the next winter maintenance contracts (for 2015 and on), before initiating the Request for Quotation process.
3. The City Manager, in consultation with the General Manager, Transportation Services, ensure that winter maintenance costs are included in the financial impact statements for changes such as road developments, bike lanes, trail paths and transit lanes.
4. The General Manager, Transportation Services, in conjunction with the Chief Corporate Officer, give priority to updating the long-term strategy for snow disposal operations, including:
 - a. Determining the optimal number and location of snow dump and snow melting sites;
 - b. Developing timelines for the acquisition and development of snow dump sites; and
 - c. Reporting on the updated snow disposal plan to the Public Works and Infrastructure Committee by September 2012.
5. The General Manager, Transportation Services, in consultation with the Director, Purchasing and Materials Management Division and the City Solicitor, explore the possibility of modifying the current winter maintenance contract award process by:
 - a. Allowing the opening of all submitted bids; and
 - b. Reserving the City's right to award contracts in a manner that gives the City the lowest possible price while respecting the principles of a fair and open procurement process.
6. The General Manager, Transportation Services, on a pilot program basis, implement performance measures using available information such as GPS and salt usage data to assess whether approved service standards are met or exceeded, efficient employment of resources or other useful information for management.
7. The Manager, Insurance and Risk Management, and divisional staff review their respective roles in investigating claims and ensuring adequate preventive measures are in place to minimize occurrence and related costs, including
 - a. Establishing monitoring procedures at the division level to identify risk areas and analyze trends;

- b. Determining the appropriate level of detail that should be provided by Insurance and Risk Management to divisions to facilitate such analysis; and
- c. Utilizing GPS information as required for claims investigation to establish that the appropriate level of service has been provided.

Financial Impact

The implementation of recommendations in this report will improve the overall effectiveness of winter maintenance operations and could result in cost savings. The extent of any resources required or potential cost savings resulting from implementing the recommendations in this report is not determinable at this time.

COMMENTS

This report provides the results of the Auditor General's review of winter maintenance services managed by Transportation Services. This review was conducted as part of the Auditor General's 2010 Work Plan.

The Auditor General's report entitled "Transportation Services – Review of Winter Maintenance Services" is attached as Appendix 1. Management's response to each of the recommendations contained in the report is attached as Appendix 2.

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SIGNATURE

Jeff Griffiths, Auditor General

10-TSD-01

ATTACHMENTS

- Appendix 1: Transportation Services – Review of Winter Maintenance Services
- Appendix 2: Management's Response to the Auditor General's Review of Transportation Services – Review of Winter Maintenance Services