

BRIEFING NOTE

Date: January 14, 2013

Contracting Out Dispatch – Transportation Services

Issue/Background:

- On January 14, 2013, Local 79 circulated a letter to members of City Council on the Contracting out of "Traffic Control and Incident Management Systems" (Dispatch Services).
- In 2011, in preparation of the 2012 Operating Budget, the Division reviewed various operations for service efficiencies and cost reductions opportunities.
- In the Traffic Management Centre Control Room, the dispatch function is performed by City Staff while the operation of the RESCU System (traffic monitoring) is performed by Contracted Services (last 2 years Fortran Traffic Systems, previously IBI Group).
- It was determined that there was a potential for cost savings by contracting out the dispatch operation.
- A cost analysis was completed in 2011 comparing the costs of using City Staff versus Contracted staff to perform the dispatch functions.

Key Points:

- Results of the analysis indicated that a potential saving of \$291K could be achieved by contracting out Dispatch.
- Analysis indicated significant overtime costs associated with City Staff performing dispatch functions. In 2012, the OT was \$105.5K which was 61% of the TMC OT expenditures.
- There are 13 FTE's associated with Dispatch (12-Customer Service Dispatch 1 and 1 Supervisor Dispatch Operations).
- The Customer Service Dispatchers come under Local 79.
- Based on the potential for cost saving, the 2012 Operating Budget Submission included a Business Case and Confidential Attachment to contract out Dispatch.
- The 2012 Transportation Services Operating Budget was approved which included the contracting out of Dispatch in Transportations Services

Status Update

- As directed by Labour Relations, contact with the Union was deferred until the negotiation with L79 was finalized.
- On May 16, 2012, L79 was notified via a letter from the Director, Employee and Labour Relations of Transportation Services intent to contract out the Dispatch operation.
- First meeting with L79 was held on May 24, 2012.
- A series of meetings and document exchanges followed, including a detailed response from the City to a series of questions from L79 on October 4, 2012.

- A letter from Employee and Labour Relations dated December 6, 2012 to the L79 provided notice of layoff for Customer Service Dispatchers in accordance to Clause 21.02(a) of the Collective Agreement.
- On January 10, 2013, Transportation Staff and Employee and Labour Relations staff met with members of the L79 Union and the Customer Services Dispatchers to provide the Dispatchers with their official notification of the deletion of the position as of February 28, 2013. Employee and Labour Relations staff also provided information on the redeployment process and responded to a number of questions.
- An RFP for a combined RESCU and Dispatch service recently closed and it awaiting award at Bid Committee on January 16, 2013. The contract start date is March 1, 2013.
- The 2013 Transportation Operating Budget Submission reflects the budget reduction associated with contracting out of Dispatch approved by City Council in 2012.
- The Contractor performing dispatch duties is responsible for administrative activities and is not responsible for initiating or approving worked performed by Contractors conducting maintenance activities for the City and is under the direct supervision of City staff.

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