



STAFF REPORT ACTION REQUIRED

Continual Participation in the Driver Certification Program with the Ministry of Transportation of Ontario

Date:	April 27, 2015
To:	Government Management Committee
From:	Director, Fleet Services Division
Wards:	All
Reference Number:	P:\2015\Internal Services\Fleet\GM15002Fleet – (AFS# 20854)

SUMMARY

The purpose of this report is to obtain Council authority to enter into an agreement with the Ministry of Transportation (the "Ministry") for the continued participation by Fleet Services in the updated Driver Certification Program (DCP). The DCP enables City staff to train, issue and renew classified provincial licences and endorsements for its employees. Staff also recommend that Council delegate authority to the Director, Fleet Services Division to approve and sign any future agreements with the Ministry for road safety matters.

RECOMMENDATIONS

The Director, Fleet Services Division recommends that:

1. City Council authorize the Director, Fleet Services Division to negotiate and execute an agreement with Her Majesty The Queen in right of Ontario as represented by the Ministry of Transportation (the "Ministry") to continue Fleet Services' participation in the Ministry's Driver Certification Program (DCP) on terms and conditions generally as set out in this report, and on such other terms and conditions satisfactory to the Director, Fleet Services Division and the City Solicitor.
2. City Council identify the Manager, Fleet Safety as the "Recognized Authority Official" under the proposed agreement with the Ministry for the purpose of overseeing the DCP operation.

3. City Council delegate authority to the Director, Fleet Services Division to negotiate and execute any future agreements with Her Majesty The Queen in right of Ontario as represented by the Ministry of Transportation or its successor Ministry, for road safety matters on terms and conditions satisfactory to the Director, Fleet Services Division and the City Solicitor.

Financial Impact

The Ministry has revised the Driver Certification Program. To offset the cost of administering the DCP by the Ministry, all participating organizations or Recognized Authorities, including the City (through Fleet Services) will be required to pay a transaction fee for each upgrade and renewal performed. The Ministry is also transferring the responsibility of the program auditing, including the cost to retain an external auditor, to ensure program compliance to Fleet Services.

The total estimated operating cost to continue participation in the Driver Certification Program in 2015 is \$18,280.00. This amount is required to perform an initial compliance audit at an estimated cost of \$8,000.00 and includes the transaction fees for each upgrade and renewal performed at an estimated cost of \$10,280.00 (514 transactions x \$20.00 each). The estimated costs will be absorbed in the 2015 Approved Operating Budget for Fleet Services. Future year operating costs are estimated to be \$15,280.00 annually, including \$10,280.00 (514 transactions x \$20.00 each) transaction fees for upgrades and renewals performed and \$5,000.00 for an annual compliance audit. The appropriate funding will be included in future year Operating Budget submissions for Fleet Services.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Due to recent changes to the Ministry of Transportation's DCP, a signed agreement with the Ministry is now required to continue to participate in the program.

ISSUE BACKGROUND

An organization that has been approved to participate in the DCP is referred to as a Recognized Authority (RA). As a RA, Fleet Services has provided driver licence upgrades and renewals to City of Toronto employees since amalgamation in 1998. The Ministry now requires a signed agreement to maintain eligibility in the program.

Fleet Services Division is recommending that authority be granted to the Director, Fleet Services Division to execute any future agreements with the Ministry on road safety matters, including amendments to the DCP and amendments to the Ministry's Authorized Requester Information System (ARIS) Program.

COMMENTS

The Driver Certification Program (DCP)

The DCP offered through the Ministry gives organizations the authority to deliver driver training programs as well as conduct testing to grant classified licence and endorsement upgrades and renewals. Participation in the DCP allows Fleet Services staff to upgrade employee driver licences and endorsements. This ensures that City vehicles are operated by competent drivers who have been properly trained and possess the appropriate licence in compliance with Ministry legislations as well as City of Toronto policies and procedures. Employees who are successful in the training and testing program are sent to either a DriveTest Centre (for upgrades and commercial renewals) or a Service Ontario Driver and Vehicle Licence Issuance Office (for renewals only) to obtain an updated driver's licence.

Participation in the Program

Fleet Services manages approximately 2,500 Ontario commercial licensed drivers for City Divisions and Agencies. Toronto Fire Services and Toronto Paramedic Services are separate RAs and manage their own licence renewals and upgrades. City Divisions and Agencies rely on Fleet Services to provide qualified drivers through the DCP. City Divisions and Agencies require employees with commercial licence classes to provide essential services to the City of Toronto residents, including recycling and waste collection and disposal, water and sewer service repairs, passenger transportation and snow removal.

Cost Savings

Fleet Services performed 514 commercial licence tests in 2014, 481 licence renewals and 33 licence upgrades. The cost to the City for an employee to renew or upgrade to a commercial licence is included in the monthly maintenance rate of the vehicle, which Fleet Services charges to Divisions / Agencies.

A comparison to an external public college that could provide the services based on the hourly rate of a Fleet Safety & Education Consultant shows that it is more cost effective to have Fleet Services provide licence upgrades. Table 1 below shows the cost comparison of upgrades. Based on the number of upgrades performed in 2014, the estimated savings from having Fleet Services continue to perform licence upgrades would be \$10,922.28.

Table 1: Estimated Cost of a Commercial Licence Upgrade

Class of Licence / Endorsement	# of Upgrades in 2014	Licence Upgrade Performed by Fleet Services	Licence Upgrade at a Public College	Licence Upgrade at a Private College
AZ	6	\$3,516.40	\$4,221.25	\$5,900.00
CZ	9	\$1,534.00	N/A	\$2,216.52
DZ	18	\$1,534.00	\$1,586.25	\$2,216.52

Having employees renew their commercial licences with Fleet Services is more operationally cost effective and efficient. Fleet Services estimates that an additional cost of \$20.00 will be incurred for each renewal when the cost of required travel and wait time at a DriveTest Centre (1 hour x hourly wage of \$25.00) is considered. Based on the number of renewals performed in 2014, this would have amounted in an additional cost of \$9,620.00 (481 renewals x \$20.00).

Benefits of Continued Participation in the Driver Certification Program

Delivering programs for licence upgrades and renewals ensures that Fleet Services is involved in all stages of the safety program. The ability to take a holistic approach will continue to allow Fleet Services to manage the various activities and perform life cycle analysis to evaluate and make continuous improvements to the Fleet Safety Program.

Participation in the DCP has allowed Fleet Services to continue to promote and improve on the safe operation of trucks and buses in Ontario, such as maintaining the City of Toronto's CVOR (Commercial Vehicle Operator's Registration) Safety Violation Rating. From October 2013 to February 2014 the City of Toronto has seen a decrease of 49.4% in CVOR related vehicle collisions and a decrease of 40.0% in CVOR related vehicle convictions. This has resulted in an improvement in the City's overall safety violation rate from 63.9% to 37.5%.

Other benefits from Fleet Services continuing to participate in the DCP include:

- Allows the Fleet Safety & Education Consultants, as part of upgrade/renewal process the ability to train and educate employees on specific City vehicle safety and operating policies which would otherwise require additional training time
- Employees are trained and tested in the vehicle type that they will be driving and operating on a daily basis.

- Allows employees to upgrade / renew their driver's licence at a time convenient to the Divisions, minimizing the impact on operations. Fleet Services provides upgrade and renewal services at 4 locations, all of which are situated within close proximity to major City service yards.
- Flexibility to upgrade driver's licences to meet unexpected or urgent situations. These situations arise from Divisions requiring a fast response time to have an employee upgraded to meet operational demands.
- Enhanced credibility of the City of Toronto's Fleet Safety Program as a result of the level of training and curriculum standards that staff must adhere to.
- The Fleet Safety & Education Consultants can identify any driving deficiencies at the time of training and testing to ensure employee and public safety.

The ability to perform licence upgrades and renewals is an integral part of Fleet Services' overall safety program which involves promoting good driving habits and reducing the number and severity of motor vehicle collisions. The long term benefits would include fewer repair bills and reduced vehicle down time.

As the Ministry continues to make enhancements to the DCP, changes and amendments to the current agreement may be required. Fleet Services also has an agreement with the Ministry to access the Ministry of Transportation's driver's licence retrieval database program known as ARIS (Authorized Requester Information System). This system allows Fleet Services to obtain driver licence abstracts as well as the CVOR abstract for employees to fulfill requirements under the Highway Traffic Act, Commercial Vehicle Operator's Registration as well as the City's Fleet Safety Policy. Fleet Services Division is recommending that authority be granted to the Director, Fleet Services Division to execute any future agreements with the Ministry on road safety matters, such as amendments to the DCP and the ARIS Program.

Agreement Terms and Conditions

The agreement required by the Ministry includes the following terms:

- The Ministry has the right to unilaterally amend the agreement or revise the DCP manual at any time;
- The agreement automatically renews each year. However, either party may terminate the agreement at any time for any reason upon providing 30 days notice to the other party;
- The Ministry has the right to audit or inspect the City's books, records and operations in relation only to the DCP at any time and by any means without notice, at the City's expense;

- Subject to applicable privacy laws, the City shall provide to the Ministry all information about an applicant for a renewal or upgrade of a driver's licence or endorsement under the DCP;
- The City must provide the Ministry with a very broad indemnity; and
- The City must pay all applicable fees related to the DCP.

CONCLUSION

Fleet Services has determined that it is more cost effective to continue to participate in the DCP. To do so, Fleet Services estimates that it would cost the City of Toronto \$15,280.00 annually in operating costs. The cost for an external party to provide commercial license upgrades would amount to \$10,922.28 in additional costs and an additional \$9,620.00 to have employees renew their commercial licences at a DriveTest Centre. The ability for Fleet Services to continue participation in the Driver Certification Program will also increase accountability in the management of the City's drivers and vehicles to improve public safety, service delivery and organizational excellence.

CONTACT

David Tran
Acting Manager, Fleet Safety & Training
Phone: 416-392-4397
Email: dtran1@toronto.ca

SIGNATURE

Lloyd Brierley
Director, Fleet Services Division