

# **Getting to the Root of the Issues – January 2022 Performance Update of Urban Forestry Contractors and City Crews and Consolidated Summary and Analysis of 2021 Forestry Operations Related Complaints**

**Date:** January 27, 2022

**To:** Audit Committee

**From:** General Manager, Parks, Forestry and Recreation

**Wards:** All

## **SUMMARY**

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On February 9, 2021, the Auditor General released a report entitled "Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit", which was tabled at the Audit Committee meeting on February 16, 2021.

Council provided direction to Parks, Forestry and Recreation (PFR) to report to each meeting of the Audit Committee on experiences and data collected on the performance of Urban Forestry Contractors and City crews. Council also directed the City Manager to provide a consolidated summary and analysis of all forestry services related complaints in 2021.

The purpose of this report is to provide an update on experiences and data collected on the performance of Urban Forestry Contractors and City crews to the end of the previous tree maintenance contracts, June 30, 2021, and for the first five months of the new contracts. The report also provides a summary of Forestry Operations complaints and the actions and outcomes arising from these complaints.

## **RECOMMENDATIONS**

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The General Manager, Parks, Forestry and Recreation recommends that:

1. The Audit Committee receive this report for information.

## FINANCIAL IMPACT

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There are no financial impacts as a result of the recommendation in this report.

Any incremental costs and/or cost savings as a result of implementing recommendations associated with the Tree Maintenance Services Audit, if necessary, will be included in future budget submissions for Parks, Forestry and Recreation through the annual budget process.

The Chief Financial Officer and Treasurer has reviewed this report which has no financial implications and agrees with the information as presented in the Financial Impact section.

## DECISION HISTORY

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At the July 7, 2021 Audit Committee meeting, PFR presented its 90-day action update and first performance update report, as directed by the Audit Committee.

<https://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-167068.pdf>

At the May 5 and 6, 2021 City Council meeting, PFR presented its 60-day action update report, as directed by the Audit Committee.

<https://www.toronto.ca/legdocs/mmis/2021/cc/bgrd/backgroundfile-166196.pdf>

At the May 5 and 6, 2021 City Council meeting, City Council adopted "Award of Negotiated Request for Proposal Ariba Document 2305234907 to Various Suppliers for the Provision of Arboricultural Services at various City of Toronto locations".

<http://www.toronto.ca/legdocs/mmis/2021/cc/bgrd/backgroundfile-166407.pdf>

At the April 7 and 8, 2021 City Council meeting, PFR presented its 30-day action update report, as directed by the Audit Committee.

<https://www.toronto.ca/legdocs/mmis/2021/cc/bgrd/backgroundfile-165385.pdf>

At the February 16, 2021 Audit Committee meeting, the Auditor General tabled the report "Getting to the Root of the Issues: A Follow-Up to the 2019 Tree Maintenance Services Audit".

<http://www.toronto.ca/legdocs/mmis/2021/au/bgrd/backgroundfile-163322.pdf>

On July 9, 2020, the City Solicitor and the General Manager, Parks, Forestry and Recreation reported to the Infrastructure and Environment Committee on PFR's review of work performed by tree maintenance Contractors and provided related legal advice. A supplementary report was presented when the matter was considered by City Council on July 28 and 29, 2020.

<http://www.toronto.ca/legdocs/mmis/2020/cc/bgrd/backgroundfile-153676.pdf>

On October 25, 2019, the Audit Committee considered a report from the General Manager, Parks, Forestry and Recreation outlining the division's progress in responding to the May 2019 Council direction.

<http://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-138849.pdf>

On May 14 and 15, 2019, City Council considered the Auditor General's audit, "Review of Urban Forestry - Ensuring Value for Money for Tree Maintenance Services", focused on tree planting and maintenance services.

<http://www.toronto.ca/legdocs/mmis/2019/au/bgrd/backgroundfile-132434.pdf>

## COMMENTS

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In response to and concurrent with the Auditor General's report, PFR has taken steps to improve oversight of the operational and contract management aspects of tree maintenance. Increased oversight has found that tree maintenance crews are spending more time working on trees and less time on supporting activities and unproductive activities. Since the release of the Auditor General's report in February 2021, PFR has taken a number of actions to increase oversight of City and Contractor tree maintenance crew which includes:

- Meeting with and issuing letters of expectation to each tree maintenance Contractor to advise that Contractors will be held accountable for compliance with all terms of the contract.
- Discreet physical observation of Contractor crews by an external surveillance firm.
- Doubling the number of GPS reviews for City and Contractor crews, cross referencing GPS reports with daily logs.
- Doubling the number of efficient use of time reviews for both City and Contractor crews, which include unannounced on-site inspections combined with a review of supporting documentation including daily logs, work order requirements, parked car logs and photos and GPS reports.
- Implementing an integrative approach to provide improvements related to the issues of parked vehicles and hydro hold-offs including pre-booking Parking Enforcement Officers and hydro hold-offs when feasible.
- Eliminating the payment of breaks for the Contractor crews in accordance with contract terms.
- Centralizing the complaints process including reporting all Forestry Operations complaints on the Auditor General's online fraud and waste hotline form.
- Implementing a second level of invoice verification with PFR's Management Services Branch.
- Conducting monthly contract compliance meetings with Contractors in relation to the new contracts which came into effect in July 2021.

When issues are identified they are being addressed in a timely manner with the Contractors and City crews through adjustments to daily logs, invoice reconciliation and credit requests, directing Contractors to return to the work location, at their cost, to take corrective action and complete the assigned tree maintenance activity, referring the crew to the physical observation contract and through discipline, as appropriate, under

the terms of the contract and collective agreements.

Forestry began reporting all Operations complaints through the Auditor General's online fraud and waste hotline form in September 2021. All Forestry Operations complaints are centrally logged and reviewed by staff and the Director and acted upon as required.

## **Performance of Urban Forestry Contractors and City crews**

PFR is tracking and monitoring the performance of Contractor and City Crews on an ongoing basis and will be reporting regularly to Audit Committee meetings, as directed by Council, on the performance status.

### *1. Physical Observation*

Discreet physical observation of Urban Forestry Contractors began April 1, 2021, as recommended by the Auditor General through the 2021 audit. It is being conducted by an external surveillance firm with the goal of ascertaining the accuracy and reliability of reported work completed and paid for based on an hourly rate. Prior to July 2021, all contracts were hourly rate contracts. The new contracts that began July 1, 2021 are a mix of hourly and unit rate contracts.

#### **Findings:**

- From April through to the end of June 2021 (previous contracts), 250 hours of observation was completed resulting in 13.7 hours of time being recovered through Contractor credits.
- From July through to the end of November 2021 (new contracts), 360 hours of observation was completed resulting in 19.0 hours of time being recovered through Contractor credits.
- The amount of time required to be recovered as a percentage of the hours of physical observation has remained consistent. PFR will continue to work with the external surveillance firm to achieve improved accuracy and reliability of the work reported through the daily work activity logs.

### *2. GPS discrepancies*

GPS discrepancies are reviewed through the Forestry Performance Inspection program and the number of reviews has doubled as a result of the recommendations from the Auditor General's 2019 and 2021 reports. The reviews are carried out on a weekly basis and consist of cross referencing the daily logs with the GPS report and map to verify times and locations for accuracy for both City and Contractor crews.

#### **Findings:**

- From January to June, 2021, with the number of reviews having doubled and the level of scrutiny increased, an 86 per cent GPS to daily log accuracy rate was found.
- The same level of review continued in July under the new contracts resulting in a 94 per cent accuracy rate resulting in an eight per cent improvement.

Table: 1 Global Positioning Review

GPS Log to Daily Log Accuracy Rate	2021 January-June	2021 July-November
Daily Logs	8595	5636
Daily Logs Reviewed	1285	766
Accurate Daily Logs	1108	722
Percent Accurate	86 per cent	94 per cent
Daily Logs with Discrepancies	177	44
Non-billable time recovered through credits (hours)	97.78	3.28

\*GPS reviews became a requirement for quality control inspections for Contractors on May 2, 2019 and for City crews on August 31, 2020.

### 3. *Efficient use of time*

Efficient use of time is reviewed through the Forestry Performance Inspection program, for both City and Contractor crews. This measure is assessed by performing on-site inspections and quality control inspections combined with a review of daily logs and work order requirements, complaints received and any other supporting documentation, if applicable, such as a parked car log or GPS report. The size, condition and access to the trees being maintained is taken into consideration when evaluating the tree maintenance required.

#### Findings:

- From January to June, 2021, with the number of reviews having doubled and the level of review increased, a 96 per cent efficiency rate was found.
- The same level of review continued in July under the new contracts, resulting in a 98 per cent efficiency rate and a two per cent improvement.

Table 2: Efficient Use of Time Review

Efficient Use of Time	2021 January-June	2021 July-November
Daily Logs	8595	5636
Daily Logs Reviewed	3460	1960
Daily Logs with no Discrepancies	3319	1915
Efficiency Rate	96 per cent	98 per cent

Efficient Use of Time	2021 January-June	2021 July-November
Number of Inefficiencies	141	45
Non-billable time recovered through credits (hours)	139.78	9.17

#### 4. Daily Work Activity Report Review

Batch samples of daily activity logs are manually reviewed in extensive detail to record and analyze the various activities of Contractor and City crews.

PFR has reviewed all daily logs for one operational location, in downtown Toronto, where the majority of productivity issues exist, to confirm an improvement in accuracy of documentation, productivity and operational efficiency. This operational location is a densely populated area with unique logistical challenges for tree maintenance crews including, a high percentage of street parking, narrow streets and conflicts with energized wires requiring coordination with Toronto Hydro. Urban Forestry has focused on the amount of time spent doing tree work as our key performance measurement. The results of this review are included in table 3.

##### Findings:

- The average amount of time spent on trees in June 2021 (based on central tendency of the data) was four hours eight minutes (mean), four hours 18 minutes (median) and four hours 30 minutes (mode).
- The average amount of time spent on trees in July 2021 (based on central tendency of the data) showed improvement under the new hourly rate contracts and new logistical and supporting activities pilot to four hours 24 minutes (mean), four hours 26 minutes (median) and five hours 20 minutes (mode).
- The average amount of time spent on trees in October 2021 (based on central tendency of the data) showed improvement under the new hourly rate contracts to four hours 44 minutes (mean), four hours 28 minutes (median) and five hours 20 minutes (mode).

Table 3: Daily Work Activity Report Review

Daily Work Activity Report Review	June 2021	July 2021	October 2021
Daily Logs Reviewed	107	92	126
Average (mean) hours spent doing tree work	four hours 8 minutes	four hours 24 minutes	four hours 44 minutes

Daily Work Activity Report Review	June 2021	July 2021	October 2021
Per cent of daily logs with greater than 4 hours spent working on trees	64 per cent	70 per cent	76 per cent

\*results are based on paper review only, not on physical observation.

### 5. Invoice Verification

All invoices are verified before payment by Urban Forestry and invoice discrepancies are documented in the Forestry Performance Inspection database. PFR's Management Services Branch conducts a second level of invoice verification by reviewing a sample of invoices and supporting documentation, including daily logs, GPS reports and Forestry Performance inspection reports.

#### Findings:

- From January through June 2021, 96 per cent of invoices did not require any adjustments due to deficiencies. The secondary review began in April 2021 and from April through June 2021, a sample of 248 invoices were reviewed finding a 100 per cent compliance rate and no monetary discrepancies.
- From July through November 2021, 99 per cent of invoices did not require any adjustments due to deficiencies. The secondary review during this time period consisted of a sample of 122 invoices and found a 100 per cent compliance rate and no monetary discrepancies.

Table 4: Invoice Verification

Invoice Verification	2021 January-June	2021 July-November
Invoices	2728	1618
Invoices with no adjustment required	2619	1608
Invoices requiring adjustment	109	10
Unbillable hours due to deficiencies	179.7	31.25
Locations crews revisited to complete work at their cost	26	71
Accuracy of Invoices	96 per cent	99 per cent

## 6. Forestry Operations 2021 Complaints Summary

Complaints are logged into the Forestry Performance Inspection program. All complaints are reviewed by staff and the Director of Forestry Operations on a monthly basis and followed up on, as required. In April 2021, Forestry began forwarding complaints related to wrongdoing to the Auditor General and in September 2021, Forestry began reporting all operations complaints on the Auditor General's online fraud and waste hotline form.

### Findings:

- Out of 8,595 Contractor and City tree maintenance crew days from January through June, 2021, 62 complaints were received relating to crew performance. 29 of these required follow-up action (ex: invoice adjustments, crews returning to complete work at their cost).
- The number of complaints the City receives related to tree maintenance crews is relatively small when you calculate it as a percentage of the number of crews that are working each day throughout the year.
- This results in a 0.72 per cent complaint rate to crew days and a 0.34 per cent rate to crew days requiring follow-up action as a result of a complaint
- Urban Forestry's review of the 29 complaints identified a total of 32 deficiencies included in the table below.
- Out of 6,511 Contractor and City tree maintenance crew days from July through December 2021, 61 complaints were received relating to crew performance. 37 of these complaints required follow-up action.
- This results in a 0.94 per cent complaint rate to crew days and 0.57 per cent rate to crew days requiring follow-up action as a result of a complaint
- Urban Forestry's review of the 37 complaints identified a total of 46 deficiencies included in table 5.

Table 5: Complaint Deficiencies

Deficiencies identified through complaints	2021 January-June 29 complaints	2021 July-December 37 complaints
Arboricultural Services Complaint	9	16
Site Clean-up Complaint	5	6
Crew Conduct Complaint	4	6
Damage Complaint	12	13
Efficient use of Time Complaint	1	1
Other Complaint	1	4



Actions taken to resolve complaints:

- Two complaints were resolved through invoice reconciliation and credit requests.
- 24 complaints were resolved by the Contractors returning to the work location, at their cost, to take corrective action and complete the assigned tree maintenance activity.
- 22 complaints were referred to the City's Claims Process.
- 14 crew conduct complaints were resolved through meetings with the crew leader.
- Four complaints still require further investigation and resolution.

## *7. Contractor Compliance Reports*

In August 2021, PFR began conducting regular Contractor compliance meetings and issuing compliance reports to the Contractors under the new contracts which commenced July 1, 2021. The meetings and compliance reports are part of PFRs ongoing contract management tools to review and evaluate performance, compliance and adherence to contract terms and are used to inform appropriate follow up actions.

Contract compliance reports obtained through the Forestry Performance Inspection program include:

- Quality control inspections
- On-site inspections and complaint investigations
- Invoice review, reconciliation issues and report requirements (submitted on time and correctly)
- Crew complements
- GPS access
- Personnel issues
- Signs on vehicles
- Adherence to health and safety requirements
- Information obtained from the physical observation contract

Contractors are held to terms of the contract using the following tools:

- Meetings with Contractors to review the compliance reports, capturing required actions through minutes and following up with action items to ensure completed.
- Issuance of letters to file, where warranted, to advise required action by Contractor.
- Utilizing additional tools available in the contract, such as fines, where required action is not taken by Contractor to correct compliance issues.

PFR will continue the implementation of the Auditor General's recommendations in order to enhance Urban Forestry's tree maintenance crew oversight, contract management, productivity and operational efficiency and will report back to the next meeting of the Audit Committee on the experiences and data collected on the performance of Urban Forestry Contractors and City crews.

## **CONTACT**

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## **SIGNATURE**

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Parks, Forestry and Recreation