



Audit of Transportation Services: Improving Utility Cut Permit and Inspection Processes

Presentation to Audit Committee
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Item AU9.7

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Introduction – Utility Cut Program

- Transportation Services agrees with and is committed to addressing the 14 recommendations contained within the audit report.
- The utility program is undergoing a comprehensive transformational change to modernize and strengthen the program while addressing root causes identified in the audit.
- This presentation will provide an overview of the foundational work completed to date, ongoing initiatives, and planned actions to address the audit recommendations.

UTILITY CUTS

WHAT IS A UTILITY CUT?

Beneath Toronto's streets are a hidden network of utility infrastructure delivering essential services to residents, businesses and communities including clean drinking water, reliable electricity, and gas, as well as telecommunications infrastructure. To maintain, upgrade and repair these underground networks utility companies need to cut into roads, sidewalks and boulevards and are responsible for permanently restoring the City's infrastructure impacted by their work.

Utilities are making improvements to their infrastructure in your neighbourhood!

Utility Infrastructure Construction

Temporary Asphalt Patching

Final Hard and Soft Surface Restoration

WHAT IS THE UTILITY CUT PROCESS?

- 1. Permit Application & Approval**
Annually, the City of Toronto issues approximately 34,000 Cut Permits to utility companies to perform work within the Right of Way.
- 2. Utility Infrastructure Construction**
Repairs, upgrades to underground and above ground infrastructure owned by utility companies.
- 3. Temporary Asphalt Patching of the Utility Cut**
After utility companies complete work on their infrastructure. The utility company is then responsible for permanently restoring the City's infrastructure.
- 4. Final Hard and Soft Surface Restoration**
The utility company who performed the utility cut is responsible to permanently restore the City Infrastructure impacted by their work in accordance with City Standards & Specifications.

Need More Information?

Check out Toronto's [Infrastructure Improvements Map](#)

map.toronto.ca/toinview/

311

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TORONTO

Improving Application Processing Time & Consistent Practices

Management Response:

- Processing timelines include delays caused by applicants needing to fix errors or submit missing documents, so they don't only reflect the City's processing time.
- The existing permitting system can't track detailed processing steps, store supporting files, or manage electronic checklists resulting in a labour-intensive manual process.
- Given the high volume of permits and limitations of current systems, some improvements will require additional resources to be fully realized.

Planned Initiatives

Near Term

- Streamlining internal processes to reduce hand-offs between teams for Full Stream applications (Q4 2025).
- Development and implementation of Quality Assurance Procedures for all permit types. (Q2 2026).

Long Term

- Establishing memorandum of understanding with other Divisions.
- Submitting future staff asks to the 2026 and 2027 budgets.
- Replacing the permitting system (RACS) with a modern, integrated platform to enable direct application submission, automate workflows, reduce manual data entry, and enhance tracking, reporting, and performance monitoring through live dashboards and a client-facing portal.

Improving Inspections & Deficiency Monitoring

Management Response:

- Before May 2024, inspection records were paper-based and maintained individually by staff, leading to inconsistencies and challenges with record retention.
- In May 2024, the team implemented Maximo to digitally record inspections.
- At the same time, the Division onboarded 15 out of 20 new inspection staff to fill vacancies.
- In May 2025, the Division delivered a comprehensive training session to all inspection staff and created a shared mailbox to improve tracking of all utility deficiency notifications.

Near Term

- Development and implementation of Quality Assurance Procedures for all permit types. (Q2 2026).
- Integrating existing RACS and Maximo to streamline communication and, as part of this work, updating Maximo processes to improve tracking of deficiencies and warranties (Q4 2026).

Long Term

- Establishing memorandum of understanding with other City Divisions.
- Replacing the permitting system (RACS) with a modern, integrated platform that includes a robust client-facing portal designed to streamline direct application submissions, enhance communication between utilities regarding deficiencies and their resolution, and integrate with various systems to automate workflows,

Planned Initiatives

Establish an Effective Cost Recovery Fee Structure

Management Response:

- The establishment of the Utility Management Unit in 2024 brought all related work into one team, which will make it easier to track program costs that were previously spread out across multiple teams.
- As part of a consultant assignment, the Division is reviewing the future organizational structure, staffing, and resource needs.
- This information will inform future staff requests and fee updates to ensure the program remains fully cost recoverable.

Near Term

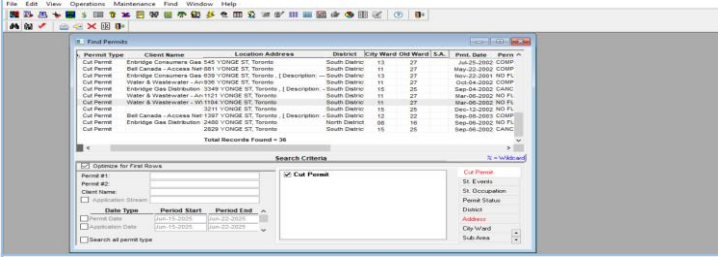
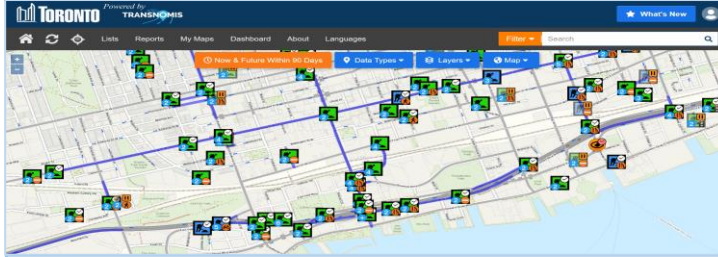
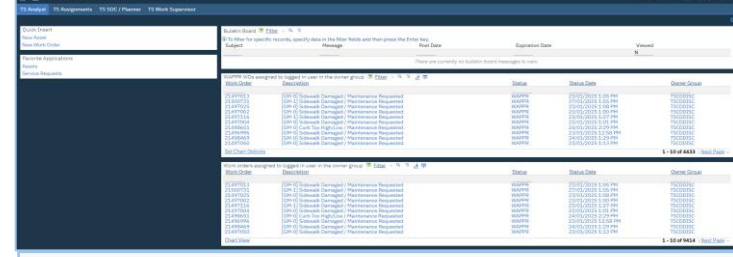
- Pursuing recovery of past Pavement Degradation Fees. (Q3 2026)
- Planning to implement a new return form in the RoDARS system to capture utility cut details, enabling accurate calculation and billing of pavement degradation fees (Q2-2026)
- The Division will pursue recovery for all outstanding amounts related to City-led restorations. (Q2-Q4 2026)

Long Term

- Informed by the consultant assignment, the Division will finalize the future organizational structure, request additional staff, and update fees to support full cost recovery.
- The Division will continue to monitor the program to ensure it remains fully cost recoverable.

Planned Initiatives

Better Track & Integrate Utility Cut Data

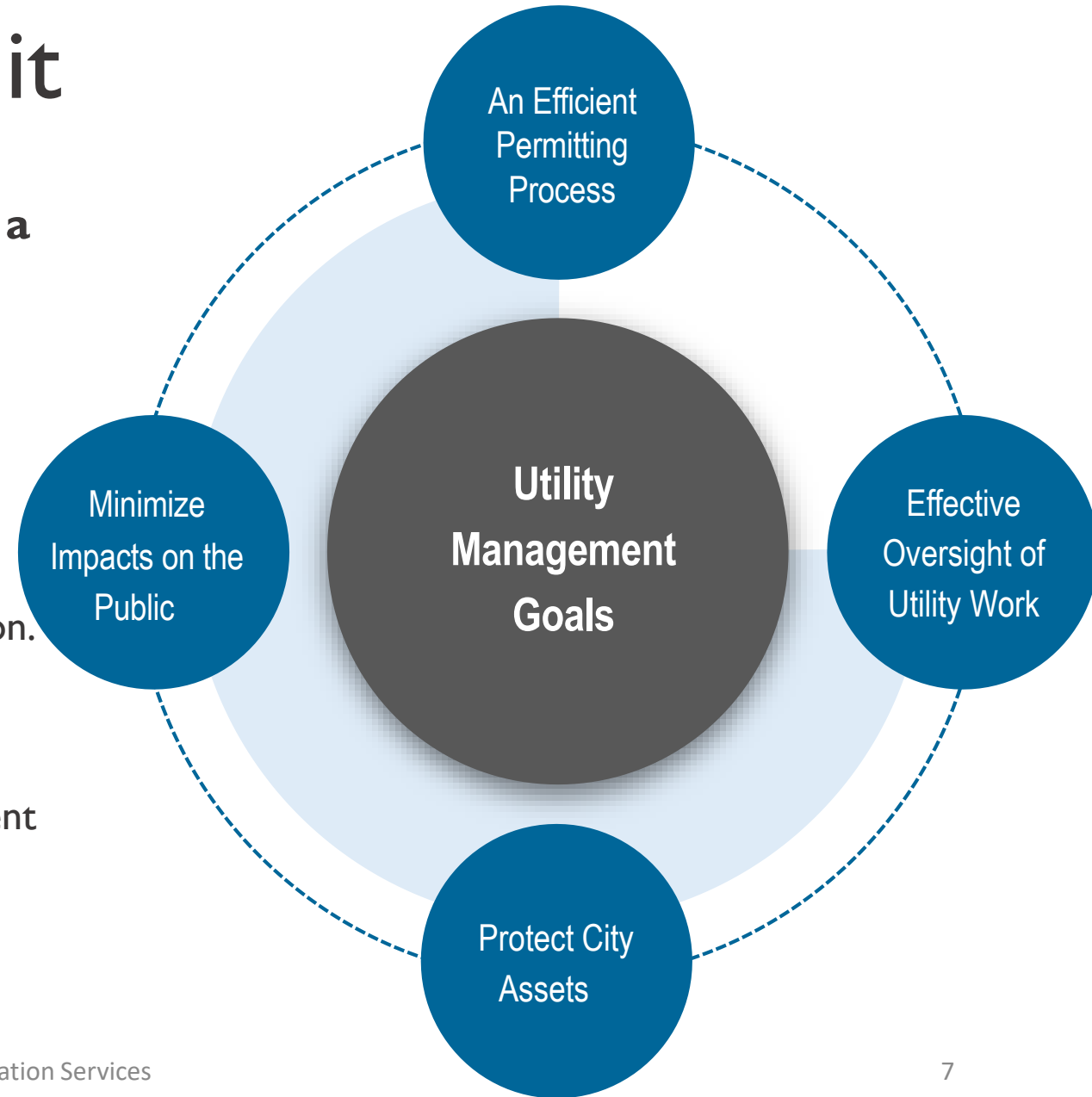
Summary	<h2>Road Allowance Control System (RACS)</h2>  <ul style="list-style-type: none"> Permitting system 	<h2>Road Disruption Activity Reporting System (RoDARS)</h2>  <ul style="list-style-type: none"> Road Closure Notification and Tracking System 	<h2>Enterprise Work Management System (EWMS) Maximo</h2>  <ul style="list-style-type: none"> Work Management System
Completed	<ul style="list-style-type: none"> Business case to replace the RACS system (2022) Market Scan (2024) Development of business and functional requirements for the future system (2024) 	<ul style="list-style-type: none"> System development (2024) System pilot and testing (2024-2025) System Go-Live (April 2025) Public facing Road Restrictions Map Update (June 2025) 	<ul style="list-style-type: none"> TS Initial Maximo Launch (2022 Winter Services) Utility Management begin to use Maximo for inspections (May 2024)
Ongoing	<ul style="list-style-type: none"> Procurement, development and implementation of system (Q1 2029) 	<ul style="list-style-type: none"> Development of new form to collect information from utilities including cut sizes (Q2 2026) 	<ul style="list-style-type: none"> Integration between EWMS and RACS system (Q4 2026) Maximo Mobile Rollout (ongoing)

Utility Management Unit

In 2024, Transportation Services established a new Utility Management Unit within the Permits & Enforcement section to:

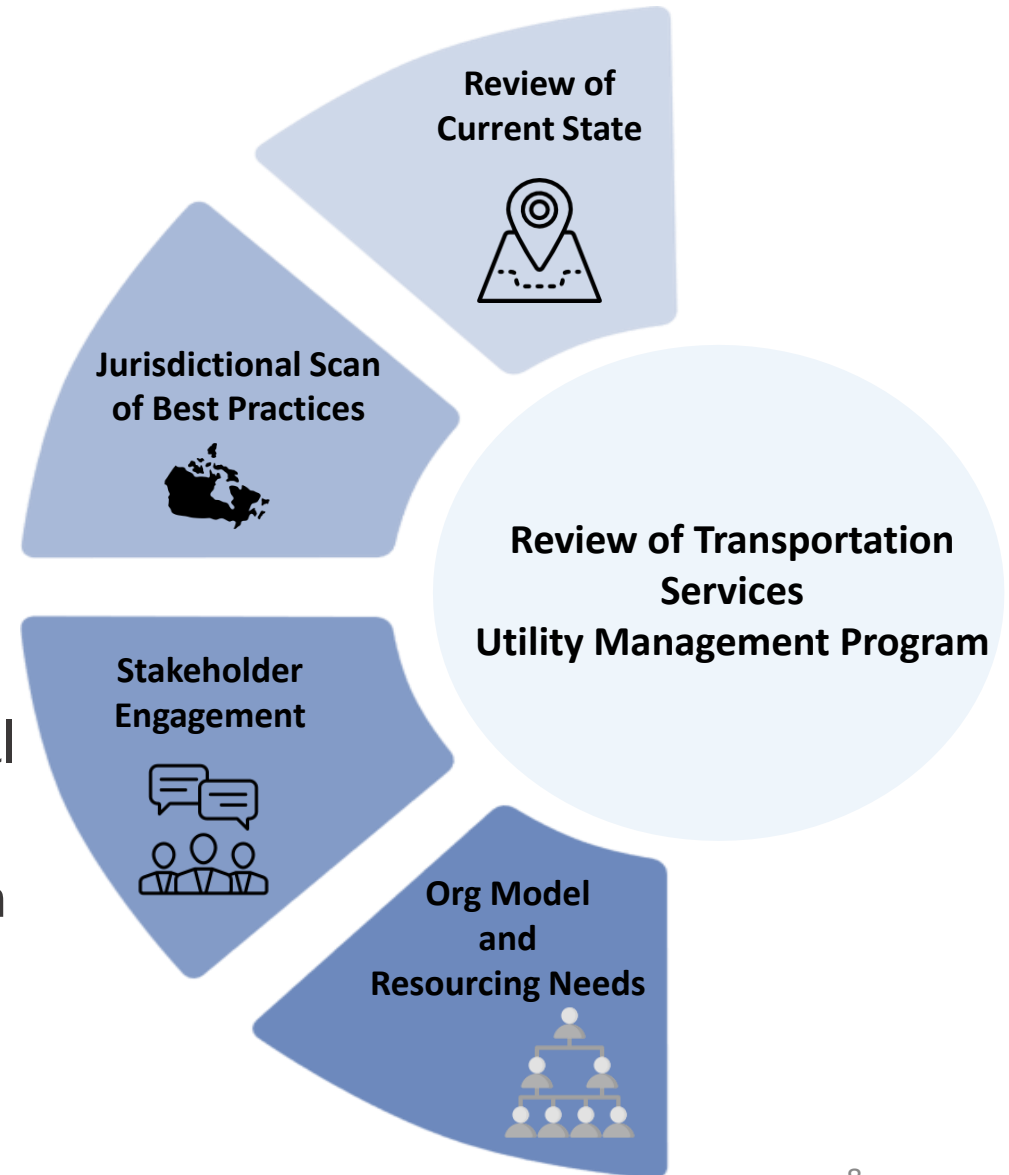
- Align permitting and inspection functions under one business unit.
- Advance new technologies, streamline processes, and enhance cost recovery.
- Improve stakeholder communication and collaboration.
- Build long-term staff capacity.

With the establishment of a dedicated Utility Management Unit, the division was now well positioned to begin developing a long-term strategic approach for the program.



Utility Management - Continuous Improvement

- In 2024, the Division began a consultant assignment to assist developing the long-term strategic vision.
- As the unit continues to grow it will also incorporate:
 - Insights from the internal compliance review
 - Recommendations from the Auditor General
- These inputs will help shape the future direction of the Utility Program and addressing the recommendations within the Audit report.



Thank You!