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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MAY 27, 2013
FROM:	EDWARD SOLDI, P.ENG. DIRECTOR OF ROADS AND TRANSPORTATION
SUBJECT	ONTARIO ONE CALL AND UTILITY LOCATES

RECOMMENDATION

That, on the recommendation of the Director of Roads and Transportation, the following actions **BE TAKEN** with respect to the Ontario One Call initiative;

- (a) The City continue to utilize a contracted service delivery model for the provision of underground utility locates, and;
- (b) Future additional operating costs for the mandatory Ontario One Call service estimated in the amount of \$22,000 **BE APPROVED** as a first priority from available assessment growth in 2014, subject to budget approval.

BACKGROUND

Purpose:

To provide Committee and Council with information pertaining to the *Ontario Underground Infrastructure Notification System Act, 2012*, and the state of the City of London's utility locate service.

Context:

Owners of buried infrastructure such as the City of London, Bell Canada, Union Gas, Rogers Communications and London Hydro are responsible for locating their own underground infrastructure whenever a constructor or homeowner plans to excavate. Through public awareness campaign efforts by major utilities, the "Call Before You Dig" catch-phrase has been successfully promoted to remind excavators and homeowners of the need to obtain utility locates prior to excavating. This essential service helps to prevent infrastructure damage, property damage, the loss of service and protects the health and safety of workers during construction. There is no cost to the excavator for the locate service; all that's needed is to call each utility owner to request a locate of their underground infrastructure before proceeding with the work.

Although this was a simple enough process years ago when there were a relatively small number of utilities, deregulation in certain sectors such as telecommunications has led to an increasing number of utilities to call – in some jurisdictions as many as a dozen phone calls might be needed to obtain all required locates prior to excavating.

In recognition of this problem, a group of utilities including Bell Canada, Union Gas and Enbridge Gas created the Ontario One Call (ON1Call) corporation in 1996. ON1Call provided a "one call" locate service where excavators could make one phone call to request locates and ON1Call would forward the locate request to the utilities that subscribed to its service. Member utilities were still responsible for completing the locate, but no longer had to staff their own call centre. The new service was enthusiastically received by the public and contractors including City operations staff since this reduced the need to identify and call every utility individually.

Unfortunately, membership in ON1Call was optional and for various reasons some utilities and many municipalities chose not to participate.

London has been a strong supporter the "one-call for locate" concept and has always viewed it as an essential public service rather than just an alternative service delivery. London has been a member of ON1Call, either directly or indirectly through London Hydro, since ON1Call's inception.

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In recognition of the increasing need to protect underground infrastructure and the health and safety of the public, the Province passed Bill 8 in 2012, entitled the “*Ontario Underground Infrastructure Notification System Act, 2012*” (the Act) which makes membership in Ontario One Call mandatory for all owners of underground infrastructure in Ontario. In support of Bill 8, Ontario One Call was converted to a non-profit organization with a board of Directors made up of representatives from electrical, oil and gas, telecommunications, municipalities and other non-utility infrastructure owners.

The City of London is one of the few municipalities in Ontario that contracts out all of its locate services with the exception of concrete watermains larger than 600mm which are done by City operations staff. Historically, the former PUC, then subsequently London Hydro, provided locate services for the City’s water and street lighting infrastructure under contract until nine years ago when London Hydro decided not to renew its locate service contract with the City because it was not a core business function. At the time, the City didn’t have the necessary resources to take over the locate function and a business analysis indicated that it was less expensive to contract the service out primarily due to the extreme seasonal nature of the work which made it difficult for the City to service efficiently. Since then, the City has continued to successfully contract out the service and this service delivery model is expected to continue provided the costs can be managed.

DISCUSSION

The Ministry of Consumer Services, being responsible for the implementation of the new Act, is in the process of developing regulations that will establish operational guidelines for ON1Call. Some of the major features of the Act and proposed regulations are:

1. Upon passage of the Act, ON1Call was converted from a for-profit organization to a not-for-profit statutory corporation.
2. ON1Call’s 15 board members will represent members in five categories of utilities; Electrical, Oil and Gas/Pipelines, Telecommunications, Municipalities and other non-utility infrastructure owners.
3. ON1Call is to be converted from a restricted membership model to an open membership model where members will vote for board candidates within their own category. The City of London will be able to vote for board representatives of its choosing.
4. All owners of underground utilities must join ON1Call by June 19th, 2013 and all municipalities must join by June 19th, 2014. London is currently a member of ON1Call.
5. All locates are to be provided within a defined timeline; generally 5 business days for a standard locate and 2 hours in the case of an emergency locate, with certain exceptions.
6. ON1Call will establish, by bylaw, an enforcement model which will be binding on all of its members and provide penalties and fines of up to \$10,000 for non-compliance. Based on an analysis of current practices, the City and it’s locate service provider currently comply with existing requirements and proposed regulations and no immediate issues that require attention have been identified.
7. ON1Call will have the authority to establish fees for its members, it being noted that the corporation will be revenue neutral and will not be subsidized by the Province and cannot charge excavators for the call centre service. In accordance with current ON1Call policies, the City currently pays no fees for ON1Call’s services, an arrangement that will continue until December 31st, 2014 at which time fees will be levied to all members on a per-call basis. Currently, utility members pay ON1Call \$1.60 per processed call. Once all utilities and municipalities have joined ON1Call by June of 2014, it is expected the fees for services will be reduced to something closer to \$1.00 per processed call. Based on a current call volume of 22,000 calls per year, this suggests the City needs to budget an additional \$22,000 in the 2015 operating budget. These additional costs will be apportioned between the City’s sewer, water, roadway lighting and traffic signal operations budgets which are responsible for the locate service providers contract.

Some additional regulation proposals, if approved, will require members to notify ON1Call when locates have been completed and to report any damages of underground infrastructure for tracking purposes. An important aspect of ON1Call’s mandate also focuses on education and damage prevention.

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The requirements of the Act and regulations now being formed are not expected to impact the City or the current contract with the locate service provider. Should any issues arise, however, they can be addressed through the new locate contract that is anticipated to be awarded in the spring of 2014.

The passage of the Act is a significant milestone pertaining to utility locates in Ontario. Civic Administration is fully supportive of the Act and, as a major owner of underground infrastructure, welcomes the formalization of the rules surrounding this important service. Indeed, the City has always included a condition of mandatory membership in ON1Call in its Municipal Access Agreements with utilities operating in London, but until now has been unable to enforce the requirement.

With compliance now assured, the City believes the Act will ultimately result in improved locate service delivery for all Londoners and offer better protection for both excavators and owners of utility plant.

PREPARED BY:	RECOMMENDED BY:
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REVIEWED AND CONCURRED BY:	
JOHN M. BRAAM, P.ENG. MANAGING DIRECTOR ENVIRONMENTAL SERVICES AND CITY ENGINEER	

May 9, 2013
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