Presentation to Niagara Region Public Works Committee

March 19, 2019
Why Are We Here?

• Contract was extended by 3 years
  • At Niagara’s request, in expectation of producer responsibility regulation to be instituted by the province, Emterra agreed to extending the contract
  • Additional time to allow Niagara to do extensive public consultations on next contract specifications and disposition of municipal assets (e.g. recycling plant)
  • Additional time to better position Niagara for the potential of sweeping changes
Why Are We Here continued?

• To address and provide insight to current concerns with collection issues

• To share the internal Emterra action plan with Public Works Committee on:
  ✓ Fleet maintenance
  ✓ Labour
  ✓ Other issues:
    • Extreme weather impacts
    • Ageing fleet
Fleet Maintenance

• **On-road break downs**
  - High frequency of unexpected failures
  ✓ *Action*: Heavy focus on preventative maintenance program to reduce failures

• **Major component failures**
  - High frequency of engine and transmission failures
  ✓ *Action*: Certain engines/transmissions to be rebuilt by specialists to accelerate turnaround times from 3 weeks to 5 days for engines

• **Hydraulic failures**
  - Worn hoses and hydraulic components
  ✓ *Action*: Hydraulic specialist brought in to assess entire fleet and implement hydraulic line replacement and cylinder refurbishment program over the next 30 days as a specific program to accelerate repairs
Metal fatigue and wear and tear
- Bodies are built for a 7 to 8 year life cycle and have now exceeded that going into 9th and 10th years of service
  ✓ Action: Ongoing replacement of floors, walls, wear pads, bushings, shoes, guide rails, etc.

Accelerated maintenance program
- **Budgeted** spend: $350K plus 1.5% of contract value (around $350K)
- **Actual** spend in last six months alone: $2M+
Hiring and Retention

Implemented new Drug and Alcohol D&A Program in January 2017 to ensure the safety of the community at large and workers

- Of 82 drivers interviewed from October 2018 to date, 75% failed pre-employment D&A screening
- Post-incident testing resulted in approximately 35% D&A failure rate leading to termination
- Demographic for hiring drivers is challenging despite an increase in salary and a financial incentive program introduced in November 2018

Loss of Lincoln and West Lincoln routes in January 2019

- Resulted in a loss of 7 Emtterra drivers to Niagara’s new contractor
- Created a decrease in morale and instability amongst the workforce
Hiring and Retention continued…

✓ **Actions Taken:**

- Held 11 job fairs with more planned
- Created dedicated recruiter position to specialize in hiring drivers and loaders
- Engaged single source external recruiter specializing in our industry
- Implemented financial incentive plan for drivers and loaders
- Developed and rolled out Employees of the Month recognition program
- Will implement retention bonus for last year of contract to try to stabilize workforce
Other Obstacles

Extreme Weather Impacts of early 2019

- Emterra was negatively impacted in its ability to provide services to the Region of Niagara due to the extreme weather conditions experienced in January and February 2019.
- Notwithstanding extreme winter conditions resulting in shutdown of many public services, Emterra maintained collection services until they proved detrimental to the health and safety of our workforce on February 6th and 12th.
- Non-completion of routes resulted in subsequent collection delays throughout the remainder of the weeks of February 6th and 12th.
- Geographically, the Region of Niagara faces unique and demanding climate conditions, creating various challenges during inclement weather.
Other Obstacles continued...

Ageing fleet

- Trucks are designed for 7-8 years of services; present fleet will run for 10 years

  ✔ Action: 2-year contract extension required accelerated maintenance program to keep fleet operational

  ✔ To combat ageing fleet:
    - ✔ Significant resources and funds have been and continue to be allocated to this contract, including the purchase of 2 new trucks and the redeployment of 6 trucks from internal resources
    - ✔ **Actual** maintenance and repair spend in last six months alone: $2M+ versus budget of $350K plus 1.5% of contract value (around $350K)
Emterra Goals

Goals through remainder of contract:

- Truck maintenance improvements to increase fleet uptime
- Labour stabilization
- Continued dedication to high level of service delivery
Thank you for your time