



# **Fleet Services Audit – Phase 1**

## **Investigation of Service Disruptions in Saskatoon Transit**

### **TERMS OF REFERENCE**

June 6, 2022



## Background

The City Internal Auditor's Office provides assurance to City Council on the City's governance, risk management and control processes.

The 2022 approved Audit Plan of the City Auditor's Office includes an audit of Fleet Services which has been separated into two phases. The phase 1 focuses on the investigation of service disruptions experienced in Saskatoon Transit in the winter of 2021-2022. Phase 2 will cover other fleet services such as purchasing, leasing, fuel distribution, operator training and will be undertaken in due course. This Terms of Reference focuses on the Phase 1 of the audit.

In the winter of 2021-2022, Saskatoon Transit faced bus shortages causing service disruptions which resulted in not meeting the planned level of service. On April 25, 2022, City Council approved the City Internal Auditor's Office to conduct an independent investigation with a co-source arrangement.

## Investigation Objective

The objective of the investigation is to conduct a root cause analysis of service disruptions which happened in the winter of 2021-2022 and provide cost effective and practical recommendations to avoid future disruptions in Saskatoon Transit.

## Scope of Investigation

In preparation of the Terms of Reference, the City Internal Auditor met with the Transit Administration, other stakeholders, including the Amalgamated Transit Union 615 (ATU 615) and Bus Riders of Saskatoon. The objective of the meetings was to obtain input on areas which should be the focus for the investigation. The list of people interviewed is shown in Appendix 1.

The investigation's primary focus is on the events which happened during the winter of 2021-2022, however, where required, historical and current documents will be reviewed and evaluated to assist in the conduct of the investigation.

The investigation will be limited to the assessment of service disruptions pertaining to the fixed route buses and therefore Access Transit will be excluded from the investigation. The areas to be covered within the scope of the investigation will include the following:

### **Preventative Maintenance and Repairs**

The City of Saskatoon (City) has a preventative maintenance program where the buses are periodically checked for any potential defects and routine maintenance is performed. In addition, the City also has an in-house garage where all the repairs and maintenance work related to the buses are performed by the mechanics. The investigation will assess:

- Effectiveness of the preventative maintenance program in place which ensures the safety of the buses, catches issues early and decreases the probability of future failures. A review of the preventative maintenance schedule will be done for the last two years to check compliance with inspection and maintenance requirements. In situations, where there are non-compliances to the maintenance schedule, a root cause analysis will be conducted to identify reasons for the deviation and extent of risk it poses to the safety of the buses and a factor in the disruption of transit service.

- Use of the private sector for repairs during the period of service disruptions in Transit.
- Effectiveness of the decision to keep the buses on the road with the check engine light on.
- Decisions to reduce staff in the service line and adding more apprentices had any impact on the preventative maintenance of buses.
- Process for setting, tracking, and monitoring of performance measures and targets for maintenance and repairs.
- Supervision and accountability framework related to maintenance and repairs.

## **Sourcing of Parts**

The Stores Department at the Saskatoon Transit is responsible for the procurement of parts required for the maintenance of the buses. The investigation and detailed review will assess whether:

- There was an effective process for the sourcing of parts and whether parts were ordered and received in a timely manner during the winter of 2021-2022. This would include identifying buses waiting in the garage for parts and reviewing dates for requisition, order, and receipt of the parts for timeliness.
- The processes for part sourcing was done in an effective manner. This includes assessing whether the price of parts and lead time for receipt of parts were considered in procurement process.
- There was an effective vendor follow-up process to ensure timely delivery of parts.
- Required parts were available in the market or if supply chain shortages were a key contributor in not receiving parts in a timely manner. A review of procurement documents will be conducted to investigate this aspect.
- Stores staff were properly trained in the Fusion system.
- Human resources were adequate and competent in Stores for performance of the job.
- The staffs turnover in Stores had an impact on the timely ordering of the parts.
- There was a backlog of purchase requisitions at Stores waiting for the purchase orders to be issued.
- Management oversight on the performance of Stores in ordering parts.
- There was an effective process for the replenishment of regularly used parts in stock and management of inventory.

## **Communication and Reporting**

Saskatoon Transit uses transit app, google map transit, public website, and social media such as twitter to post service alerts. The investigation will assess whether:

- Communication to the public on service reductions was conducted in an effective and efficient manner. This will include assessing whether adequate lead time was provided to residents to assist them in making alternative transport decisions.
- The extent of communication provided to the public on service alerts was sufficient, clear, and met the purpose rather than create confusion.
- Communication and reporting on service disruptions to Transit Administration, Senior Leadership Team and City Council was adequate and effective. This includes timely and accurate communication for effective decision making.

- An effective process was in place to track, monitor, respond to the transit disruption issues and whether appropriate stakeholders were involved to assess the situation for timely decision making.
- An effective process was in place to determine which routes should receive service reduction due to shortage of buses.
- Key processes for Transit are documented and communicated to staff.

## Age of Bus Fleet and Resources

Saskatoon Transit has divided the operations into key areas such as maintenance, operations, stores, and customer service. The investigation will assess whether:

- The age of buses serving fix-route transit services was a factor in the service disruptions and compare with other municipalities.
- The number of buses in the fleet are sufficient to meet current demands of transit services and there is adequate funding available to replace buses.
- Availability and allocation of human resources and span of control in areas such as maintenance and operations. This includes reviewing the mechanics to bus ratio and mechanical journeymen to apprentice ratio.
- There was effective use of staff overtime to ensure timely completion of repairs and other time-sensitive tasks.
- A strong workplace culture exists in Transit and effective workplace relationships exist between various stakeholder groups. The investigation will also follow-up on the actions highlighted by Administration related to Transit work culture in the 2015 report to City Council.

## Investigation Approach

The following approach will be used in the conduct of the investigation:

- The City Internal Auditor's Office will engage consultants to assist in the investigation. However, the City Internal Auditor will lead the investigation and will be responsible for the completion and reporting of the investigation.
- The investigation team will meet with various Transit staff including operators and maintenance staff and stakeholders, which includes the Bus Riders of Saskatoon and representatives from ATU 615, in the conduct of the investigation.
- The investigation will be evidence based and as such the investigation team will conduct a detailed review of documents and records to make a fair conclusion on the reasons for the disruption of services in the winter of 2021-2022.
- The City Internal Auditor will meet with Transit Administration to discuss preliminary findings throughout the investigation to ensure there is lead time for fixing immediate issues before the next winter.

## Deliverables

On completion of the investigation, a detailed investigation report will be submitted to the Standing Policy Committee on Transportation in the October 3, 2022 public meeting. The report will highlight the main reasons for service disruptions in Saskatoon Transit in the winter of 2021-2022 and will provide cost effective and practical recommendations to prevent future disruptions. Once, the investigation report is submitted, the City Internal Auditor's Office will obtain management responses and action plans to implement the recommendations which will be presented to the Standing Policy Committee on Transportation. A follow-up will be conducted by the City Internal Auditor's Office to assess the recommendations are effectively implemented by Administration.

### List of Individuals Interviewed

- Terry Schmidt, General Manager, Transport and Construction
- James McDonald, Director of Saskatoon Transit
- Paul Bracken, Transit Asset Management Coordinator
- Tracey Davis, Maintenance Manager
- Michael Moellenbeck, Operations Manager
- Cory Shrigley, Customer Service Manager
- Denis Boisvert, Body Shop Supervisor
- Jim Martin, Service Supervisor
- Chris Morgan, Service Supervisor
- Alex Short, Mechanical Shop Supervisor
- Peter Gallen, Bus Riders of Saskatoon
- Robert Clipperton, Bus Riders of Saskatoon
- Darcy Pederson, President, Amalgamated Transit Union Local 615
- Tyson Materi, Vice President, Amalgamated Transit Union Local 615