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CITY OF HAMILTON DARTS FLEET REVIEW

FINAL REPORT

Prepared for the City of Hamilton, Office of the City Auditor

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Executive Summary

Acting on *Fraud and Waste Report #50695* from a citizen about the safety of Disabled and Aged Regional Transit System (DARTS) sub-contractor vehicles, on March 3, 2022, the City of Hamilton, Office of the City Auditor (OCA) issued a *Request for Proposal (RFP)* to provide *Assurance and Business Advisory Services*.

On March 24, 2022, Fleet Challenge Canada Inc. (Fleet Challenge, FCC, FC) submitted a proposal and quotation to complete a review and safety inspection of the DARTS fleet (and DARTS subcontractor fleets). On April 04, 2022, the OCA retained FCC to complete the assignment.

The review included vehicle safety inspections of DARTS and DARTS subcontractor fleets. FCC also conducted business process discovery meetings with all parties and completed a review of DARTS contracts and insurance practices.

From our business process discovery meetings with DARTS and its subcontractors we noted numerous matters that are inconsistent with contemporary fleet management practices. Our findings, which are detailed in this report, include:

- Inadequate quality assurance processes in the DARTS fleet maintenance garage to ensure that repairs and inspections are being completed to industry standards
- Insufficient vigilance by DARTS personnel regarding contractual vehicle safety inspection requirements and maintenance practices of its subcontractors
- The current fleet maintenance information computer system used by DARTS is anachronistic and ineffective at providing the information and scheduling capabilities required to effectively manage and maintain a modern fleet.
- DARTS' current practice of manual preventive maintenance (PM) tracking and scheduling via a whiteboard is archaic and there is risk for missed maintenance checks
- There is too much dependency on DARTS drivers to detect and report vehicle mechanical problems between scheduled preventive maintenance (PM) inspections and 6-month MTO safety certifications.
- Current processes for DARTS and subcontractors to confirm and document their conformance to contractual mechanical safety standards to the City are onerous, time-consuming, error-prone, and wasteful of human resources.
- In the case of one DARTS subcontractor the person who signed the vehicle inspection forms in the space allotted for the signature of the vehicle's inspecting mechanic was not a licensed mechanic. And the person who co-signed the vehicle safety inspection forms for the subcontractor was also not a licensed mechanic.
- Vehicle safety inspection procedures in place at DARTS and subcontractors have proven to be inadequate as seen by the high vehicle safety inspection campaign failure rate.

- Despite claims made by a subcontractor that *“their vehicles are always in perfect condition and (they) can’t take any chances with safety,”* safety inspection campaign results show that is not likely true. Inspection procedures in place cannot be adequate when the inspection failure rate was so high.

Regarding DARTS contracts, among several findings and recommendations that are detailed in this report, our review noted:

- Although DARTS business structure has changed significantly over time the Master Operating Agreement (MOA), which was executed almost ten years ago, remains much the same.
- Terminology used in the MOA: "Certificate of Mechanical Fitness" is a colloquial term open to incorrect interpretation. The program is correctly referred to as the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program.
- DARTS vehicles, and several units operated by DARTS subcontractors are classified as "Accessible Vehicles" by the MTO. Accessible vehicles must receive MTO accessible vehicle safety inspections every 6-months. Currently there is no specific provision in the MOA contract requiring accessible vehicle safety inspections¹.
- There are no defined requirements in the MOA regarding new driver recruitment, pre-hire screening or driver abstracts, other qualifications, or driver's license classifications to be a DARTS driver.
- There is no contract language regarding standards of safe driving, provision of safe driver training, professional driver improvements courses (PDICs), consequences of accidents, traffic violations, or accumulated demerit points, nor any provision to obtain driver abstracts at regular intervals.

During the DARTS vehicle safety inspection campaign organized by FCC at the behest of the OCA, of 39 safety inspections completed in the first week, **46% of DARTS vehicles failed** to meet Ministry of Transportation Ontario (MTO) safety standards. Examples of safety issues FCC discovered during the campaign included:

- Body panels rusted and large, jagged, sharp perforations
- Tires with 0/32" tread depth
- Tires with less than the legal minimum tread depth of 2/32 of an inch and a tire with its steel cords protruding through the sidewall; a rubber plug used to seal a leaking tire sidewall (strictly prohibited for safety reasons)

¹ Note: DARTS does currently complete these inspections despite there being no specific language or requirement in the MOA in this regard.

- An exhaust pipe located under the passenger compartment that was cracked and completely broken away (potentially allowing poisonous exhaust gases to enter the passenger compartment)
- A muffler with a large gaping hole rusted through it (potentially allowing poisonous exhaust gases to enter passenger compartment)
- Numerous loose and worn steering and suspension components
- Leaking hydraulic suspension struts
- Jagged steel components extending past the body (potentially harmful to passing pedestrians or cyclists)
- A broken spring
- Lights and/or windshield wipers or washer problems
- Several incidents of brake callipers not releasing
- Non-functional or seized emergency brakes

Because of the extraordinarily high rate of safety inspections failures, FCC was requested by the OCA to resume DARTS and sub-contractor safety inspections. The expanded scope of inspections began on Wednesday, May 11, 2022. First-time inspections and re-inspections continued for the ensuing nine weeks, and until the time of this report, July 29, 2022. Over the 10 weeks of the campaign, 202 safety inspections were completed including re-inspections for vehicles that failed their first inspections and those that failed their second or third re-inspections.

As of the date of this report, July 29, 2022, of 167 identified DARTS units, 25 vehicles were not inspected as they were out of service or retired. Two units were not safety-inspected because they are immobile awaiting repairs or replacement service parts. The remaining 140 units resulted in 202 inspections - 140 first inspections and an additional 62 re-inspections from vehicles failing inspections on at least one or more occasions.

Inspection Recap	Qty.	Percent
Identified DARTS units*	167	
Units taken out of service/retired**	25	15%
Units awaiting inspection	2	1%
Active units to be inspected	140	
Total inspections (including re-inspections)	202	
Total re-inspections (2nd, 3rd, 4th)	62	31%
Total first-time inspections	140	69%

*Includes all DARTS units

** Does not include two units retired after the first inspection

Putting it into Perspective

To help put the DARTS safety inspection failure rate of 46% in week-one into perspective, on April 27, 2022, an unannounced one-day commercial vehicle safety inspection took place in Canada and the United States¹.

This inspection and enforcement initiative, carried out by Commercial Vehicle and Safety Alliance¹ (CVSA) inspectors in 46 jurisdictions, saw a failure rate of **14.1%** of 9,132 vehicles inspected.

By comparison, the DARTS failure rate is exceptionally high.

¹ The Commercial Vehicle Safety Alliance (CVSA) is a non-profit association comprised of local, state, provincial, territorial and federal commercial motor vehicle safety officials and industry representatives. The Alliance aims to achieve uniformity, compatibility and reciprocity of commercial motor vehicle inspections and enforcement by certified inspectors dedicated to driver and vehicle safety. Source: <https://www.cvsa.org/about-cvsa/>

Herein we include **64 recommendations**. The recommendations have been designed to address the safety issues identified during the DARTS fleet review and safety inspections processes.

Recommendations appear at the end of each section of this report. A table summarizing all 64 recommendations is found in *Appendix P*.

1.0 Introduction

Acting on *Fraud and Waste Report #50695*, a report from a citizen about the safety of Disabled and Aged Regional Transit System (DARTS) sub-contractor vehicles, on March 3, 2022, the City of Hamilton, Office of the City Auditor (OCA), issued a *Request for Proposal (RFP)* to provide *Assurance and Business Advisory Services*.

Two primary reasons precipitated the need for a review of the DARTS fleet:

- (1) A report (Report) that was received from an individual requesting confidentiality as to their identity
- (2) Unsatisfactory responses from DARTS to questions by Hamilton Transit Division personnel

On March 24, 2022, Fleet Challenge Canada Inc. (Fleet Challenge, FCC, FC) submitted a proposal and quotation to complete a review of the DARTS fleet (and DARTS sub-contractor fleets) as sought by the OCA. On April 04, 2022, the OCA retained Fleet Challenge Canada Inc. to complete a review of these fleets.

On Tuesday, April 5, FCC launched its investigation and review by meeting with the OCA.

The following report describes the fleet review findings completed by FCC and our 64 recommendations regarding the DARTS operation.

2.0 Background

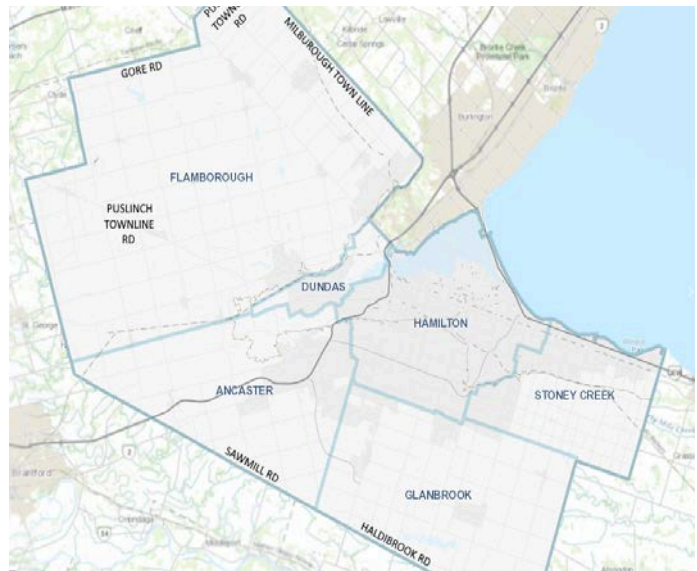
According to the DARTS website², the Disabled and Aged Regional Transit System (DARTS) is a non-profit, charitable organization that provides specialized transit services in the City of Hamilton.

As described on its website:

- DARTS is a door-to-door transportation service employing wheelchair-accessible buses, vans, MVs and contracted taxi services when appropriate.
- DARTS works under contract with Accessible Transportation Services (ATS), a department of the Hamilton Street Railway (HSR).
- ATS is responsible for the overall delivery of specialized transit services to the citizens of Hamilton, and registration for DARTS must be made through ATS.

DARTS service is available to persons with disabilities who are unable to access conventional transit service. The service is also available to qualified residents of other municipalities visiting the City of Hamilton.

Figure 1- DARTS Boundaries



VISION STATEMENT

DARTS is a leader in providing specialized transit for a safe and accessible community.

MISSION STATEMENT

DARTS is committed to providing a safe, high-quality, cost-effective, and customer-focused accessible transportation service.

DARTS operational boundaries are shown in *Figure 1- DARTS Boundaries* (above), as reproduced from a map displayed on the company's website: <https://www.dartstransit.com/#dartsServices>.

² Source: <https://www.dartstransit.com>

Master Operational Agreement and Subcontractor Agreements

The City of Hamilton and DARTS entered into agreements³ to provide accessible transit services for persons with disabilities in the City of Hamilton on July 1, 2003, and on June 1, 2010.

The term² of the ATS Services Agreement was for the period terminating on June 30, 2012. On December 14, 2011, the Council of the City approved Item 7 of the Public Works Committee Report No. 11-015, thereby authorizing the renewal of the ATS Services Agreement. Accordingly, the Agreement was executed on August 14, 2012.

Master Operational Agreement

As set out in Section 3.3.13(c)⁴ Vehicle Maintenance and Management of the Master Operational Agreement (MOA) between the City of Hamilton (the City) and the Contractor (DARTS), it:

“shall maintain all vehicles in safe working order and provide Certificate of Mechanical Fitness for each vehicle used in the Service, prior to commencing the Service and at least annually thereafter.”

The MOA allows DARTS to engage sub-contractors to provide services. As found in Section 3.3.2(b) Subcontracts and Assignments of the MOA:

“It is agreed and understood between the parties that the Contractor at the present time provides transportation services, by the utilization of its own employees, and additionally by subcontracting out work to independent subcontractors to perform transportation services as contemplated herein.”

Subcontractor Agreements

As permitted in Section 3.3.2(b) Subcontracts and Assignments of the MOA (see above), DARTS contractually engaged several subcontractors through Service Agreements to provide transportation services. Under Section 3.3.2 of the MOA, DARTS use of subcontractors is subject to the approval of the City of Hamilton's General Manager, Public Works Department, or such person as is duly authorized to act in his or her stead.

Regarding safety requirements, under Section 5(h) of Services Agreements between DARTS and its subcontractors, H-Rising, City Marvel, and Vankleef, we note the following:

³ Source: Master Operational Agreement Between CITY OF HAMILTON -and- DISABLED AND AGED REGIONAL TRANSIT SYSTEM. Dated 1st day of July, 2012

⁴ Text in *blue italics* is directly from the MOA or SA contracts

“all vehicles utilized by the Company⁵ in fulfillment of this contract shall be certified mechanically fit and safe, and meet the requirements of the Ministry of Transportation. A copy of the yearly inspection of each vehicle is to be provided to the DARTS Manager of Operations, and DARTS shall have the opportunity to inspect and check the vehicle on demand, at the expense of the Company, by the 31st of December of each year, or as required by the City of Hamilton.”

⁵ The “Company” in this context refers to DARTS subcontractors

3.0 Chronology

- A Hamilton City Councillor's office received a report from a citizen (the Reporter) in early September 2021. The Reporter requested confidentiality.
- On September 10, 2021, via e-mail, the matter was reported to the Manager of Accessible Transit Services in the Transit Division, with c.c. to the Councillor. The Reporter explained that a DARTS subcontractor does not have professional mechanics servicing their DARTS vehicles, the vehicles that are on the road are unsafe, and [the Reporter] was worried a deadly accident will occur.
- The Office of the City Auditor was advised of the incident on September 10, 2021.
- The Office of the City Auditor requested that Transit Management investigate this matter. Transit began to investigate and worked with Legal and Risk Management Services to enforce the City's contractual rights with DARTS per the Master Operating Agreement (MOA); they would report back to the OCA.
- The Transit Division requested information from DARTS to demonstrate their compliance with the MOA in late September 2021, with ongoing communications between Transit and DARTS occurring in October 2021 to the present.
- It is our understanding that it has been challenging for the Transit Division to obtain the necessary information from DARTS, including vehicle inspection records and other documentation.
- Since October 2021 the Transit Division has stepped up their oversight of DARTS' compliance regarding contractual obligations to the City of Hamilton and they have been performing oversight activities of DARTS' sub-contractor fleets Hamilton Rising, Vankleef and City Marvel. With increased oversight concerns escalated, including incomplete vehicle inspection tracking, certificates of insurance (COI) not being readily available, and issues with COIs when they are provided.
- OCA initially contacted FCC in late February 2022, and on April 04, 2022, engaged FCC to complete a review of the DARTS fleet.

4.0 Scope of Work

As described in the OCA's *Fraud and Waste Report #50695, Request for Proposal* document, the scope of work for the service provider (Fleet Challenge Canada Inc.) was as follows:

- Review processes, internal controls and oversight activities related to contract management of transit contractors and sub-contractors for accessible transit services (DARTS plus three sub-contractors), with a particular focus on compliance with vehicle safety and insurance requirements.
- Review relevant documentation and evaluate if adequate inspection records are maintained by DARTS and their three sub-contractors to evidence compliance with their contractual obligations.
 - Consider requirements such as qualified personnel, driver licensing and training and other relevant contract terms.
 - Identify and evaluate the operational, reputational, and other relevant risk exposure to the City of Hamilton if non-compliance is identified.
- Inspect relevant vehicles and note if the physical state of the vehicles is consistent with the inspection records reviewed. Note any inconsistencies and the relevant details.
 - Proposal to detail inspection approach to be taken, a sample-based approach is acceptable.
- Review insurance documents and evaluate if contractual requirements are met. Identify if there are any unusual/irregular items found during the review. Identify and evaluate the relevant risk exposure to the City of Hamilton if non-compliance is identified.
 - Proposal to detail insurance review approach to be taken, a sample-based approach is acceptable.
- Review existing contracts and recommend improvements to strengthen the contractual terms for future agreements.
 - Consider industry best practices, specifically municipal transit, and fleet best practices.
- Recommend improvements related to the above.

Approach and Methodology

Fleet Challenge Canada Inc. (FCC) began by systematically addressing each requirement set out in the *Fraud and Waste Report #50695, Request for Proposal* document prepared by the City of Hamilton, Office of the City Auditor (OCA).

Our work included a detailed review of the issues regarding the matter pertaining to the DARTS operation and its sub-contractors. The study extended to include the fleet operations, safety, business practices and maintenance procedures of:

- Accessible Transportation Services⁶ (ATS) of the Transit Division (City of Hamilton)
- Disabled and Aged Regional Transit Services (DARTS)
- H-Rising Transportation (H-Rising)
- City Marvel Enterprises Inc. (City Marvel)
- Vankleef Group Incorporated (Vankleef)

FCC reviewed business processes, internal controls and oversight activities related to the contract management of transit contractors and sub-contractors for accessible transit services (DARTS plus the three sub-contractors), with a focus on compliance with vehicle safety and insurance requirements.

During the week of May 2, 2022, Fleet Challenge scheduled 40 vehicles for safety inspections and requested the units be made available by DARTS and its sub-contractors. In all, over the initial one-week campaign, 39 safety inspections were completed. One of the 40 units scheduled was unavailable to be inspected as it was immobile due to prior mechanical problems.

⁶ Accessible Transportation Services (ATS) is a division of Hamilton Street Railway (HSR)

6.0 Steps in the Fleet Review Approach

Fleet Challenge employed a stepped approach to complete the DARTS fleet review assignment. Each of six steps was built upon the stage that preceded it. In this way, thoroughness, accuracy, and completeness were assured.

Step 1: Review of the Reporter's Concern

In *Step 1*, Fleet Challenge set out to comprehensively understand the Reporter's concerns. Our representatives had a one-to-one telephone discussion with the Reporter, in full accordance with the Reporter's wish to remain anonymous.

Step 2: DARTS Vehicle Safety Inspections

During the week of May 2, 2022, Fleet Challenge orchestrated random vehicle safety inspections (checks). These inspections included vehicles owned or operated by DARTS, and its three sub-contractors, H-Rising, City Marvel, and Vankleef Transportation.

To complete the DARTS Safety Standard Inspections (SSIs), FCC selected Active Green and Ross, a local service provider located at 455 Ottawa St. N., Hamilton. The company is a licensed Ontario Ministry of Transportation Motor Vehicle Inspection Station (MVIS).

Several factors contributed to the selection of the service provider that was selected: the location, having qualified and licensed motor vehicle technician(s) to complete the inspections, ample parking space and service bays, and vehicle lifts capable of managing larger-sized vehicles.

FCC organized random inspections of DARTS and sub-contractors' vehicles to be conducted at the selected service provider's Ottawa St. site. The SSIs were designed to determine whether DARTS vehicles met the safety standards requirements of the Ministry of Transportation (MTO), and the contractual obligations by DARTS as set out by ATS.

Fleet Challenge assigned a senior-level consultant to be present on-site during all inspections during the first week of the inspections for the purpose of overseeing and organizing the checks, as well as to document findings via inspection reports and digital images.

During the week of May 2, 2022, Fleet Challenge scheduled 40 vehicles for inspections and requested DARTS and its sub-contractors to make these units available as per a scheduled order of appointments at Active Green and Ross. DARTS schedulers co-operated with Fleet Challenge personnel in organizing the inspections each day. However, some vehicles randomly selected by FCC for inspections were reported to be unavailable, apparently immobile due to mechanical problems or service parts delays. In all, over the first week, 39 safety inspections were completed.

Of the 39 safety inspections completed in the first week, FCC noted a high incidence of vehicles that failed to meet MTO safety standards. Of 39 vehicles inspected, **46% of DARTS-operated and DARTS subcontractor vehicles failed the safety inspections.**

On May 18, 2022, via Confidential Report PW20057(b), the Transit Division presented a Contractor Service Update to the General Issues Committee. As a result of the report, Council direction was given that all the DARTS fleet, including sub-contractors, must be safety-inspected before any vehicles were to be put into service.

FCC arranged for Active Green and Ross to continue the safety inspections until all identified DARTS and sub-contractor units were examined. Due to the expanded number of vehicles requiring inspection, and in the interest of minimizing disruption of DARTS service to its users, FCC requested the service provider to assign a second inspection location at 955 Upper James St., Hamilton, Ontario. The request was made in concurrence with the Office of the City Auditor. The optimal schedule of inspections was increased. Up to 16 inspections, and/or re-inspections, were to be completed daily until the entire active fleet had been inspected and passed.

Fleet Challenge Canada and OCA personnel orchestrated and scheduled the inspections each day, acting as the liaison between DARTS personnel and management of the service provider's two garages. Each day FCC requested up to 16 DARTS vehicles be delivered to the service provider garages. In addition, FCC prepared and managed a master list of all checks and maintained a master database of related documentation and images provided by our on-site team member (in week one), and the safety inspection service provider, Active Green and Ross.

On-site support was provided by OCA staff in the latter weeks of inspections. Each day OCA personnel attended both Active Green and Ross garages to observe, document and provide in-person support for the co-ordination of the vehicle inspections.

The targeted number of sixteen daily safety inspections was generally achieved and sometimes exceeded (e.g., on May 20, 2022, twenty-one inspections were completed). However, some days the target number was not achieved due to vehicle unavailability, lengthy repairs required from previous inspection(s) causing delay for re-inspections, immobilized vehicles, and service part delays (e.g., on May 27, 2022, only four inspections were possible).

Fleet Challenge and OCA personnel documented findings and vehicle deficiencies observed during site visit(s).

After the first week of inspections, which was May 2 to 6, DARTS and sub-contractor safety inspections resumed on Wednesday, May 11, 2022. First-time inspections and re-inspections continued for the ensuing nine weeks, and until the time of this report, July 29, 2022. Over the 10-week campaign, a total of 202 safety inspections were completed including re-inspections for

vehicles that failed either their first inspections or their second or third re-inspections.

Step 3: Business Process Discovery Meetings

In Step 3, Fleet Challenge held several business process ‘discovery’ meetings with DARTS stakeholder organizations. Individual discussions took place with management personnel of each of the following:

- ATS
- DARTS
- H-Rising Transportation
- City Marvel Enterprises Inc.
- Vankleef Group Incorporated

Each discovery session was one to two hours in duration. Our fleet review team organized the meetings for the purpose of acquiring a close-up and comprehensive insight into the operations and management practices of the entities responsible for delivering DARTS services to the public.

The Fleet Challenge team designed the discovery meetings guided by a standard best-management practices review (BMPPR) template, a script developed and employed by our team for all fleet reviews we undertake. Best Management Practices Review™ (BMPPR) is a signature Fleet Challenge Canada Inc. process designed to inform our team about our client’s fleet business practices. The BMPPR process involves in-depth discussions with each group’s fleet management personnel. A more detailed look at BMPPR is in *Appendix D*.

The discovery processes began with ATS staff, followed by DARTS management personnel. Next, we focused the meetings on the sub-contractors.

We began each meeting with inquiries about fleet management and operating practices. Our team selected this critical preliminary step to become aware of, and familiar with, each fleet’s guiding operating principles, including (but not limited to) maintenance practices and procedures, business processes, financial structure, policies, operating practices, governance, reporting hierarchy, safety programs, corporate goals, targets, objectives, any challenges, or impediments it faces.

FCC reviewed relevant documentation during the virtual business process discovery meetings. We reviewed and evaluated vehicle maintenance and inspection records for DARTS, and its three sub-contractors. Documentation was reviewed to verify compliance with contractual obligations regarding DARTS sub-contractors.

FCC reviewed the qualifications of fleet maintenance personnel. We investigated (i) if technicians (mechanics) had the right classifications (i.e., trade classifications 310S, 310T) and licensed

mechanics were completing maintenance where required, (ii) driver licensing and safety administration, and (iii) training and other relevant matters relating to the DARTS fleet operation.

The Reporter alleged that a DARTS subcontractor “*does not have professional mechanics servicing DARTS vehicles.*” Therefore, Fleet Challenge carefully reviewed the contractor and sub-contractors’ vehicle records, including work orders or other vehicle maintenance histories. Additionally, regarding safety-related tasks (please see discussion in the following paragraphs), we attempted to confirm that a licensed motor vehicle technician (MVT) completed the maintenance or repair tasks.

About Motor Vehicle Technicians

An **Automotive Service Technician (310S)** is defined as a person who inspects/diagnoses, and troubleshoots/repairs/verifies repairs on motor vehicles and light trucks:

- Engine systems, electrical systems – starting and charging
- Engine management systems, electrical systems – body
- Fuel delivery systems
- Transmission systems
- Driveshafts, differentials, and drive axle assemblies
- Suspension systems and frames
- Steering systems, braking systems, tires, wheels, rims & hubs, heating, ventilation
- Air-conditioning systems, body and trim, exhaust, and intake & emission control systems

A **Truck and Coach Technician (310T)** inspects, repairs, and maintains commercial trucks, emergency vehicles, buses, and road transport vehicles, performing work on structural, mechanical, electrical, and electronic systems.

A Truck and Coach Technician inspects, repairs, and maintains:

- Electrical and electronic systems
- Engines including fuel, exhaust, intake, and emission controls
- Transmissions, clutches, drive shafts and axles
- Body and trim, frames, and hitching/coupling systems
- Steering, suspension, and computer control systems
- Tires, wheels, and hubs
- Braking systems, including air supply and hydraulic
- Heating, ventilation, air-conditioning and refrigeration systems

Unlicensed Personnel

Many fleet maintenance procedures do not require licensed technicians for completion. For reasons

of cost-efficiency, some tasks can be completed by unlicensed personnel. Examples are:

- Washing and re-fueling
- Oil changes, lubrication
- Replacing light bulbs
- Replacing wiper blades

Licensed Technicians versus Unlicensed Personnel

Many commercial garages and fleet operations employ a mix of skilled (licensed) technicians and unlicensed workers for economic and other reasons. This practice may be perfectly acceptable, providing the work completed by the latter group (unlicensed) is not safety-related and supervised and overseen by a skilled, licensed, and knowledgeable person(s).

Unlicensed workers may complete the preceding minor tasks (see list of tasks appearing above under the heading “Unlicensed Personnel”) with some degree of automotive knowledge or experience. However, assignments completed by licensed Automotive Truck and Coach Service Technicians -- including safety-related items like steering systems, braking systems, tires, wheels, rims & hubs, exhaust, heating, and ventilation -- are sacrosanct. Therefore, work of this type must not, under any circumstances, be completed by an unlicensed worker.

Fleet Challenge Canada Inc. reviewed the practices of DARTS and their sub-contractors to determine if safety-related fleet maintenance work requiring the skills of a licensed technician is completed consistently by skilled, trained, and licensed motor vehicle technicians.

We reviewed relevant documentation to evaluate if DARTS and its three sub-contractors maintain adequate inspection records as evidence of compliance with contractual obligations.

Aside from vehicle maintenance activities, our business process reviews included qualified personnel, driver licensing, training, and other relevant contract terms. In addition, this report identifies and evaluates the potential operational, reputational, and other risk exposure to the City of Hamilton if non-compliance was identified.

Documentation

During the DARTS discovery sessions, we requested relevant data and supporting documentation from each group for verification purposes. Examples are shown below (but not limited to these items):

- Preventive maintenance (PM) worksheets (showing technicians PM tasks)
- Shop work orders and vehicle maintenance histories (hard copy or electronic)
- PM scheduling processes (such as hard copy lists or computerized schedule reports)
- Completed work orders showing which technician completed each procedure/task

- Driver's vehicle complaint/defect reporting forms
- Driver's vehicle complaint/defect reporting forms and evidence that reported defects were completed and by whom (i.e., the technician that completed the correction)
- Driver's daily circle check forms (or e-copies)
- Copies of technician's motor vehicle technician license(s) and other trade accreditations
- Copies of insurance policies
- Driver license abstracts
- Documentation of driver training or commercial vehicle driver improvement courses
- Verification - examples/supporting documentation of reporting mechanisms between ATS, DARTS and the sub-contractors
- Verification - examples/supporting documentation of record-keeping practices of DARTS and the sub-contractors

About Preventive Maintenance Practices

Through preventive maintenance, vehicles are inspected, repaired, and maintained to prevent defects and failures which could lead to accidents and violations. If preventive maintenance is not performed regularly, vehicle life spans will be reduced, and risk is increased because vehicles may become unsafe due to a lack of PM.

Proper maintenance will help ensure safety standards are met and avoid litigation from negligence. Preventive maintenance is as necessary as a driver safety program. The fleet manager can be liable for negligent entrustment if a vehicle becomes unsafe due to a lack of maintenance or repair.

As defined, liability is premised upon providing an employee with a dangerous tool or instrument, such as a vehicle, while knowing or having reason to know that the use of the vehicle creates unreasonable risk or harm to others. Simply stated, the vehicle must be safe to operate. Should, for example, the brakes fail, causing a severe crash or fatality, authorities may impound the vehicle for investigation and charges laid against the person/s responsible.

Should the investigation determine defective brakes or other vehicle malfunctions contributed to the accident, authorities can seek a court order to obtain vehicle maintenance records. If the fleet manager fails to produce evidence that they practiced preventive maintenance, they could be prosecuted for negligence under these circumstances.

For more on Preventive Maintenance, please see *Appendix C*.

Step 4: Insurance Review

Informed by *Step 2- Discovery*, Fleet Challenge Canada Inc. reviewed insurance documents and

contractual requirements to confirm they align, and that the City is receiving full value. We sought to identify any unusual or irregular items during our review.

Step 5: Review of Contracts

Fleet Challenge Canada Inc. reviewed existing DARTS contracts, including the MOA and the Service Agreements (SAs) between DARTS and its sub-contractors. We examined the contractual obligations on both sides. We assessed the purposes and objectives of each contractual obligation and their effectiveness and sought to determine if all parties were complying.

Step 6: Reporting

With Steps 1 to 5 completed, Fleet Challenge Canada Inc. prepared a report with detailed recommendations for improvement to current-day practices at DARTS.

7.0 Findings

Findings: Step 1 – Discussion with the Reporter

Fleet Challenge Canada (FCC) representatives had a telephone conversation with the Reporter.

The Reporter wished for anonymity for fear of reprisal. The Reporter provided a telephone number for FCC to call and chose to use an alias.

FCC representatives began the call by re-iterating our conformance with the OCA's promise of confidentiality. Further, we explained to the Reporter that the allegations are being taken very seriously; their Report had been escalated to the Auditor General's Office.

We explained that the OCA had engaged FCC to investigate safety and roadworthiness concerns regarding DARTS and its subcontractor vehicles. We emphasized that the phone call was confidential and limited to the Reporter and two FCC representatives.

Synopsis

Although FCC's representatives repeatedly attempted to limit the conversation to vehicle safety-related matters, the Reporter kept returning the conversation to their dissatisfaction around the subcontractor. As far as potential vehicle safety defects, we heard the following key points:

- **Shaking Vehicles.** The Reporter described "shaking" vehicles. FC notes that, while shaking is undesirable in any vehicle and would create a sense of a vehicle being unsafe, it is not necessarily indicative of a safety defect. For example, a buildup of snow or ice on the wheels of a safe vehicle will cause an out-of-balance condition, and the entire vehicle will shake when driven.
- **Stalling.** The Reporter reported a vehicle had stalled on the highway and would not re-start. A vehicle stalling in a high-speed highway situation is unnerving and could lead to a crash. But a stalled, immobile vehicle, if safely moved out of traffic lanes and parked at the side of the roadway, is not necessarily unsafe, since it is immobile/inoperable. For example, a vehicle in top mechanical condition can stall if its fuel supply was depleted or a fuel line has frozen. In such a situation, the vehicle could cause a crash, despite being technically safe to operate.
- **Brakes not Holding.** The Reporter reported to our representatives on the call: "for some vehicles, the brakes did not hold." Clearly, a report of brakes not holding would define an unsafe vehicle. Brakes must be fully functional as designed by the vehicle's manufacturer.

Safe brakes are particularly critical in vehicles carrying passengers. This comment gave credence to the Reporter's claims of unsafe vehicles being operated.

- **Professional Mechanic.** The Reporter explained that one of the DARTS subcontractors does not have professional mechanics servicing their DARTS vehicles.

The Reporter found it necessary to report their vehicle safety concerns directly to a city councillor's office. All DARTS personnel, including its subcontractors, should have confidential recourse to register their concerns without fear of reprisal. Please see our recommendations (below) for managing this issue.

Recommendations – Driver Communications

No.	Recommendations Regarding DARTS Driver Communications
1	DARTS drivers, whether employed by DARTS or its subcontractors, should have a mechanism for freely reporting their concerns and complaints without fear of reprisal.
2	DARTS drivers filing a complaint or concern should be given the option of anonymity if that is their choice.
3	DARTS should appoint a designate to receive driver concerns and complaints. The designate should be a senior-level representative, sufficiently empowered and accountable for taking reasonable and appropriate corrective actions to address the driver's complaints/concerns once validated.
4	Complaints and comments by DARTS drivers should be documented and time-stamped, and an action plan prepared to address the driver's issue(s) by the DARTS designate selected to receive driver concerns and complaints.
5	The DARTS designate should ensure that there is a follow-up process in place to advise the complainant of the actions taken by DARTS to correct the issue.
6	The DARTS designate should be required to prepare a monthly report to DARTS senior management and the ATS of all complaints/concerns and corrective actions taken.

Findings: Step 2 - DARTS Vehicle Safety Inspections

During the week of May 2, 2022, Fleet Challenge orchestrated a campaign of random vehicle safety inspections. The safety inspections included vehicles owned or operated by DARTS, and its three sub-contractors, H-Rising, City Marvel, and Vankleef Transportation.

To complete the DARTS safety standard inspections (SSIs), Active Green and Ross, a local service provider located at 455 Ottawa St. N., Hamilton, was selected. The company is a licensed Ontario Ministry of Transportation MVIS. In addition, the service provider was conveniently and accessibly located, with qualified and licensed motor vehicle technician(s) to complete the inspections with ample parking space, service bays, and vehicle lifts capable of handling larger-sized vehicles.

FCC organized random inspections of DARTS and sub-contractors' vehicles to take place at the selected service provider's Ottawa St. site. The SSIs were to determine whether DARTS vehicles meet the safety standards requirements of the Ministry of Transportation (MTO).

Fleet Challenge assigned a senior-level consultant from our team to be present on-site during all inspections to help organize and oversee the inspections and document the findings with inspection reports and digital images.

During the week of May 2, 2022, Fleet Challenge scheduled 40 vehicles for inspections and requested the units be made available by DARTS and its sub-contractors. DARTS schedulers co-operated with Fleet Challenge personnel in organizing the inspections each day. However, some vehicles randomly selected by FCC for inspections were reported to be unavailable, apparently immobile due to mechanical problems or service parts delays. In all, over the week, 39 safety inspections were completed. DARTS tried to substitute vehicles each day which was not appropriate for an audit sample.

Of the 39 safety inspections completed in the first week, we noted a high incidence of failures. In week one 39 DARTS-operated and DARTS subcontractor vehicles were inspected, and **46% (18 vehicles) failed** the safety inspections.

Perspective

To help put the DARTS safety inspection failure rate of 46% in week-one into perspective, on April 27, 2022, an unannounced one-day commercial vehicle safety inspection took place in Canada and the United States¹.

This inspection and enforcement initiative, carried out by Commercial Vehicle and Safety Alliance¹ (CVSA) inspectors in 46 jurisdictions, saw a failure rate of **14.1%** of 9,132 vehicles inspected.

By comparison, the DARTS failure rate is exceptionally high.

¹ The Commercial Vehicle Safety Alliance (CVSA) is a non-profit association comprised of local, state, provincial, territorial and federal commercial motor vehicle safety officials and industry representatives. The Alliance aims to achieve uniformity, compatibility and reciprocity of commercial motor vehicle inspections and enforcement by certified inspectors dedicated to driver and vehicle safety. Source: <https://www.cvsa.org/about-cvsa/>

DARTS and sub-contractor safety inspections resumed on Wednesday, May 11, 2022. First-time inspections and re-inspections continued for the ensuing nine weeks, and until the time of this report, July 29, 2022.

On May 18, 2022, via Confidential Report PW20057(b), the Transit Division presented a Contractor Service Update to the General Issues Committee. As a result of the report, Council direction was given that all the DARTS fleet, including sub-contractors, must be safety-inspected before any vehicles were to be put into service.

FCC arranged with the service provider to continue the safety inspections until all identified DARTS and sub-contractor's units were completed. Due to the total number of vehicles requiring inspections, and in the interest of minimizing disruption of DARTS service to its users, with the concurrence of the City Auditor, FCC requested the service provider assign a second location at 955 Upper James St., Hamilton, Ontario. The target was increased to 16 inspections or re-inspections to be completed each day until the entire active fleet had been inspected and passed.

Fleet Challenge Canada and OCA personnel orchestrated and scheduled the inspections each day, acting as the liaison between DARTS personnel and management of the service provider's two garages. Each day, FCC staff requested up to 16 DARTS vehicles to be delivered to the service-provider's garages for inspections. In addition, FCC prepared and managed a master list of all checks and maintained a database of related documentation and images provided by our team member stationed on-site and the service provider.

The targeted number of safety inspections to be completed each day (16 was the target) was generally achieved and sometimes exceeded (e.g., on May 20, 2022, 21 inspections were completed). However, some days it was impossible to achieve the targeted number of inspections due to vehicle unavailability, repairs that stemmed from previous inspection(s) not being completed on time, immobilized vehicles, and service parts delays (e.g., on May 27, 2022, only four inspections were possible). Fleet Challenge personnel documented all findings and vehicle deficiencies observed during the site visit(s).

After the first week of inspections, May 2 to 6, DARTS and sub-contractor safety inspections resumed on Wednesday, May 11, 2022. First-time inspections and re-inspections continued for the ensuing nine weeks, and until the time of this report, July 29, 2022. Over the 10-week campaign, 202 safety inspections were completed including re-inspections for vehicles that failed either their first inspections or their second or third re-inspections.

As of the date of this report, July 29, 2022, of 167 identified DARTS units, 25 vehicles were out of service or retired. Two units were not safety-inspected because they are immobile awaiting repairs or replacement service parts. The remaining 140 units resulted in 202 inspections - 140 first inspections and an additional 62 inspections from vehicles failing inspections on at least one or more

occasions.

Lists of vehicles that failed the safety inspections and details of the causes of their failures are shown for DARTS and each of the three subcontractors in *Appendices L, M, N, and O*.

Inspection Recap	Qty.	Percent
Identified DARTS units*	167	
Units taken out of service/retired**	25	15%
Units awaiting inspection	2	1%
Active units to be inspected	140	
Total inspections (including re-inspections)	202	
Total re-inspections (2nd, 3rd, 4th)	62	31%
Total first-time inspections	140	69%

*Includes all DARTS units

** Does not include two units retired after the first inspection

For the six-week period between beginning on May 2, a week-by-week recap of the inspections is shown in the table below.

Inspection Campaign Results	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Weeks 7 to 10	Overall Total
Total Passes	21	17	63	19	10	6	6	142
Total Fails	18	7	24	8	2	1	0	60
Total	39	24	87	27	12	7	6	202
Percentage of fails - including re-inspections (average weekly):	46%	29%	28%	30%	17%	14%	0%	30%
Percentage of fails- first inspection only (average weekly):	46%	23%	30%	0%	25%	25%	0%	32%

Note: During week 4 there were 4 first inspections and all passed.

Percentage of fails- first inspection only - DARTS and Subcontractors	DARTS	H- Rising	City Marvel	Vankleef	Overall
	26%	34%	47%	35%	32%

About Vehicle Safety Inspections of the DARTS Fleet

Safety inspections of the DARTS fleet were completed in accordance with Ministry of Transportation of Ontario (MTO) Safety Standards Inspection (SSI) protocol and guidelines. As so, based on MTO guidelines, all critical aspects of vehicles being inspected must be functional as they were designed. Items inspected during a safety standards inspection are either pass or fail; there are no partial passes or partial failures. For example, while some may dismiss a failed headlight as being a minor failure, it could lead to a collision. Although a seemingly minor failure to some, a vehicle with a defective headlight would fail an MTO safety inspection. During the DARTS safety inspection campaign, several instances of so-called minor failures were found.

At the other side of the spectrum, and of critical concern, several serious safety violations were found in the DARTS fleet. Examples include:

- Body panels rusted and perforated through
- Tires with 0/32" tread depth; tires with less than the legal minimum tread depth of 2/32 of an inch, a tire with its steel cords protruding through the sidewall; a rubber plug used to seal a leaking tire sidewall (which is strictly forbidden for safety reasons)
- An exhaust pipe located under the passenger compartment that was cracked and completely broken away (potentially allowing poisonous exhaust gases to enter the passenger compartment)
- A muffler with a large gaping hole rusted through it (potentially allowing poisonous exhaust gases to enter passenger compartment)
- Numerous loose and worn steering and suspension components
- Leaking hydraulic suspension struts
- Jagged steel components extending past the body (potentially harmful to passing pedestrians or cyclists)
- A broken spring
- Lights and/or windshield wipers or washer problems
- Several incidents of brake callipers not releasing
- Non-functional or seized emergency brakes

Synopsis – Vehicle Safety Inspections

From our review, numerous issues relating to safety were identified by FCC. Our synopses and detailed recommendations for ATS, DARTS and DARTS subcontractors and found in ensuing sections of the report.

Focusing on the last issue on the above list, we will elaborate on the singular matter of emergency brakes. While some may dismiss a defective emergency brake as a relatively minor issue compared to (for example) critical vehicle systems such as defective steering, there are two important issues at play:

Issue One: If an emergency brake is seized, as was the case with many inspected DARTS vehicles, it is usually a ‘red flag’ to management that the driver has not been using the brake. Lack of use will lead to seized emergency brakes, and rusted components.

Commercial vehicle drivers must be unequivocally instructed to use their emergency brakes; simply placing a vehicle’s transmission in the ‘Park’ position is not an acceptable way of keeping a parked vehicle stationary -- the emergency brake must be used to prevent the possibility of a rollaway vehicle situation.

Vehicle rollaway is of particular importance in vehicles that are used to transport vulnerable passengers and even more so in hilly terrain such as Hamilton’s Niagara escarpment.

Issue Two: It is critically important to understand the difference between the emergency brake and the parking pawl. The primary purpose of the transmission’s ‘Park’ position (parking pawl) is to keep the engine’s power from reaching the drive wheels when the engine is running. The parking pawl is not designed to stop the vehicle from rolling when parked – that is the job of the emergency brake. If the driver does not employ the emergency brake, only the transmission park pawl is holding the vehicle in place⁷.

⁷ Source: <https://streetsmarttransmission.com/transmission-parking-pawl/>

The park pawl is a small steel pin inside the vehicle transmission. It engages a notched ring that is attached to the transmission's output shaft when the transmission shifter lever is placed in the 'P' (Park) position.

When the parking pawl is engaged it restricts the transmission's output shaft (and drive wheels) from turning in either direction. Please see *Illustration 3 – Transmission Park Pawl* (right).

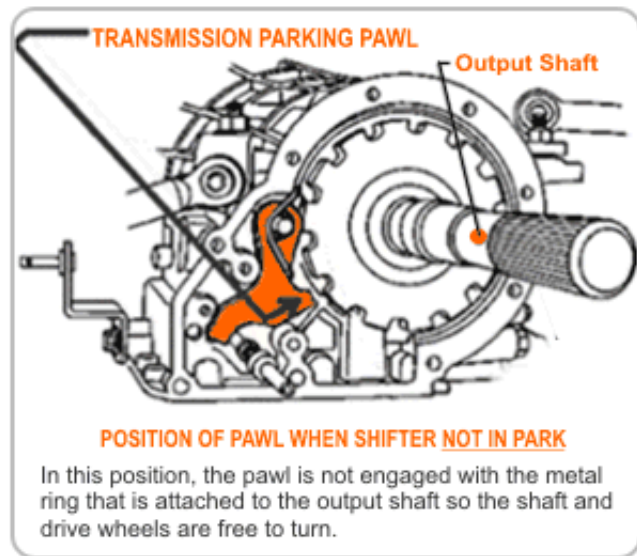
Relying solely on the transmission's 'Park' position and the parking pawl to keep a vehicle from rolling when parked places undue stress on the pawl and other driveline components, which can cause excessive wearing of the pawl and lead to premature failure.

The emergency brake is the only vehicle component designed to prevent it from rolling away on a hill. If the emergency brake has not been engaged by the driver or if it is non-functional, the driver may believe that the parking pawl will suffice – it is just a tiny piece of metal in the transmission not designed to hold the vehicle in place and is likely to fail.

Failure to use the emergency brake issue is of particular importance when passengers are boarding or disembarking DARTS units and creates an unacceptably high risk of potential harm to passengers and the public.

Our safety inspections revealed several cases of non-functional or seized emergency brakes in DARTS vehicles. Details and lists of DARTS vehicles that were safety inspected during the inspection campaign are shown in *Appendices M to P*.

Illustration 3 - Transmission Park Pawl



Recommendations – Safety Inspections

Number	Recommendations regarding DARTS Safety Practices
7	DARTS should take immediate actions to ensure its vehicles, and those of its subcontractors always meet MTO safety standards, not just when inspections are completed.
8	Safety inspections of the DARTS fleet, and its subcontractors should be conducted in accordance with applicable Ministry of Transportation of Ontario (MTO) Safety Standards Inspection (SSI) protocol and guidelines. (For further details please see the section of this report that deals with DARTS and DARTS subcontractor's practices)
9	DARTS should provide drivers instruction on the use of emergency brakes and drivers should be required to deploy their emergency brakes whenever their vehicle is stopped.
10	DARTS should ensure that emergency brakes are inspected, tested and functional at all times.
11	DARTS should provide drivers with additional training and regular refresher on completing driver's daily inspections.

Findings: Step 3 – Business Process Discovery Meetings

Fleet Challenge conducted five individual business process discovery meetings with DARTS stakeholder organizations. Discussions took place with management representatives of:

- 1) ATS
- 2) DARTS
- 3) H-Rising Transportation
- 4) City Marvel Enterprises Inc.
- 5) Vankleef Group Incorporated

Each discovery session was one to two hours in duration. Our fleet review team organized the meetings to gain a close-up and comprehensive look into the operations and management practices of the entities responsible for delivering the DARTS services to the public.

The Fleet Challenge team was guided by a standard best-management practices review (BMPR) template, a script developed by our team to aid in all fleet reviews completed by our team.

Best Management Practices Review™ (BMPR) is a signature Fleet Challenge Canada Inc. process that enables our team to become familiar with a fleet's business practices. The BMPR process involves in-depth discussions with each group's fleet management personnel. A more detailed look at BMPR is in *Appendix D*.

Discovery processes began with ATS, followed by DARTS management personnel. Next, we focused the meetings on the sub-contractors, starting with H-Rising Transportation.

FCC completed a comprehensive review of its fleet management and operating practices. Our team selected this critical preliminary step to become aware of, and familiar with, each fleet's guiding operating principles, including (but not limited to) maintenance practices and procedures, business processes, financial structure, policies, operating practices, governance, reporting hierarchy, safety program, corporate goals, targets, objectives, as well as any challenges and/or impediments it faces.

FCC reviewed relevant documentation during the virtual business process discovery meetings. We evaluated DARTS, and its three sub-contractor's vehicle maintenance and inspection records. Documentation was reviewed to verify compliance with contractual obligations regarding DARTS sub-contractors.

FCC reviewed the qualifications of fleet maintenance personnel. We investigated (i) if technicians (mechanics) had the correct classifications (i.e., trade classifications 310S, 310T) and were completing safety maintenance where required, (ii) driver licensing and safety administration, and (iii) training and other relevant matters relating to the DARTS fleet operation.

The Reporter alleged that the owners of one of the DARTS subcontractors “*does not have professional mechanics servicing DARTS vehicles.*” Therefore, Fleet Challenge reviewed the contractor (DARTS) and sub-contractor’s vehicle records, including work orders or other vehicle maintenance histories. Additionally, regarding safety-related tasks we attempted to confirm that licensed motor vehicle technicians (MVTs) completed maintenance and repair tasks.

Discovery Meeting with ATS

Fleet Challenge Canada (FCC) representatives with Transit Division staff. FCC believes it is important for readers of this report to note that ATS has relatively new management. The Manager responsible for initiating the review of DARTS and subcontractor practices started in August 2021.

Synopsis – ATS BMPR

ATS does not have sufficient visibility into DARTS preventive maintenance (PM) practices and compliance as far as scheduling, PMs in progress, vehicle condition or vehicle maintenance histories. ATS is informed of DARTS and sub-contractor vehicle inspections only after the fact via Vehicle Inspection Records (VIRs).

ATS management staff are provided Vehicle Inspection Reports (VIRs) from DARTS, after DARTS and its sub-contractors have completed vehicle inspections. Records of the inspections (VIRs) are maintained and tracked by ATS management in Excel spreadsheets, a tedious and time-consuming task. Please see *Appendix I - Example (screen capture) of Vehicle Inspection Records*.

Real-time knowledge of current, outstanding, and past-due DARTS and sub-contractor safety inspections by ATS management is critical to effectively overseeing DARTS and subcontractors' vehicle safety inspection processes.

ATS has never conducted random safety inspections of DARTS units as described in the MOA. Unfortunately, the reference to random checks is contained in Schedule A, referring to City-owned vehicles leased to DARTS, a section that is no longer relevant.

Under the terms of the MOA, there is a contractual requirement for DARTS use of subcontractors to be approved by the General Manager of Public Works. DARTS management was unable to provide evidence of receiving this approval.

Recommendations for ATS

Number	Recommendations for ATS
12	ATS should conduct random MTO safety compliance inspections of Contractor (DARTS) and Subcontractor in-service vehicles.
13	Regarding contract language in the current MOA requiring DARTS vehicles to be “certified mechanically fit and safe” and “meet the requirements of the Ministry of Transportation” (MTO), the ATS should ensure that contract language is amended to apply the correct terminology and applicable requirements of the MTO (For further details please see section of this report dealing with Contracts)
14	ATS should have real-time online access into a new DARTS fleet maintenance information system (FMIS) that would be managed and maintained by DARTS. This would enable ATS to verify the status of all DARTS MTO safety inspections and vehicle histories at any time while saving ATS time and administrative effort (as opposed to the ATS’ current practice of laboriously tracking Vehicle Inspection Records (VIRs) in Excel after-the-fact). (For further details please see recommendations for DARTS later in this report)
15	DARTS and DARTS subcontractor’s driver’s daily inspections should be in electronic format (as opposed to paper-based as they are now). ATS should have real-time access to drivers’ inspection electronic records. Driver’s electronic daily reports should be integrated into a fleet maintenance information system (FMIS) managed by DARTS. ATS should always have online access to the system to confirm actions are being taken by DARTS and subcontractors when defects are reported by drivers.
16	Vehicle inspection worksheets prepared to guide technicians in completing DARTS and subcontractor vehicle safety inspections should be reviewed by ATS to confirm full compliance with applicable MTO Safety Standards Inspection guidelines (see previous point)
17	ATS should review and ensure that vehicle inspection worksheets prepared to guide technicians in completing DARTS and subcontractor vehicle safety inspections must be signed by the licenced mechanic completing the inspections.

Number	Recommendations for ATS
18	DARTS and DARTS subcontractors should provide ATS with current copies of the trade licences for their technicians/mechanics engaged in completing their MTO safety inspections and advise ATS in the event of a mechanic's trade certificate suspension.
19	Major portions of the DARTS Master Operating Agreement (MOA) are no longer relevant. A new MOA is needed, ideally prepared with a clean slate approach. (Please see Contracts section of this report)
20	An approval process and protocol to be followed by DARTS and ATS should be in place in the MOA regarding fuel rates and upcharges, weekend rates and in general, all relevant pricing and rate structures. (Please see Contracts section of this report)
21	Language in the DARTS subcontractors Service Agreements regarding Validated Registered Drivers should be reviewed to include pre-hire driver abstracts, and follow-up abstracts after hire. (Please see Contracts section of this report)
22	Language in the DARTS subcontractors Service Agreements regarding Validated Registered Drivers should be reviewed to define the minimum standards for drivers and include a maximum demerit point threshold. (Please see Contracts section of this report)
23	Language in the DARTS subcontractors Service Agreements should include a commitment to professional driver improvement courses (PDIC) or remedial training, rather than taking a punitive approach when driver complaints are received, as is the current practice. (Please see Contracts section of this report)

Discovery Meeting with DARTS

Fleet Challenge Canada (FCC) met with DARTS personnel for a business practices discovery meeting. The Fleet Challenge team was guided by a standard best-management practices review (BMPR) template, a script developed by our team to aid in all fleet reviews completed by our team.

Synopsis – DARTS BMPR

DARTS Safety Inspection Results

68 DARTS-operated units were identified for safety inspections at the start of the DARTS vehicle safety inspection campaign. Until the date of this report (July 29, 2022) four units were not inspected; this was because there was no opportunity to inspect two of the three retired units along with two other units needing excessive repairs.

Two new units were added to the DARTS fleet from the start of the inspections, and these were inspected before going into active service, bringing the total number of completed inspections to 66. Of 66 units inspected:

- **Seventeen units failed** their first inspections, **or 26%**
 - Of these, **three units failed** second inspections

Preventive Maintenance of the DARTS Fleet

DARTS relies heavily on drivers' daily inspections to identify problems with vehicles between scheduled maintenance events. FCC asserts that drivers are drivers – they are not mechanics.

Daily driver checks are a recommended best practice for light-duty vehicles and intended for drivers to find and report obvious vehicle defects, such as non-functional lights and/or wipers, damaged tires etc. However, drivers are not trained to assess mechanical problems such as brake lining condition, suspension, exhaust, or steering components.

Preventive Maintenance of the Subcontractor Fleet

As stated in the subcontractor agreements: *“All vehicles utilized by the Company (the “Company” refers to the subcontractors) in fulfillment of this contract shall be certified mechanically fit and safe, and meet the requirements of the Ministry of Transportation. A copy of the yearly inspection of each vehicle is to be provided to the DARTS Manager of Operations, and DARTS shall have the opportunity to inspect and check the vehicle on demand, at the expense of the Company, by the 31st of December of each year, or as required by the City of Hamilton.”*

During our BMPR meetings with DARTS we were advised that the company requires its subcontractors' drivers to complete daily circle check and DARTS *"completes snap inspections once a month or when on the road to track the circle checks"*. Aside from these practices there appears to be little, or no, DARTS oversight into the maintenance practices of the subcontractors.

As independent agents, aside from their obligation to provide evidence of annual mechanical "certifications" (more in this term later in this report), and to have their drivers complete circle checks, DARTS subcontractors have autonomy as far as their vehicle preventative maintenance practices. It is questionable if these minimal obligations are being carried out. DARTS has little or no oversight into the maintenance practices of its subcontractors.

Fleet Management Information System

DARTS developed its own software-based fleet management information system (FMIS) to track its fleet maintenance. There are some good features to the system e.g., the system tracks mechanic work orders, parts used, and vehicle maintenance histories. While DARTS can be commended for implementing this system years ago, compared to contemporary FMIS' used by best-in-class commercial fleets, the DARTS FMIS is an anachronism. It is inadequate for managing the fleet effectively.

*Illustration 4- DARTS Whiteboard Scheduling System.
Image by OCA staff.*



DARTS employs a whiteboard in the garage office area to track and schedule upcoming PM inspections. We are highly critical of this practice.

Manually tracking large amounts of important data using dry-erasable markers is archaic and vulnerable. For example, someone accidentally brushing against the board with their body could potentially erase large amounts of critical scheduling information.

Leading fleets employ automated scheduling for vehicle PM inspections. This standard practice by today's leading fleets reduces or eliminates errors, prevents missed PMs, and creates an audit trail. In addition, automated PM scheduling saves operating expenses by ensuring that vehicles are inspected at the right time - not too soon nor too late - both of which impact costs.

A modern fleet maintenance information system (FMIS) can reduce fleet operating expenses by up to 20% through better-informed management practices. Data captured during PM inspections can enable financial cost analysis and allow decision-making supported by historical data, be used to

schedule future PM events and track vehicle repairs requiring future attention, A contemporary FMIS offers additional fleet management benefits beyond accurate PM scheduling.

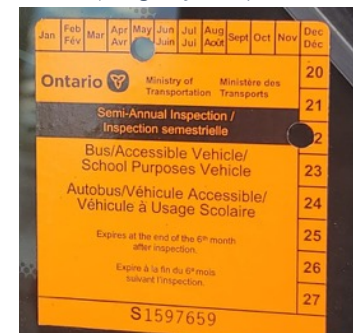
MTO Safety Inspections

The DARTS garage is not a licenced, accredited Ministry of Transportation (MTO) Motor Vehicle Inspection Station (MVIS).

We learned that sometime in the past DARTS applied to the MTO to become an MVIS however, their application was not approved by the MTO. We were advised that DARTS staff plan to re-apply to the MTO at some time in the future.

Since DARTS is not a MTO-accredited MVIS, it is not authorized by the MTO to issue (1) Safety Inspection Certificates (SSCs) (*Appendix E - Example of MTO 6-Month Safety Inspection*) or (2) the vehicle window stickers as proof that a vehicle has been MTO safety-inspected (See *Illustration 5* at right).

Illustration 5 - Example of an MTO 6-month Safety Inspection Sticker (image by FCC)



Currently DARTS uses the following process to MTO-safety certify its vehicles: (1) DARTS completes an in-house inspection by their fleet maintenance technician/s and make repairs if required, (2) they deliver the vehicle to an accredited MTO MVIS local garage, (3) the vehicle is re-inspected by the third-party garage; if it is deemed safe by MTO standards a SSC is prepared by the third-party inspection mechanic and a window sticker is affixed to the vehicle, (4) the vehicle is returned to the DARTS facility and to active service in the fleet.

This dependence on an external garage for MTO safety inspections is an inefficient and costly duplication of effort. In addition, this practice results in protracted periods of expensive vehicle downtime.

Quality Assurance Processes

We were unable to find evidence of any type of formal quality assurance (QA) processes within the DARTS fleet maintenance garage. DARTS mechanics are responsible for conducting repairs on vehicles as they determine to be necessary. Mechanics have autonomy to complete repairs and return vehicles to active service without oversight or any type of quality assurance processes.

Fleet Challenge sees quality assurance (QA) as a critical gap in DARTS fleet maintenance practices that have potential for several safety-related problems. Since no qualified individual at DARTS is responsible for inspecting, approving, and signing off on the work completed by the mechanics it is their sole responsibility to determine repairs that are required, complete the repairs, and return the

unit to service. In best-in-class fleets, the work completed by mechanics is overseen and quality-checked, both during the repair and, most importantly, after the mechanic has completed the repairs.

In our professional assessment, the DARTS fleet maintenance technicians seem skilled, well-intentioned, committed, and focused on providing high-quality services. However, there are obvious gaps we feel are mainly responsible for the safety inspection failure rate of 26% for DARTS operated vehicles. It is clear to FCC that improvements need to be made. Examples include:

- The current fleet maintenance information system used by DARTS is anachronistic and ineffective at providing the information and scheduling capabilities required to effectively manage and maintain a modern fleet.
- Manual preventive maintenance (PM) tracking and scheduling via a whiteboard with handwritten updates is archaic and there is risk for missed maintenance checks.
- Automated scheduling of vehicle PM inspections is standard practice in today's leading fleets.
- Automated PM scheduling in a fleet maintenance information system (FMIS) reduces or eliminates errors and the possibility of missed PMs, creates an audit trail and vehicle histories that can be used to analyse the fleet's performance, and improves cost control.
- Driver's daily inspections are paper-based requiring laborious handling and archiving. They provide no visibility or assurance to ATS that the inspections are actually completed and managed properly. Electronic options are simple to use, highly efficient, readily available, and commonly used.
- There is too much dependency on drivers to report vehicle mechanical problems between scheduled preventive maintenance (PM) inspections and 6-month MTO certifications. DARTS should improve PM practices to meet best-in-class PM scheduling standards, thereby reducing the dependency on drivers to detect mechanical problems.
- DARTS is not a licenced MTO Motor Vehicle Inspection Station (MVIS). Instead, it relies on third-party garages which is a costly and inefficient process.
- Currently DARTS and subcontractors demonstrate their conformance to mechanical safety standards (as set out in the Master Operating Agreement (MOA) for DARTS and the Service Agreements for DARTS subcontractors) by the following process: mechanics prepare paper forms in longhand, then scan each one and e-mail the vehicle inspection records (VIRS) to ATS. ATS then maintains an Excel-based file to track all inspections. The many processes for all parties are onerous, time-consuming, and wasteful of human resources.
- ATS should have readily available real-time visibility into the safety inspection status of any DARTS vehicle, without the current laborious records-keeping practice. This would be accomplished easily if DARTS installed a fleet maintenance/management information system (FMIS) to capture its inspections, repairs, and maintenance activities in real-time via mechanics' work orders.
- In the recommended FMIS, the same data should be tracked for DARTS sub-contractors. In such an FMIS, ATS would have sign-in privileges and user-rights to view status reports

(e.g., due/past-due/in-progress/completed) for each vehicle to confirm that all inspections are up to date.

Recommendations for DARTS

Number	Recommendations for DARTS
24	DARTS should practice vigilance regarding the contractual vehicle safety inspection requirements and maintenance procedures of its subcontractors to prevent a recurrence of unsafe subcontractor vehicles being operated in the DARTS fleet.
25	DARTS preventive maintenance (PM) inspections should be increased in intensity and frequency to reduce or eliminate safety defects – how much they need to increase would be determined by a new fleet maintenance information system (FMIS) (See point #28 below regarding fleet maintenance systems) based on “uptime” tracking functionalities of the FMIS.
26	The requirement for subcontractors’ drivers to complete daily vehicle circle checks, and the processes of managing the checks, and in particular, defects reported by drivers, should be defined in the subcontractor’s service agreements (SAs)
27	<p>DARTS should immediately implement quality assurance measures. In its current preventive maintenance practices, there are no quality assurance processes in place at DARTS. We feel this is likely the root cause of the high rate of safety inspection failures during the recent safety inspection campaign.</p> <p>The DARTS Maintenance/Driver Supervisor is not a licenced mechanic and therefore not in possession of the skills and accreditations required to confirm that the work of the mechanics is satisfactory.</p> <p>As one option, DARTS should consider a new Lead Mechanic job classification, in which a licensed mechanic would be given responsibility for final inspection of work completed by DARTS mechanics therefore assuring quality and increasing adherence to safety protocols.</p>

Number	Recommendations for DARTS
28	DARTS should invest in a proper fleet maintenance information system (FMIS) to replace the current whiteboard. The fleet maintenance scheduling and management functionalities of the current program, which was developed in-house, are far inadequate for the needs of a modern fleet.
29	The recommended FMIS (see above) should be capable of multi-criteria preventive maintenance (PM) scheduling, tracking DARTS and subcontractor maintenance and safety inspection histories (now tracked by ATS externally in Excel), enable complex cost-analysis, track fuel usage and driver profiles, abstracts and a myriad of other functions required by a modern fleet. Electronic drivers' daily inspections should be connected to the FMIS to replace paper-based records now in place.
30	<p>In the long-term, and once quality assurance processes are in place and the issue of safety inspections failures has been fully addressed in a manner that is acceptable to the ATS, DARTS should consider re-applying to become a licenced, accredited Ministry of Transportation (MTO) Motor Vehicle Inspection Station (MVIS).</p> <p>If successful in becoming an MVIS, it would lower costs and increase efficiencies by eliminating the dependency on third-party garages for performing its MTO safety inspections.</p> <p>That stated, without having quality assurance processes in place, as is the situation now, it would be risky if DARTS was able to complete its own MTO safety inspections given the results (~26% fail rate) from our independent safety inspections. At this time, a licenced, independent third-party MTO Motor Vehicle Inspection Station (MVIS) of the City's choosing would be a more prudent choice.</p>
31	Under the terms of the MOA, there is a contractual requirement for DARTS use of subcontractors to be approved by the General Manager of Public Works. DARTS management should immediately seek this approval for existing and future subcontractors and ensure that documentation of the approval(s) is available at all times.
32	DARTS should conduct a detailed financial review to compare the cost of subcontractor vehicles versus similar vehicles being obtained by DARTS through

Number	Recommendations for DARTS
	leases, rentals, or purchases. The latter options may be more cost-effective than previously expected. Consider issuing an RFQ/Q for the provision options (i.e., buy, rent or lease) for acquisition of light-duty vans now provided by its subcontractors.

Discovery Meeting with H-Rising

Fleet Challenge Canada (FCC) met with H-Rising personnel for a business practices discovery meeting.

Synopsis – H-Rising

Until late 2021, H-Rising completed vehicle inspections based on and guided by an earlier version DARTS inspection checklist. This form is shown in *Appendix G*. These forms were submitted to ATS to comply with the requisite sub-contractor’s mechanical safety inspections, per the requirements of the City’s (ATS) contract with DARTS and subsequently DARTS contracts with its subcontractors.

H-Rising’s Maintenance Supervisor signed the inspection forms in the space allotted to the signature of the inspecting mechanic. He is *not a licensed mechanic*. Co-signing the vehicle safety inspection forms was the H-Rising Road supervisor, who is *also not a licensed mechanic*.

After September 2021⁸, DARTS required its subcontractors to use an enhanced vehicle inspection form (see *Appendix J*), which required the inspecting mechanic to sign the form (as was the practice in the former inspection form) and, record their inspecting mechanic’s license number. The new forms tightened the previous gap, preventing anyone except a licensed mechanic to sign the forms.

We reviewed both the former and new enhanced inspection form versions, completed by H-Rising personnel, and subsequently submitted to DARTS and to ATS. The forms show every inspection point neatly check-marked and they bear the signature of the inspecting mechanic attesting to the completion of the inspections. We again note that on the former versions of the inspection forms, the persons signing for H-Rising were *not licensed mechanics*.

On May 17 H-Rising vehicle number HS102 was presented for its safety inspection. Classified as an “Accessible Vehicle” it is subject to mandatory six-month MTO Accessible Vehicle or Bus safety inspections. The unit failed its safety inspection during which we also noted it was bearing a Commercial-Trailer annual inspection sticker dated November 2022 valid for one-year after the inspection date. Therefore, vehicle HS102 was being operated by H-Rising in DARTS service without its legally mandatory 6-month Accessible Vehicle inspection. (Please see *Appendix H*)

⁸ This date could not be confirmed in our discussions with DARTS

From our management practice discussions with each H-Rising staff management member, we noted their comments that *“their maintenance system is working fine, not lacking on anything and doing an excellent job now.”* Further, H-Rising told us that *“their vehicles are always in perfect condition and (they) can’t take any chances with safety.”* However, their statements are patently contrary, as evidenced by the high rate of safety inspection failures during the City Auditor’s DARTS safety inspection campaign.

Fleet Challenge confirmed that the individual who completes maintenance on H-Rising’s vehicles and now signs the new, enhanced DARTS vehicle safety inspection forms, is a licensed mechanic under the provisions of Skilled Trades Ontario (STO).

Fleet Challenge notes the high rate of safety inspection failures for H-Rising. Of 32 H-Rising vehicles inspected, approximately one-third (34%) failed their first safety inspections during the DARTS safety inspection campaign. Please see details of the H-Rising vehicle safety inspections in Appendix M – Table of Completed Inspections – H-Rising Fleet.

Of the initial group of H-Rising vehicles, 11 of 32 units failed their initial safety inspections. Over the ensuing weeks of the DARTS vehicle inspection campaign, many were re-inspected (although some units were voluntarily retired by the subcontractor during this time).

Of the 11 vehicles that failed their initial inspection, **two units failed** their second inspection, and **one unit failed** its third inspection which necessitated a **fourth inspection** when it eventually passed. These results were despite the contractor having ample time to make corrections prior to re-inspections.

As the DARTS safety inspection campaign proceeded, our inspectors noticed increasingly that some vehicles, prior to arriving for their first inspections, had received new brakes and other safety component replacements. Regardless of these ‘fixes’, some vehicles *still failed* their inspections for other reasons. In addition, we noted that:

- Some vehicles required second and third inspections before receiving a ‘pass’ evaluation as per MTO safety standards, despite H-Rising having ample time to address deficiencies and deliver vehicles with acceptable safety levels prior to our inspections.
- An H-Rising Accessible Vehicle requiring an MTO 6-month Accessible/Bus safety inspection received an MTO one-year commercial trailer inspection – these are two very different inspections – the H-Rising Accessible Vehicle had the wrong inspection and was in service without an MTO 6-month Accessible/Bus safety inspection
- Vehicle inspection forms were not signed by a licensed mechanic as required; they were presented to DARTS, and ATS, as proof that H-Rising vehicles met MTO safety standards

According to H-Rising management: *“their vehicles are always in perfect condition and (they) can’t take any chances with safety”* – this was clearly untrue. H-Rising management’s competence and

ability to manage a fleet in conformance with prevailing MTO safety standards as required under their contractual agreement with DARTS is questionable.

In consideration of our review, in particular the high rate of initial safety inspections and re-inspection failures, and given its past operating practices, H-Rising seems incapable of maintaining its fleet to the standards of safety required by its contract with DARTS.

Discovery Meeting with City Marvel

FCC representatives met with City Marvel personnel for a management practices discovery session.

Synopsis – City Marvel BMPR

Of 19 first inspections of City Marvel vehicles, nine units or **47% failed**. Please see *Appendix N – Table of Failed Inspections – City Marvel Fleet* for full details. City Marvel appears to have inadequate fleet maintenance practices.

On the second attempt, despite City Marvel, having ample time to prepare for re-inspection of the failed units, **three of the nine** City Marvel units **failed again**. A third inspection was required before the units received a pass.

To save insurance costs, City Marvel makes a practice of reducing (minimizing) its vehicle insurance coverage for in-active DARTS service vehicles, such as the slow period during the COVID-19 pandemic. To reinstate a vehicle into active DARTS service their process is to contact their insurance broker and have the vehicle's coverage increased to fulfil their insurance obligations to DARTS; they must obtain proof in the form of an insurance liability slip.

City Marvel presented a Certificate of Insurance (COI) to DARTS and ATS as evidence of insurance coverage for a specific vehicle. Their insurance coverage applies only to specific vehicles, as shown on their COI (Please see *Appendix K*). Also, the COI presented to DARTS as proof of insurance coverage had many errors.

City Marvel makes it their practice to buy used vehicles to save acquisition costs. An example is vehicle number C219 which was added to the City Marvel fleet during the inspection campaign. This vehicle *began* service in the City Marvel DARTS fleet with almost 160,000 km on its odometer. At this advanced mileage, best-in-class fleet managers are considering disposing of their high mileage units, not bringing them newly into active service. High mileage vehicles are vulnerable and frequent mechanical failures typically will result. Regardless, vehicle C219 arrived for its inspection fitted with new front and rear brake pads and rotors and was found to be fit.

In our assessment, City Marvel's past performance and business processes demonstrate a lack of capability to provide the standards of safety sought by DARTS and for which they were contractually engaged. Our position is based on:

- City Marvel's lack of conformance to MTO safety standards – their initial failure rate was 47%
- The number of initial inspection failures and re-inspection failures - one-third failed again on re-inspection
- Lax business practices pertaining to insurance documentation
- Adding high-mileage vehicles (albeit under DARTS limits for maximum age) to their active DARTS fleet

Discovery Meeting with Vankleef

FCC representatives met with representatives of the Vankleef Group Incorporated for a management practices discovery session.

Synopsis – Vankleef BMPR

Vankleef completes annual inspections as per DARTS requirements. At every 5,000 kms vehicles come in for oil service and mechanics do a full inspection using DARTS new form. Cosimo's Garage is a subsidiary company that is located within Vankleef's building which completes the MTO inspections and annual checks/certifications.

Initially Vankleef had identified 37 vehicles as available for service to DARTS. Shortly after the start of the vehicle inspection campaign, 14 of these vehicles were declared out of service. FCC was not privy as to why these vehicles were removed from service. During the campaign, another vehicle was declared out of service after it failed its initial safety inspection. Therefore, of the twenty-three vehicles that were inspected at least once, **eight units (35%) failed**. Four of the eight failed their second inspections. On third inspections the remainder passed.

Based on the high rate of initial and subsequent safety inspection failures, the company's performance has been sub-par and therefore seems incapable of meeting DARTS' safety standards and contractual requirements as far as MTO mechanical safety standards.

Recommendations for DARTS Regarding its Subcontractors

Number	Recommendations for DARTS regarding its Subcontractors
33	DARTS should take a vigilant approach in managing its subcontractors as far as their vehicle safety inspections and quality standards. For example, DARTS should require that annual MTO Safety Standards Inspections and 6-month accessible vehicle MTO Safety Standards Inspections required under the subcontractor Service Agreements to be carried out at MTO licenced Motor Vehicle Inspection Stations (MVIS') of DARTS choice, not the subcontractors.
34	DARTS should re-investigate its dependency on outsourced subcontractors. Cost-effective alternatives may include in-sourcing the services now outsourced to the sub-contractors.
35	DARTS should complete comprehensive business case analysis to revisit the lowest cost options between insourcing or outsourcing to subcontractors
36	For vehicles now provided and driven by DARTS subcontractors, DARTS should consider a hybrid business model in which DARTS would provide and maintain the vehicles while drivers would be provided and managed by contracted driver pool service-provider(s).
37	DARTS subcontractor Service Agreements should set a limit regarding the maximum age and total kilometres for subcontractor vehicles. As a starting point, we recommend vehicles should be no older than five model years and 200,000 total kilometres, but these thresholds should be confirmed through historical operating data and safety inspection failure rate analysis.

Findings: Step 4 – Insurance Review

Section 3.3.17 - Insurance of the **Master Operating Agreement (MOA)** sets out DARTS requirements for vehicle insurance. Below, in **blue font**, is an extract of that section of the MOA as pertaining to vehicle coverages:

a) Commercial General Liability Insurance;

Commercial General Liability Insurance, written on IBC Form 2100 or its equivalent, including but not limited to bodily injury and personal injury liability, property damage, products liability, completed operations liability, owners & contractors protective liability, blanket contractual liability, tenant's legal liability, premises liability, broad form property damage, employer's liability and voluntary compensation) and contingent employer's liability coverage, having an inclusive limit of not less than Five Million Dollars (\$5,000,000) per occurrence and Ten Million Dollars (\$10,000,000) in the aggregate. Such coverage will include the City as an additional insured and contain a cross-liability clause and a severability of interest clause.

b) Standard Ontario Policy Form Automobile Insurance;

To cover all licensed vehicles owned or leased by the Contractor and used in connection with the operations under this Agreement. Such coverage will include:

- i. Third Party Liability coverage having a limit of not less than Ten Million Dollars (\$10,000,000) for personal injury, bodily injury including death, or property damage, in respect of each claim/occurrence or such higher limits as the City, acting reasonably, may from time to time require;*
- ii. Accident Benefits coverage in accordance with the legislation and regulations of the Province of Ontario;*
- iii. "All Perils" coverage with respect to any loss of or damage to each and every vehicle, including associated or related equipment, used by the Contractor in the performance of its obligations under this Agreement;*
- iv. OPCF 5, (permission to rent or lease automobiles);*
- v. OPCF 6A (permission to carry passengers for compensation);*
- vi. OPCF 22 (damage to property of passengers);*

Under **Section 7 of the subcontractor Service Agreements, INSURANCE:** (Note: Text in blue font is directly from the Agreements)

(a) Company shall maintain, at its own expense, during the term of this Agreement insurance covering the obligations set forth in the Agreement and any other insurance typically carried by a business providing the Services, including but not limited to the following:

- i. Commercial General Liability Insurance, written on IBC Form 2100 or its equivalent, including but not limited to bodily injury including death, passenger road hazard liability, or personal injury liability, property damage, products liability, completed operations liability, owners & contractors protective liability, blanket contractual liability, tenant's legal liability, premises liability, broad form property damage, employer's liability and voluntary compensation) and contingent employer's liability coverage, having an inclusive limit of not less than Five Million Dollars (\$5,000,000) per occurrence and Ten Million Dollars (\$10,000,000) in the aggregate inclusive.*
- ii. Insurance to cover all licensed vehicles owned or leased by the Company and used in connection with the operations under this Agreement, which shall include:*
 - 1. Third Party Liability coverage having a limit of not less than Ten Million Dollars (\$10,000,000) for personal injury, bodily injury including death, or property damage, in respect of each claim/occurrence or such higher limits as the City, acting reasonably, may from time to time require;*
 - 2. Accident Benefits coverage in accordance with the legislation and regulations of the Province of Ontario;*
 - 3. All Perils coverage with respect to any loss of or damage to each and every vehicle, including associated or related equipment, used by the Contractor*

(b) DARTS (and at its option, the City of Hamilton) shall be named as an additional insured on all such policies listed in (i) and (ii) above, and the insurers shall be advised by the Company that in the event of cancellation, non-renewal, and/or any changes in the policies, DARTS shall be notified at least thirty (30) days prior to such alterations in writing by Registered Mail. Proof of renewed insurance shall be filed with DARTS thirty (30) days before termination of the existing insurance contract. Company will provide to DARTS an insurance certificate confirming the existence of this coverage which is part of this Agreement. DARTS does not represent that the insurance coverage is adequate to protect Company's interests or to cover Company's liability. The insurance policies shall contain a cross liability clause and a severability of interest clause.

Synopsis – Insurance Review

We observed that the insurance requirements of the DARTS MOA and the subcontractors SAs appear to be in alignment. We also note that the limits of liability and coverages under both policies

seem appropriate relative to the degree of potential risk exposure for a commercial fleet that is in the business of transporting passengers. However, the amount of insurance coverage required for DARTS and subcontractors is a decision that must be made by the City of Hamilton, Risk Management after evaluating risks.

In a recent situation, the insurance coverages of a DARTS subcontractor, City Marvel, came into question. Namely, an erroneous Certificate of Insurance (COI) was provided by City Marvel which had obvious issues and errors (please see *Appendix K*). The COI was apparently intended to be their proof that a vehicle owned by the subcontractor, and the company, City Marvel had planned to put into DARTS service was covered under their insurance policy.

When issues with City Marvel's COI were discovered by ATS management, ATS requested DARTS to pull City Marvel vehicles from all passenger ride schedules, until such time as the certificate (COI) could be vetted and approved by City of Hamilton's Risk Management personnel.

FCC discussed the incident of the dubious COI with City Marvel representatives during our business process discovery meeting with them. Regarding the City Marvel insurance liability slip that came into question by ATS, they claimed it happened because their insurance broker was in India and apparently difficult to contact, to correct the issues that were discovered by ATS. We were told that, once contacted, the broker quickly updated the form. Per the transcript of our discussion with City Marvel, as the representatives described it, City Marvel had to: *"track him down in India and the guy fixed it"*. Subsequently, the corrected City Marvel COI was approved, and the vehicles resumed DARTS service.

In another recent instance, ATS found that the insurance information for City Marvel unit number C218 which was provided to ATS by DARTS had an issue. Specifically, the Vehicle Identification Number (VIN) listed on the pink insurance liability slip didn't match the VIN listed on the vehicle's registration and the City Marvel list of insured vehicles. When this discrepancy was discovered by ATS, its management initiated a review of all City Marvel insurance pink slips and registrations against the list of insured vehicles for City Marvel.

The level of insurance coverages required by ATS is apparently quite costly as was learned from DARTS, whose management related to the City Auditor that insurance for a vehicle is \$1,500/month. From our management practices review discussion with City Marvel, the representatives described their insurance costs, *"when City Marvel first started with DARTS"* (as described by City Marvel representatives) *"all was okay and then DARTS changed insurance requirements to increase insurance to \$5m liability"*. The cost of the insurance premiums negatively affected the subcontractors operating costs. As so, during the Covid-19 pandemic when DARTS ridership decreased significantly, some of City Marvel's vehicles were sidelined and they reduced their coverages to minimal insurance for their out-of-service units.

As the time of this report (July 15, 2022), the issues around City Marvel's vehicle insurance had not been fully resolved and a review is pending from the City's Risk Management. Until such time, ATS has advised DARTS that vehicle #C218 cannot be back on the road until Risk Management has heard back from the named insurer on the COI (FCC: to confirm coverage).

FCC discussed the matter of insurance coverages with the other two DARTS subcontractors, H-Rising and Vankleef. No issues were reported by either. We learned that for one DARTS subcontractor, Vankleef, they do not make a practice of minimizing insurance coverages on vehicles that have been sidelined, as is the practice with City Marvel.

It is essential that insurance coverage is in place on all vehicles in DARTS service for obvious reasons. Current processes around a subcontractor's proof of coverage have been questionable due to repeated incidents of erroneous information. Managing the insurance program to ensure proper coverage is in place as required by the DARTS MOA and subcontractors SA contracts is onerous and time-consuming to manage by ATS. Improvements are needed.

Recommendations - Insurance

Number	Recommendations - Insurance
38	DARTS should require subcontractors to obtain insurance coverage that applies to all vehicles owned or operated by the insured (as opposed to insurance coverage for specific vehicles identified by their vehicle identifications numbers, fleet unit numbers, makes/model/year of units or other methods).
39	DARTS and ATS, as additional named insureds, on subcontractor's insurance policies should be provided legally notarized copies of the subcontractor's certificates of insurance (COIs).
40	In subcontractor COIs, DARTS and ATS should be provided full details including Declarations (e.g., at minimum the risks that are covered, policy limits, and deductibles), Insuring Agreements (e.g., policy conditions, exclusions and special limits, risks that are covered, policy limits, and deductibles, other insureds, a list of form numbers and endorsements that add to or alter the policy, losses covered, the subject matter of the insurance and description of the property covered, the perils insured against and circumstances when the insured may receive the proceeds of the insurance), Policy Conditions and Exclusions and Special Limits.
41	DARTS and ATS should be provided legally notarized subcontractor insurance COIs at least annually, any time changes are made to the policies, whenever a vehicle is added to the subcontractor's fleet, or any time a vehicle is returned to active DARTS service.

Number	Recommendations - Insurance
42	City of Hamilton Risk Management should review and approve in writing to DARTS and ATS management, the legally notarized COIs provided by each subcontractor's insurers before vehicles are put into active service in the DARTS operation.
43	City of Hamilton Risk Management should review subcontractor insurance requirements annually at a minimum.

Findings: Step 5 – Review of Contracts

About Contracts

We begin this section of this report with a definition of the word “contract”. A contract⁹ is an agreement between private parties creating mutual obligations enforceable by law. The basic elements required for the agreement to be a legally enforceable contract are mutual assent, expressed by a valid offer and acceptance; adequate consideration; capacity; and legality.

About DARTS’ Contracts

The DARTS operation is governed by two primary contracts:

- 1) The Master Operating Agreement (MOA) between the ATS and DARTS
- 2) Services Agreement (SA) contracts between DARTS and its subcontractors

Fleet Challenge Canada (FCC) reviewed the MOA and SA contracts to become familiar with the obligations of all parties including ATS, DARTS and DARTS subcontractors. FCC is a fleet management consulting firm; we are not trained or licenced in the law profession. Therefore, our review of the DARTS contracts was limited to finding areas of potential non-compliance by any of the named parties, where there may be conflicts, or contract language where interpretations may be nebulous or no longer relevant. Our objective was to highlight and recommend areas of the contracts for future legal expert review and identify sections which might be revised for better clarity in future contracts and best serve the City of Hamilton.

About the DARTS Master Operational Agreement

The Master Operating Agreement¹⁰ (MOA), *“was made in quadruplicate on the 1st day of July 2012 between the City of Hamilton (the “City”) and Disabled and Aged Regional Transit Service (“DARTS”) of the second part:”*

“WHEREAS the City and DARTS have previously entered into agreements for the provision of accessible transit services for persons with disabilities in the City of Hamilton on July 1, 2003, and on June 1, 2010, including all Appendices, Schedules and documents attached thereto and/or referenced therein (the “ATS Services Agreement”); “

“AND WHEREAS the term of the most recent ATS Services Agreement was for the period terminating on June 30, 2012;”

⁹ Source: <https://www.law.cornell.edu>

¹⁰ Please note that text appearing in italicized “blue font” was extracted directly from the MOA and SA contracts

“AND WHEREAS on December 14, 2011 the Council of the City approved Item 7 of the Public Works Committee Report No. 11-015 thereby authorizing a renewal of the ATS Services Agreement, in accordance with the terms and conditions hereinafter set forth; The City of Hamilton (ATS) and DARTS entered into agreements¹¹ to provide accessible transit services for persons with disabilities in the City of Hamilton on July 1, 2003, and on June 1, 2010.”

The MOA was developed many years ago and the DARTS business model has changed. For example, much of the original contract was premised on and structured around DARTS leasing its vehicles from the City of Hamilton.

DARTS no longer acquires vehicles by leasing from the City as it did in the past. Therefore, Schedule “A” to the Master Operational Agreement - Vehicle Equipment Lease Agreement and Appendices “A” and “B” seem redundant today. We were advised by Transit Division management that Schedule “A” has been stricken from the prevailing MOA, although no documentation of this was provided to support this for our review.

We noted that some of the contract language and some obligations in Schedule “A” seem to intertwine with the remainder of the prevailing MOA. Below are examples that seem to be superfluous and not relevant today, and which should be reviewed with a legal lens, including:

- Schedule “A”
- Appendices “A” and “B”
- Section 2.3.1 a), b), c) and d)
- Section 2.3.2 a) and b)
- Section 2.3.3 a) and b)
- Section 2.4 (possibly all sub-sections)
- Section 3.1.1 a) iii.
- 3.3.13 c) and d)
- SCHEDULE "C1" TO MASTER OPERATIONAL AGREEMENT - SERVICE LEVEL AGREEMENT, 4.0 Roles and Responsibilities - FLEET SERVICES¹²

The MOA and its Schedules and Appendices contain specific requirements for both sides as far as vehicles, buildings, and computers but as a transportation services provider to the City, there is little in the agreement pertaining to the drivers of DARTS vehicles. In Section 3.3.1 f) of the MOA is found:

f) “The Contractor shall provide sufficient trained personnel that exhibit a high quality

¹¹ Source: Master Operational Agreement Between CITY OF HAMILTON -and- DISABLED AND AGED REGIONAL TRANSIT SYSTEM. Dated 1st day of July 2012

¹² In 4.1 Fleet Services it is stated: Through this SL Agreement, Fleet Services will be the primary service provider for fleet management services. DARTS completes its own fleet maintenance today.

and professional service image at all times."

In 3.3.1 h) (from i. through to v.i.) the MOA details requirements regarding passenger safety and special handling of disabled persons. However, we do not see requirements in the MOA regarding new driver recruitment, pre-hire screening or driver abstracts, other qualifications, or driver's licence classifications to qualify as a DARTS driver. Further, there is no contract language regarding standards of safe driving, provision of safe driver training, professional driver improvements courses (PDICs), consequences of accidents, traffic violations, or accumulated demerit points, or any provision to obtain driver abstracts at regular intervals. All of these are standard practices for today's modern fleets.

DARTS Vehicle Safety Standards

As in Section 3.3.13(c) Vehicle Maintenance and Management of the Master Operational Agreement (MOA) between the City of Hamilton (the City) and the Contractor (DARTS), the contractor:

3.3.13 c) The Contractor (FCC note: per the terms of the MOA the Contractor refers to DARTS) *shall maintain all vehicles in safe working order and provide a Certificate of Mechanical Fitness for each vehicle used in the Service, prior to commencing the Service and at least annually thereafter. The Contractor shall keep records of vehicle maintenance, as set out in Schedule "A" hereto the Vehicle Equipment Lease Agreement between the City and the Contractor and shall provide access to these records by the City on request.*

Synopsis – Master Operating Agreement

With regards to the Master Operating Agreement (MOA) we note several areas of concern:

- 1) The terminology used in the MOA section 3.3.13 c): *"Certificate of Mechanical Fitness"* we believe to be is a colloquial term open to incorrect interpretation. The program is correctly referred to today as the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program. Under the SSI program vehicles can be safety-inspected at an MTO-accredited Motor Vehicle Inspection Station (MVIS). With a pass from the SSI, vehicle owners are issued a Safety Standards Certificate (SSC).
- 2) Many DARTS vehicles, including those of DARTS, the company and several units operated by DARTS subcontractors are classified as "Accessible Vehicles" by the MTO¹³. Accessible vehicles must receive MTO accessible vehicle safety inspections every 6-months. Currently there is no specific provision in the MOA contract requiring DARTS to perform accessible

¹³ An "accessible vehicle" means a passenger vehicle or a bus, other than a school bus, that is designed or modified to be used for the purpose of transporting persons with disabilities and is used for that purpose, whether or not the vehicle is also used to transport persons without disabilities. Source: <https://www.ontario.ca/laws/regulation/900629>

vehicle safety inspections. Note: DARTS currently completes these inspections despite no specific language in the MOA in this regard.

- 3) In Section 3.3.13 c) of the MOA we note: “*The Contractor shall keep records of vehicle maintenance, as set out in Schedule "A" hereto the Vehicle Equipment Lease Agreement between the City and the Contractor...*”. This is an instance where the MOA and Schedule “A” intertwine. We question whether this wording might potentially release DARTS from its obligations to maintain records of its current fleet of vehicles to the standards required in Section 3.3.13 c), since the vehicles are no longer leased from the City under Schedule “A”. Regardless, DARTS has continued the vehicles maintenance practices set out in Section 3.3.13 c) to this day, but we believe this to be an area of the MOA that should be reviewed and amended in future agreements between the City and DARTS.
- 4) Under Highway Traffic Act R.R.O. 1990, REGULATION 629 ACCESSIBLE VEHICLES (see: <https://www.ontario.ca/laws/regulation/900629>) are specific safety requirements for the modification and construction of accessible vehicles. Currently there is no specific language in the MOA requiring conformance to these standards.
- 5) Drivers of certain accessible vehicles¹⁴ are required to complete daily pre-trip inspections of their vehicles. Fleet Challenge’s position is that daily pre-trip inspections of all commercial vehicles, including light- and heavy-duty vehicles is a fleet management best practice. Although driver’s daily pre-trip inspections are being completed by DARTS now, there is no language in the MOA defining this as a requirement for DARTS.
- 6) There is no requirement in the MOA regarding new driver’s abstracts which is a best management practice. Note: we are advised that this is a DARTS management practice today, however we feel it should be a stated requirement of the MOA contract.
- 7) The MOA contract language does not require any minimum standards as far as DARTS driver’s demerit point status. Note: we are advised that this is a DARTS management practice today, but we feel it should be a stated requirement of the MOA contract.
- 8) After a DARTS driver is hired, the contract language does not require follow-up on obtaining the driver’s abstracts. Note: we are advised that this is a DARTS management practice today, however we feel it should be a stated requirement of the MOA contract.

¹⁴ <https://www.ontario.ca/page/commercial-vehicle-safety-requirements>

Recommendations – Master Operating Agreement

Number	Recommendations – Contracts – the MOA
44	<p>The DARTS Master Operating Agreement (MOA) should be re-written or replaced in its entirety. Although DARTS business structure has changed significantly over the years the MOA was executed almost ten years ago and has remained much the same:</p> <ul style="list-style-type: none"> • MOA Schedule A is irrelevant as it relates to vehicles and buses, they (the City) leased to DARTS, however there are no buses leased to the City as of last year • MOA Schedule B relates to IT Services and has been stricken as DARTS procure their own servers and licences • MOA Schedule C relates to City-owned land, offices & parking used by DARTS • ATS no longer handles reservations – now DARTS manages
45	<p>The terminology used in the MOA section 3.3.13 c): “Certificate of Mechanical Fitness” should be referred to as the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program.</p>
46	<p>The MOA should define requirements of accessible vehicles that must receive MTO accessible vehicle safety inspections every 6-months.</p>
47	<p>The MOA should be re-worded to require the Contractor (DARTS) to keep records of vehicle maintenance (it now refers to Schedule A regarding leased City-owned vehicles)</p>
48	<p>The MOA should define the requirement for driver's daily pre-trip inspections and the processes for managing documentation of, and actions resulting from these inspections</p>
49	<p>The MOA should set out the requirements regarding driver screening and driver's abstracts, both pre-hire and during employment.</p>
50	<p>The MOA contract language should define the minimum standards as far as DARTS driver's demerit point status.</p>

DARTS Subcontractor Service Agreements

Based on the provisions of Section 3.3.2(b) Subcontracts and Assignments of the MOA, DARTS management contractually engaged several subcontractors through Service Agreements to provide transportation services. In this section of our report, we highlight sections of the subcontractor Services Agreement (SA) contracts that we feel should be revisited or requiring refinements in future DARTS SAs.

The MOA allows DARTS to engage sub-contractors to provide services. This agreement is found in Section 3.3.2(b) Subcontracts and Assignments of the MOA:

“It is agreed and understood between the parties that the Contractor at the present time provides transportation services, by the utilization of its own employees, and additionally by subcontracting out work to independent subcontractors to perform transportation services as contemplated herein.”

DARTS has Service Agreements (SAs) in place which are contracts between DARTS and its subcontractors including H-Rising, City Marvel, and Vankleef.

From Section 5 (h) Validated Registered Drivers of the Services Agreements (SAs) between DARTS and its subcontractors, including H-Rising, City Marvel and Vankleef we note the following:

“all vehicles utilized by the Company¹⁵ in fulfillment of this contract shall be certified mechanically fit and safe, and meet the requirements of the Ministry of Transportation. A copy of the yearly inspection of each vehicle is to be provided to the DARTS Manager of Operations, and DARTS shall have the opportunity to inspect and check the vehicle on demand, at the expense of the Company, by the 31st of December of each year, or as required by the City of Hamilton.”

DARTS Subcontractor Vehicle Safety Requirements

Within Section 5. VALIDATED REGISTERED DRIVERS of the DARTS subcontractor Service Agreements (SAs), we note the following section:

The Company (i.e., the DARTS subcontractors) hereby covenants, represents, and warrants as follows:

(h) *“All vehicles utilized by the Company (FCC note: per the terms of the SA, the Company refers to DARTS subcontractors) in fulfillment of this contract shall be certified mechanically fit and safe, and meet the requirements of the Ministry of Transportation. A copy of the yearly inspection of each*

¹⁵ The “Company” in this context refers to DARTS subcontractors

vehicle is to be provided to the DARTS Manager of Operations, and DARTS shall have the opportunity to inspect and check the vehicle on demand, at the expense of the Company, by the 31st of December of each year, or as required by the City of Hamilton.”

In Section 4 COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY of the DARTS subcontractor Service Agreements (SAs), we note the following:

(c) “The Company (FCC note: per the terms of the SA, the Company refers to DARTS subcontractors) shall not permit any driver who is not a Validated Registered Driver to transport DARTS' passengers.”

In Section 5, VALIDATED REGISTERED DRIVERS of the DARTS subcontractor Service Agreements (SAs), we note the following:

“(a) Validated Registered Drivers are drivers driving for the Company who have completed background checks, provided a driver's abstract to DARTS, and been approved by DARTS, in DARTS' sole, absolute and unfettered discretion.”

“(b) Without limiting the foregoing, each Validated Registered Driver:

- i. shall be licensed by the Ministry of Transportation, as well as by appropriate municipal authorities, to operate a taxi/livery service in the City of Hamilton;*
- ii. shall have completed the DARTS training course;*
- iii. shall wear a visible identity badge paid for by the Company and approved by DARTS at all times during the provision of services to DARTS passengers.”*

“(c) If DARTS or the Company receive three or more complaints in respect of a Validated Registered Driver, such drivers as a Validated Registered Driver shall be immediately suspended and shall such driver shall not be permitted to drive DARTS passengers until DARTS, in its sole, absolute and unfettered discretion, reinstates such driver as a Validated Registered Driver.”

Synopsis - Subcontractor Service Agreements

1. The subcontractor's obligations in their SAs should be in alignment with DARTS MOA obligations to the City. For example, in the MOA states that DARTS: *“shall maintain all vehicles in safe working order and provide a Certificate of Mechanical Fitness for each vehicle used in the Service, prior to commencing the Service and at least annually thereafter”*. It is our belief that DARTS subcontractors should be required to do the same. Also, the contract language should be updated to correctly refer to the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program.

2. The terminology and subcontractor obligations in Section 5 (h), Validated Registered Drivers section of the Services Agreements (SAs) between DARTS and its subcontractors is very general. We feel it should be tightened up and more specific (see next paragraph) in future SAs.
3. Many DARTS vehicles, including those of DARTS, the company and several units operated by DARTS subcontractors are classified as “Accessible Vehicles” by the MTO¹⁶. Accessible vehicles must receive MTO accessible vehicle safety inspections every 6-months. Currently there is no specific provision in the SA contracts requiring DARTS subcontractors to obtain accessible vehicle safety inspections. Note: DARTS subcontractors are apparently completing or obtaining these inspections despite there being no specific language in their SAs in this regard. However, it should be a stated requirement of SA contracts.
4. Under Highway Traffic Act R.R.O. 1990, REGULATION 629 ACCESSIBLE VEHICLES (see: <https://www.ontario.ca/laws/regulation/900629>) are specific safety requirements for the modification and construction of accessible vehicles. Currently there is no specific language in the SA requiring subcontractor vehicles to conform to these standards.
5. Drivers of certain accessible vehicles¹⁷ are required to complete daily pre-trip inspections of their vehicles. Fleet Challenge’s position is that daily pre-trip inspections of all commercial vehicles, including light- and heavy-duty vehicles is a fleet management best practice. Although driver’s daily pre-trip inspections are completed by DARTS subcontractors now, there is no language in the SA defining this requirement for DARTS subcontractors.
6. In Section 5, VALIDATED REGISTERED DRIVERS of the DARTS subcontractor Service Agreements (SAs), we note that: *“(a) Validated Registered Drivers are drivers driving for the Company who have completed background checks, provided a driver's abstract to DARTS, and been approved by DARTS, in DARTS' sole, absolute and unfettered discretion.”* Further to this requirement, we note that *“(c) If DARTS or the Company receive three or more complaints in respect of a Validated Registered Driver, such drivers as a Validated Registered Driver shall be immediately suspended and such driver shall not be permitted to drive DARTS passengers until DARTS, in its sole, absolute and unfettered discretion, reinstates such driver as a Validated Registered Driver.”*

The SA takes a punitive, disciplinary approach to Validated Registered Drivers for whom DARTS, or the Company (the subcontractor) have received three or more complaints. The term “complaints” is broad and could refer to complaints by DARTS riders, or it could also

¹⁶ An “accessible vehicle” means a passenger vehicle or a bus, other than a school bus, that is designed or modified to be used for the purpose of transporting persons with disabilities and is used for that purpose, whether or not the vehicle is also used to transport persons without disabilities. Source: <https://www.ontario.ca/laws/regulation/900629>

¹⁷ <https://www.ontario.ca/page/commercial-vehicle-safety-requirements>

refer to complaints from other motorists, or complaints by DARTS management or even the driver's co-workers. There is no mechanism or language requiring investigation of the validity of the complaints before punitive actions are applied.

There are several areas of this section of the SAs that we feel should be tightened up or improved upon:

- While obtaining a new recruit's driver's abstract is a best management practice, the contract language does not require any minimum standards as far as the new driver's demerit point status as per their driver's abstracts. Note: we are advised that this is a DARTS management practice today but feel it should be a stated requirement of the SA contracts.
- The SA does not require that, once a driver has been hired for DARTS service, follow-up driver's abstracts are to be obtained. Note: we are advised that this is a DARTS management practice today, however we feel it should be a stated requirement of the SA contracts.
- There is no contract language regarding the consequences of driver's bad driving habits, excessive demerit points, or multiple at-fault vehicle collisions. Today, commercial vehicle drivers are in demand. Contemporary, progressive fleet managers prefer remedial training over disciplinary actions. Helping a driver with a poor driving record improve their driving habits should be the approach, rather than taking a disciplinary approach and we feel this should be articulated in the contract.

Recommendations – Subcontractor Service Agreements

Number	Recommendations – Contracts - Subcontractor Service Agreements (SAs)
51	Subcontractor Service Agreements (SAs) should be aligned with the DARTS MOA contractual obligations to the City.
52	Contract language throughout the subcontractor SAs including current references to "Certificate of Mechanical Fitness", should be updated to correctly refer to the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program.
53	The SAs should define requirements for accessible vehicles to receive MTO accessible vehicle safety inspections every 6-months.

Number	Recommendations – Contracts - Subcontractor Service Agreements (SAs)
54	The SAs should be re-worded to require the subcontractors to keep records of vehicle maintenance and promptly provide such records to DARTS
55	The SAs should define minimum acceptable vehicle safety and preventive maintenance (PM) standards consistent with MTO safety standards.
56	The SAs should set out the consequence of non-compliance with MTO safety standards.
57	The SAs should define the consequence of non-compliance with MTO safety and PM standards, up to and including cancellation of their SA contracts
58	The SAs should define the requirement for driver's daily pre-trip inspections, the processes for managing documentation of, and corrective actions resulting from these inspections.
59	The SAs should set out the requirements regarding driver screening and driver's abstracts, both pre-hire and during employment.
60	The SAs contract language should define the minimum standards as far as driver's demerit point status.
61	The SAs should include specific language requiring subcontractor vehicles to conform to safety requirements for the modification and construction of accessible vehicles.
62	Language in the SAs regarding Validated Registered Drivers should be reviewed to include pre-hire driver abstracts, and follow-up abstracts after hire.
63	Language in the SAs regarding Validated Registered Drivers should be reviewed to define the minimum standards for drivers and a maximum demerit point threshold.

Number	Recommendations – Contracts - Subcontractor Service Agreements (SAs)
64	Language in the SAs should include remedial measures such as professional driver improvement courses (PDIC) or training, rather than taking a punitive approach when driver complaints are received.

Appendix A –About Fleet Challenge Canada Inc.

Fleet Challenge Canada Inc. www.fleetchallenge.com is a fleet management consulting company based in Toronto, Ontario. Municipal fleet review is a Fleet Challenge Canada Inc. specialty. Since 2005, our team has completed more than 150 municipal fleet review and management consulting projects for Canadian municipal fleets.

The Fleet Challenge Canada Inc. team is comprised of veteran experts in fleet management. In addition, our subject matter experts have extensive experience in a broad range of related fields: automotive industry, business/finance, data-analysis, environmental, and LEED™ certification. Fleet Challenge America Inc. (FCA) serves our American clients.

Unbiased Perspectives

Fleet Challenge Canada Inc. (FCC) strongly believes that management consulting firms must be impartial and unbiased. For this reason, our firm was structured, incorporated, and functions as an independently funded entity. Accordingly, FCC does not partner with, accept remuneration from, or endorse any commercial products or services to ensure our neutrality.

Appendix B - About MTO Safety Standards Inspections

Ontario's Ministry of Transportation (MTO) is responsible for vehicle safety standards. An example/image of an MTO Safety Standards Certificate (SSC) is shown in *Figure 2* (left). The SSC confirms that a vehicle meets the minimum safety standards on the date the certificate was issued.

Figure 2-MTO Safety Standards Certificate



The image shows a sample of an MTO Safety Standards Certificate (SSC) form. It is a bilingual document with English and French text. The form includes sections for:

- Ministry of Transportation / Ministère des Transports** logo and header.
- Safety Standards Certificate / Certificat de normes de sécurité** title.
- For Ministry Use Only / Réservé au Ministère** section with checkboxes for 'Pass' or 'Fail' in various categories.
- Motor Vehicle Inspection Station / Centre d'inspection des véhicules automobiles** information, including the station name, address, and phone number.
- Inspecting Mechanic / Mécanicien ayant effectué l'inspection** section with fields for the mechanic's name, license number, and signature.
- Vehicle / Véhicule** section with fields for make, model, year, and weight.
- Date of Inspection / Date de l'inspection** section with fields for the date and time.
- This Certificate expires 36 days from this date / Ce certificat expire 36 jours à compter de cette date** statement.
- We hereby certify that the above described motor vehicle has been inspected in accordance with Sections 88 to 100 of the Highway Traffic Act and Regulations issued thereunder, and that the items inspected met the prescribed standards on the date of inspection.** statement.

An MTO safety standards certificate (SSC) is issued upon completing a Safety Standards Inspection (SSI).

MTO SSIs are completed and SSCs issued by MTO Motor Vehicle Safety Standards Inspection Stations (MVISs). MVISs display the signage shown in *Figure 3* (right).

About Ontario Safety Standards Certificates

The Ontario Safety Standards Certificate¹⁸ (SSC) is the documentation of a Mechanical Fitness Inspection. As stated by the Ontario Ministry of Transportation (MTO), to obtain the SSC, licensed Motor Vehicle Inspection Station, owners and technicians must carefully review and apply the requirements in the technical Passenger/Light-Duty Vehicle Inspection Standard (the "Standard"). This Standard is intended to apply to light-duty trucks and passenger vehicles requiring the issuance of a Safety Standards Certificate (SSC) for vehicle registration or transfer of ownership.

Figure 3- Motor Vehicle Inspection Station Signage



The purpose of the inspection is to ensure that the vehicle meets a minimum safety standard at the time of inspection. An SSC is a legal declaration² that a vehicle was inspected under the legislation, Regulation 611, the Standard, and met all the requirements *at the time of the inspection*. As stated by the MTO, a pass or fail outcome of a vehicle inspection is based on the vehicle's condition at the time of the inspection. The determination does not involve predicting a vehicle's condition in the future.

By industry-standard categorization protocol, DARTS vehicles are light-duty vehicles because their gross vehicle weight ratings (GVWRs) are less than 4,500 kg. The MTO sets out clearly defined

¹⁸ Source: <http://www.mto.gov.on.ca/english/trucks/pdfs/passenger-light-duty-vehicle-inspection-standard.pdf>

vehicle safety standards for light-duty vehicles in its Passenger / Light-Duty Vehicle Safety Standard Reference Handbook. See: <https://www.ontario.ca/files/2022-03/mto-passenger-light-duty-vehicle-inspection-standard-en-2022-03-18.pdf>

Appendix C – About Preventive Maintenance

Leading fleets employ a progressive system of minor and major PM inspections. PM events are often designated as A, B, C, D, etc. As one moves down the alphabet from A to B and so on, the PM (and completion time required) increases in complexity. The actual maintenance portion of PM is composed of scheduled, standardized inspections and maintenance.

An "A" level PM ("A" is usually a minor PM) generally consists of a safety check and lubrication as well as checks of critical components such as brakes, lights, steering, tire condition and inflation, fuel filter replacements and fluid level checks. It also includes checking and adjusting high-wear components.

A "B" inspection is more complex and includes all aspects of an "A," but is a deeper level of checks that may consist of a wheels-off brake inspection, battery and alternator testing, transmission and differential servicing, filter changes and breather servicing and fuel filter changes among other procedures determined by the vehicle's manufacturer. A "B" level PM may also include a download of the electronic control module (ECM) and action on any trouble codes or problems reported by the ECM (if applicable).

Reactive Repairs vs. Preventive Maintenance

When a vehicle is brought into a garage needing something unexpected or unplanned, it is described as a reactive (i.e., unplanned) repair. Reactive repairs are based on failures, resulting in downtime and idle equipment costs.

On the other hand, a PM program brings vehicles in for inspection and maintenance on a schedule and repairs any items that meet or are approaching a fixed cut-off point. Being proactive about PMs means making repairs on a pre-determined schedule, preventing violations and accidents, and keeping the vehicles rolling.

Leading commercial fleets place the highest importance on preventive maintenance (PM). Effective PM programs are designed to avoid reactive repairs and resultant downtime. Reactive repairs include vehicle breakdowns and other unexpected failures, which are costly. This is not only because of the costs of unplanned repairs but also due to the cost of spare vehicles or rentals, plus the costs associated with the loss of productivity (such as the driver – or an entire crew – being unable to complete his/her/their work that day).

Most fleets synchronize their "A" and "B" PMs with routine oil changes to avoid multiple trips to the shop and extra downtime. Typically, a minor "A" inspection should be carried out several times yearly. For light-duty vehicles, the usual interval for "A" level PM is between 2,500 to 5,000 kilometres, coupled with a time interval not to exceed a pre-determined threshold (such as 30-120 days

depending on utilization levels), and between 8,000 and 16,000 kilometres for medium- and heavy-duty vehicles, also coupled with a time-interval (days/weeks/months) threshold.

Maintenance scheduling is an elaborate and exacting science: under-maintaining or over-maintaining vehicles can both be very costly. For this reason, leading fleets employ fleet management information software (FMIS) systems with robust and complex PM scheduling capabilities. For example, if a large fleet of 500 trucks conducts just one premature PM per year per truck at the cost of, say, \$1,000 each, including downtime, the annual cost would be 1/2 million dollars.

Under-maintaining has its own costs, including failed engines, breakdowns, or worse. Either of these scenarios is costly – if a vehicle is under-maintained, it can lead to expensive failures and potential safety issues. Conversely, if a unit is over-maintained, premature and unnecessary costly inspections may occur while wasting resources.

Scheduling PMs based on engine hours can make sense for fleets with widely variable usage patterns, but again should be based on dual parameters (such as kms travelled, engine hours operated, and a time interval such as days, weeks, or months) to ensure no PM inspections are missed.

Appendix D – About Best Management Practices Review

Best Management Practices Review™ (BMPR) - [bump-er] is a signature Fleet Challenge Canada Inc. process that enables our team to become familiar with a fleet's business practices.

The BMPR step involves in-depth discussions with each group's fleet management personnel (ATS/HSR, DARTS, and the three sub-contractors). We systematically reviewed specific focal points relative to the project's goals and objectives.

Our discussions were guided by our standard BMPR™ template, including up to 200 fleet management topics in 16 specific areas of interest (below). We tailored the template to include only the issues relevant to the Hamilton OCA assignment.

- | | |
|-------------------------------------|--------------------------------------|
| 1. Asset Management | 9) Fuel Procurement and Distribution |
| 2. Vehicle Specifications | 10) Accidental Damages |
| 3. Finance | 11) Vehicle Safety |
| 4. Operating and Capital Budgeting | 12) Environment |
| 5. Information Technology | 13) Policies and Procedures |
| 6. Human Resources | 14) Procurement |
| 7. Fleet Operations | 15) Performance Management |
| 8. Preventive Maintenance Practices | 16) Communications |

BMPR was designed in 2016 by Fleet Challenge Canada Inc. to systematically explore what's working well in a fleet, where business process gaps may exist, and areas of potential risk exposure. BMPR will help the FCC team become quickly and efficiently familiar with DARTS business practices and those of its sub-contractors. The BMPR process identifies potential gaps, new efficiencies and a roadmap to improvement and helps determine:

- What's working in the fleet --and what isn't
- Areas of potential non-compliance
- Areas of potential risk exposure

Appendix E -Example of MTO 6-Month Safety Inspection

Ontario  Ministry of Transportation / Ministère des Transports

Semi-Annual Inspection Certificate
Certificat d'inspection semestrielle

12H S 1548593

Make/Marque: RAM Model/Modèle: Promaster VIN/NV: 3C6TRVPG6HE529790 Jurisd./Jurid.: QNT

Licence Plate No./N° de plaque d'immatriculation: A.V.1.9799 Vehicle Owner / Operator/Propriétaire exploitant(e) du véhicule: Darts Transportation

Odometer/Compteur kilométrique: 192,585 Street No. & Name/Rue et n°: 235 Birch ave North

City/Town/Ville: Hamilton Province/State/Province/État: Ontario Postal Code/Code postal: L8L 0B7

Vehicle Type/Type de véhicule:
☐ Bus
☒ Accessible Vehicle / Véhicule accessible
☐ School Purposes Vehicle / À vocation scolaire

I certify this vehicle was inspected in accordance with the Highway Traffic Act, Regulation 611 for the type of vehicle indicated and found the items listed on the reverse to be within the prescribed safety standards.
 J'atteste que ce véhicule a été inspecté conformément aux dispositions du Code de la route, Règlement 611, pour le type de véhicule indiqué et que les éléments figurant au verso satisfont aux normes de sécurité prescrites.

Inspection Station Name/Nom du poste d'inspection: Yubbers Brake & Alignment Number/Numéro: 2306448


Signature of Licensee/Signature du/de la titulaire de permis: [Signature] Date Inspected/Date de l'inspection: 21/1/99

Signature of Inspecting Mechanic/Signature du mécanicien de la mécanicienne ayant effectué l'inspection: [Signature] Mechanic's Number/Numéro du mécanicien: 3105 400 968 563


Certificate expires at the end of the 6th month after inspection.
 Le certificat expire à la fin du 6^e mois suivant l'inspection

89-E 267 10-12 white/blanc: vehicle operator/conducteur • yellow/jaune: MVIS/CIVA

Appendix F – H-Rising Driver's Vehicle Inspection Form



H-RISING TRANSPORTATION
VEHICLE INSPECTION LOG-BOOK



Vehicle Number. _____

DRIVER'S NAME: _____
 DATE: _____

UNIFORM ☐ VEST ☐ ICARD ☐ CONE ☐ STOOL ☐ FIRE EXT. ☐ FIRST AID KIT ☐

CASH _____ ☐ ☐

Presto _____

KM: _____

PLEASE REPAIR: (please tick mark)

Battery	Doors	Tires / Wheels	Driver's Seatbelt
Radiator Engine	Exhaust	Transmission	Windows
Washer Fluid	Lights / Signals	Wipers	Heaters
Wiring	Mirrors	Running Board	Deckles
Body & Frame	Last Oil Change Date: _____		


Horn	Brakes	_____
Cleanliness	Lights- Codes	_____
Insurance / Ownership	Camera Inspection	_____

COMMENTS: _____

DRIVER'S SIGNATURE: _____
 SUPERVISOR'S SIGNATURE: _____

FORM 004 | REV 2

Appendix G – H-Rising Vehicle Checklist



VEHICLE CHECKLIST
Toyota Sienna

DATE: SEP. 30. 21 VEHICLE #: H.S. 100

W.O. #: Vin 5TDKZ3D60J5925607 MILEAGE: 126915

INTERIOR OF COACH
Starting from Driver's Seat

EXTERIOR OF COACH
Counter Clock Rotation

UNDER COACH
Back to Front

1	CK	Ignition Switch, Start Van	<input checked="" type="checkbox"/>	1	CK	All Exterior Lights	<input checked="" type="checkbox"/>	1	CK	Fluid Leaks	<input checked="" type="checkbox"/>
2	CK	All Interior Lights	<input checked="" type="checkbox"/>	2	CK	Mirrors	<input checked="" type="checkbox"/>	2	CK	Steering System	<input checked="" type="checkbox"/>
3	CK	Neutral Safety Switch	<input checked="" type="checkbox"/>	3	CK	Wiper Arms & Nozzles	<input checked="" type="checkbox"/>	3	CK	Under carriage for Damage	<input checked="" type="checkbox"/>
4	CK	Fuel/Temp Gauges	<input checked="" type="checkbox"/>	4	CK	Exterior for Damage	<input checked="" type="checkbox"/>	4	CK	Engine air filter	<input checked="" type="checkbox"/>
5	CK	Speedometer Operation	<input checked="" type="checkbox"/>	5	CK	Window Glass	<input checked="" type="checkbox"/>	5	CK	Exhaust System / Muffler	<input checked="" type="checkbox"/>
6	CK	Tell-tales and buzzers	<input checked="" type="checkbox"/>	6	CK	Transmission Fluid Levels	<input checked="" type="checkbox"/>	6	CK	Fuel Tank & Straps	<input checked="" type="checkbox"/>
7	CK	Signals & High Beam Switches	<input checked="" type="checkbox"/>	7	CK	Coolant Level	<input checked="" type="checkbox"/>	7	CK	Driveshaft & U-Joints	<input checked="" type="checkbox"/>
8	CK	Wiper & Washer Controls	<input checked="" type="checkbox"/>	8	CK	Power Steering Level	<input checked="" type="checkbox"/>	8	CK	Inflated Tires	<input checked="" type="checkbox"/>
9	CK	Aim Headlights	<input checked="" type="checkbox"/>	9	CK	Brake Fluid Level	<input checked="" type="checkbox"/>	9	CK	Check brakes	<input checked="" type="checkbox"/>
10	CK	Horn	<input checked="" type="checkbox"/>	10	CK	Radiator	<input checked="" type="checkbox"/>	10	CK	Suspension	<input checked="" type="checkbox"/>
11	CK	All Toggle Switches Operation	<input checked="" type="checkbox"/>	11	CK	Drive Belts	<input checked="" type="checkbox"/>	11	CK	Torque wheel nuts	<input checked="" type="checkbox"/>
12	CK	Driver's Seat Belt	<input checked="" type="checkbox"/>	12	CK	A/C System	<input checked="" type="checkbox"/>				
13	CK	Heater & Defroster Operation	<input checked="" type="checkbox"/>	13	CK	A/C Compressor	<input checked="" type="checkbox"/>				
14	CK	PTT Communication	<input checked="" type="checkbox"/>	14	CK	Batteries	<input checked="" type="checkbox"/>				
15	CK	Update PTT on Uniden	<input checked="" type="checkbox"/>	15	CK	Battery Cables & Ground	<input checked="" type="checkbox"/>				
16	CK	Reboot Uniden	<input checked="" type="checkbox"/>	16	CK	Cabin Air Filter	<input checked="" type="checkbox"/>				
17	CK	Survivors	<input checked="" type="checkbox"/>	17	CK	Back-up Alarm Buzzer	<input checked="" type="checkbox"/>				
18	CK	Mirrors	<input checked="" type="checkbox"/>	18	CK	Lube Door Hinges	<input checked="" type="checkbox"/>				
19	CK	Fire Extinguisher System	<input checked="" type="checkbox"/>								
20	CK	First Aid Kit	<input checked="" type="checkbox"/>								
21	CK	Gloves & Wipes	<input checked="" type="checkbox"/>								
22	CK	Crow Bar	<input checked="" type="checkbox"/>								
23	CK	Flare Kit	<input checked="" type="checkbox"/>								
24	CK	Doors for Operation & Lube	<input checked="" type="checkbox"/>								
25	CK	Steering	<input checked="" type="checkbox"/>								
26	CK	Ownership	<input checked="" type="checkbox"/>								
27	CK	Insurance Slip	<input checked="" type="checkbox"/>								
28	CK	MTD Inspection Slip	<input checked="" type="checkbox"/>								
29	CK	Window Latches & Hinges	<input checked="" type="checkbox"/>								
30	CK	Passenger Seats & Frames	<input checked="" type="checkbox"/>								
31	CK	Passenger Seat Belts	<input checked="" type="checkbox"/>								
32	CK	Chimes/Bells	<input checked="" type="checkbox"/>								
33	CK	Interior Damage	<input checked="" type="checkbox"/>								
34	CK	Emergency Exits	<input checked="" type="checkbox"/>								
35	CK	Safety Vest	<input checked="" type="checkbox"/>								
36	CK	Ice Scraper	<input checked="" type="checkbox"/>								
37	CK	Log Book	<input checked="" type="checkbox"/>								
38	CK	Burglar Cord (Z)	<input checked="" type="checkbox"/>								

REAR RAMP

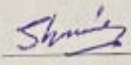

1	CK	RAMP OPERATION	<input checked="" type="checkbox"/>
2	CK	RAMP HANDLES / COVERS	<input checked="" type="checkbox"/>
3	CK	Q-LINE RETRACTORS	<input checked="" type="checkbox"/>
4	CK	RAMP FLAP HINGE	<input checked="" type="checkbox"/>
5	CK	REAR LED LIGHT	<input checked="" type="checkbox"/>
6	CK	RAMP LOCKS / LATCHES	<input checked="" type="checkbox"/>
7	CK	ANTI-SKID / REFLECTIVE TAPE	<input checked="" type="checkbox"/>
8	CK	FOR DEBRIS (CLEAN IF ANY)	<input checked="" type="checkbox"/>

ROAD TEST

1	CK	Steering	<input checked="" type="checkbox"/>
2	CK	Speedometer	<input checked="" type="checkbox"/>
3	CK	Brake Pull	<input checked="" type="checkbox"/>
4	CK	For Noises	<input checked="" type="checkbox"/>
5	CK	For Vibration	<input checked="" type="checkbox"/>
6	CK	Muffler Rattle / Noise	<input checked="" type="checkbox"/>
7	CK	Re-torque Wheels	<input checked="" type="checkbox"/>

☒ OK -- meets safety specifications
☐ R Repair
☐ - Not Applicable

YES NO Shift Carry-Over?

Mechanic's Signature:  

NOTE ADDITIONAL REPAIRS / SERVICES (TRANSMISSION FLUID, SUSPENSION, ETC):

Updated APRIL 2019

Appendix H – H-Rising Incorrect Safety Inspection

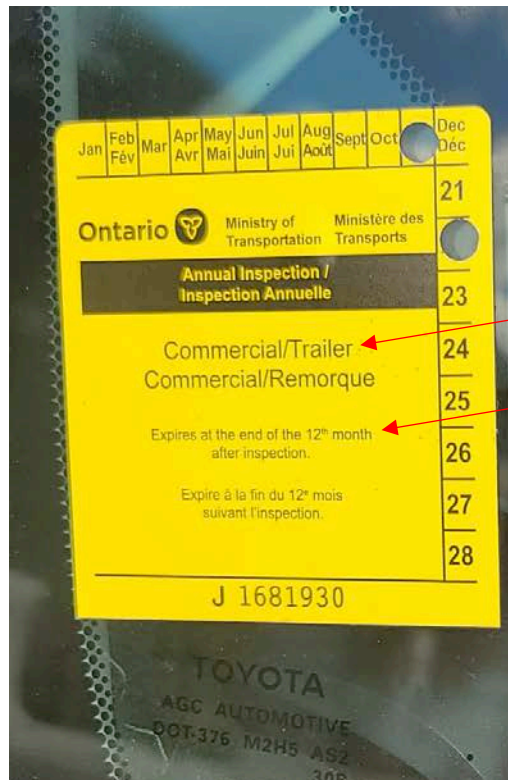


Image by FCC.

Appendix I - Example (screen capture) of Vehicle Inspection Records

L22									
	A	B	C	D	E	F	G	H	I
	Vehicle Num	MAKE/MODEL	DATE OF INSPECTION (dd-mm-yy)	DATE RECEIVED (dd-mm-yy)	KM	NOTES	6-MONTH DUE DATE FOR ACCESSIBLE VEHICLES	DATE NEXT DUE TO ATS (dd-mm-yy)	DATE OF INSPECTION (dd-mm-yy)
1	410063	DODGE GRAND CARAVAN SXT	12-Nov-21	1-Mar-22	190,129 km		12-May-22	12-Nov-22	
2	410064	DODGE GRAND CARAVAN SXT	29-Sep-21	26-Jan-22	195,016 km		29-Mar-22	29-Sep-22	
3	410065	DODGE GRAND CARAVAN SXT	24-Nov-21	26-Jan-22	206,619 km		24-May-22	24-Nov-22	
4	410066	DODGE GRAND CARAVAN SXT	21-Sep-21	26-Jan-22	184,587 km		21-Mar-22	21-Sep-22	
5	410068	DODGE GRAND CARAVAN SXT	25-Nov-21	26-Jan-22	202,590 km		25-May-22	25-Nov-22	
6	410069	DODGE GRAND CARAVAN SXT	22-Nov-21	26-Jan-22	195,764 km		22-May-22	22-Nov-22	
7	410070	DODGE GRAND CARAVAN SXT	21-Sep-21	26-Jan-22	161,060 km		21-Mar-22	21-Sep-22	
8	410106	RAM PROMASTER	14-Jul-21	26-Jan-22	250,396 km		14-Jan-22	14-Jul-22	
9	410107	RAM PROMASTER	8-Nov-21	26-Jan-22	263,612 km		8-May-22	8-Nov-22	
10	410108	RAM PROMASTER	29-Sep-21	26-Jan-22	247,671 km		29-Mar-22	29-Sep-22	
11	410109	RAM PROMASTER	23-Sep-21	26-Jan-22	410,109 km		23-Mar-22	23-Sep-22	
12	410110	RAM PROMASTER	5-Oct-21	26-Jan-22	248,120 km		5-Apr-22	5-Oct-22	
13	410111	RAM PROMASTER	8-Nov-21	26-Jan-22	231,320 km		8-May-22	8-Nov-22	
14	410112	RAM PROMASTER	30-Jun-21	26-Jan-22	229,235 km		30-Dec-21	30-Jun-22	
15	410113	RAM PROMASTER	17-Jun-21	26-Jan-22	218,886 km		17-Dec-21	17-Jun-22	
16	410114	RAM PROMASTER	20-Jul-21	26-Jan-22	223,818 km		20-Jan-22	20-Jul-22	
17	410115	RAM PROMASTER	19-Jul-21	26-Jan-22	211,677 km		19-Jan-22	19-Jul-22	
18	410116	RAM PROMASTER	24-Sep-21	26-Jan-22	218,410 km		24-Mar-22	24-Sep-22	
19	410117	RAM PROMASTER	18-Aug-21	26-Jan-22	214,659 km		18-Feb-22	18-Aug-22	
20	410118	RAM PROMASTER	4-Oct-21	26-Jan-22	224,143 km		4-Apr-22	4-Oct-22	
21	410119	RAM PROMASTER	30-Sep-21	26-Jan-22	222,652 km		30-Mar-22	30-Sep-22	
22	410120	RAM PROMASTER	22-Sep-21	26-Jan-22	223,508 km		22-Mar-22	22-Sep-22	
23	410121	RAM PROMASTER	8-Oct-21	26-Jan-22	192,585 km		8-Apr-22	8-Oct-22	
24	410122	RAM PROMASTER	14-Dec-21	26-Jan-22	216,437 km		14-Jun-22	14-Dec-22	
25	410123	RAM PROMASTER	27-Aug-21	26-Jan-22	192,062 km		27-Feb-22	27-Aug-22	
26	410124	RAM PROMASTER	27-Aug-21	26-Jan-22	192,822 km		27-Feb-22	27-Aug-22	
27	410125	RAM PROMASTER 3500	15-Nov-21	26-Jan-22	123,874 km		15-May-22	15-Nov-22	
28	410126	RAM PROMASTER 3500	24-Aug-21	26-Jan-22	106,668 km		24-Feb-22	24-Aug-22	
29	410127	RAM PROMASTER 3500	3-Sep-21	26-Jan-22	104,908 km		3-Mar-22	3-Sep-22	
30	410128	RAM PROMASTER 3500	19-Oct-21	26-Jan-22	117,888 km		19-Apr-22	19-Oct-22	
31	410129	RAM PROMASTER 3500	10-Dec-21	26-Jan-22	98,713 km		10-Jun-22	10-Dec-22	
32	410130	RAM PROMASTER 3500	9-Dec-21	26-Jan-22	94,638 km		9-Jun-22	9-Dec-22	
33	410131	RAM PROMASTER	7-Oct-21	26-Jan-22	59,951 km		7-Apr-22	7-Oct-22	
34	410132	RAM PROMASTER	11-Aug-21	26-Jan-22	11,293 km		11-Feb-22	11-Aug-22	
35	410133	RAM PROMASTER	7-Oct-21	26-Jan-22	15,417 km		7-Apr-22	7-Oct-22	
36	410134	RAM PROMASTER	17-Dec-21	26-Jan-22	26,599 km		17-Jun-22	17-Dec-22	
37	410135	RAM PROMASTER	2-Dec-21	26-Jan-22	22,251 km		2-Jun-22	2-Dec-22	
38	410136	RAM PROMASTER	7-Jan-22	26-Jan-22	19,834 km		7-Jul-22	7-Jan-23	
39	410137	RAM PROMASTER	19-Jan-22	26-Jan-22	21,954 km		19-Jul-22	19-Jan-23	
40	410138	RAM PROMASTER	19-Nov-21	26-Jan-22	9,710 km		19-May-22	19-Nov-22	
41	410139	RAM PROMASTER	15-Dec-21	1-Mar-22	69 km		15-Jun-22	15-Dec-22	
42	410140	RAM PROMASTER	21-Dec-21	1-Mar-22	60 km		21-Jun-22	21-Dec-22	
43	410141	RAM PROMASTER	24-Jan-22	1-Mar-22	52 km		24-Jul-22	24-Jan-23	
44	410204	MOBILE MV 1 DX	3-Nov-21	26-Jan-22	213,273 km		3-May-22	3-Nov-22	
45	410205	MOBILE MV 1 DX	23-Nov-21	26-Jan-22	216,683 km		23-May-22	23-Nov-22	
46	410206	MOBILE MV 1 DX	30-Nov-21	26-Jan-22	208,292 km		30-May-22	30-Nov-22	

Appendix J – Enhanced DARTS Vehicle Safety Inspection Form


Subcontractor Annual Inspection Certificate



Make DODGE	Vin# 2C4R0GB69ER186679		
Model CARAVAN	Licence Plate CHZK 703	Vehicle Number HV 103	Odometer Reading 350967

Interior of Coach		Exterior of Coach		Under Coach	
Starting from Driver's Seat		Counter Clockwise Rotation		Back to Front	
1. Ignition switch, start vehicle	✓	1. All exterior lights	✓	1. Fluid leaks	OK
2. All interior lights	✓	2. Mirrors	✓	2. Steering system	OK
3. Neutral safety switch	✓	3. Wiper arms and nozzles	✓	3. Under carriage damage	OK
4. Fuel/Volt/Oil/Water gauges	✓	4. Exterior damage	✓	4. Engine air filter	OK
5. Speedometer operation	✓	5. Window glass	✓	5. Exhaust system	OK
6. Tell-tales and buzzers	✓	6. Transmission fluid level	✓	6. Fuel tanks and straps	OK
7. Signals and high beam switches	✓	7. Coolant level	✓	7. Driveshaft and u-joints	OK
8. Wiper and washer controls	✓	8. Power steering fluid level	✓	8. Inflated tires	OK
9. Air headlights	✓	9. Brake fluid level	✓	9. Check brakes	OK
10. Horn	✓	10. Radiator	✓	10. Suspension	OK
11. All toggle switches operational	✓	11. Drive belts	✓	11. Torque wheel nuts	OK
12. Driver's seat belt	✓	12. A/C system	✓	Road Test	
13. Heater and defroster operational	✓	13. A/C compressor	✓		
14. PTT radio communication	✓	14. Batteries	✓		
15. Update PTT on Uniden	✓	15. Battery cables and ground	✓		
16. Reboot Uniden	✓	16. Cabin air filters	✓	1. Steering	✓
17. Subvisors	✓	17. Lube door hinges	✓	2. Speedometer	✓
18. Mirrors	✓	Rear Ramp - Toyota Sienna		3. Brake pull	✓
19. Fire extinguisher system	✓			1. Ramp operation	✓
20. First aid kit	✓			2. Ramp handles/covers	✓
21. Gloves and wipes	✓			3. Q-inline retractors	✓
22. Crow bar	✓	4. Ramp flap hinge	✓	4. For noises	✓
23. Safety kit box	✓	5. Rear LED light	✓	5. For vibration	✓
24. Doors for operation and lube	✓	6. Ramp locks/latches	✓	6. Muffler rattle/noise	✓
25. Steering	✓	7. Anti-skid/reflective tape	✓	7. Tie torque wheels	✓
26. Ownership	✓	8. For debris (clean if any)	✓	Legend	
27. Insurance slip	✓				
28. Lube cylinders and linkages	✓				
29. Window latches and hinges	✓				
30. Passenger seats and frames	✓			OK, meets safety specs	✓/OK
31. Passenger seatbelts	✓			Repair required	R
32. Chimes/Bells	✓			Not applicable	-
33. Interior damage	✓			Shift Carry-Over?	
34. Emergency exits	✓				
35. Safety vest	✓				
36. Ice scraper	✓				
37. Defect Sheet	✓			Yes	No

I certify that I inspected this vehicle, and I further warrant that the condition of the items listed above as installed on this vehicle are within safe regular operation limits as described in the MTO light-duty vehicle certification process. False or forged documents are a violation of the subcontractor agreement with DARTS and will result in immediate termination of contract.

Mechanic's Name (Please Print) NUSRAAT MEHMOOD	Mechanic's # 3105 401005405
Mechanic's Signature 	Date May 05, 2022

Appendix K- City Marvel Certificate of Insurance

CERTIFICATE OF INSURANCE		Issued on behalf of Facility Association by: Royal & Sun Alliance Insurance Company of Canada (The Insurer) 18 York Street, Suite 800, Toronto, Ontario M5J 2T8 A Servicing Carrier for Facility Association							
This is to Certify to: <input type="checkbox"/> CITY OF HAMILTON 71 MAIN STREET WEST HAMILTON, ONT, L8P4Y5		DATE: 02/14/2022 That Policies of insurance as herein described have been issued to the Insured named below and are in force at this date.							
BROKER: YOUNGS INSURANCE BROKERS INC INSURER: ROYAL & SUN ALLIANCE INSURANCE COMPANY OF CANADA REGIONAL ADDRESS: 137 VENTURE RUN SUITE 300 DARTMOUTH NS B3B 0L9 NAMED INSURED: CITY - MARVEL ENTERPRISES INC. ADDRESS: 19 DRIFTWOOD PLACE, STONSY CREEK, ONTARIO, L8J2N7									
KIND OF POLICY	POLICY NUMBER	EXPIRY DATE DD MM YY	LIMITS OF INSURANCE						
COMMERCIAL GENERAL LIABILITY Occurrence <input type="checkbox"/> or Claims Made <input type="checkbox"/> Employers' Liability { Included <input type="checkbox"/> Excluded <input type="checkbox"/> Cross Liability d Include <input checked="" type="checkbox"/>	*		Limits of Insurance are in Canadian Currency. \$ BODILY INJURY AND PROPERTY DAMAGE LIABILITY LIMIT Each Occurrence \$ PERSONAL AND ADVERTISING INJURY LIMIT Each Occurrence \$ MEDICAL EXPENSE LIMIT Any One Person \$ TENANTS' LEGAL LIABILITY LIMIT Any One Premise \$ GENERAL AGGREGATE LIMIT \$ PRODUCTS AND COMPLETED OPERATIONS AGGREGATE LIMIT To the extent provided by the policy, aggregate may reduce the amount of insurance available to pay a loss, as Insurer's payments are made.						
AUTOMOBILE LIABILITY All owned automobiles <input type="checkbox"/> Leased automobiles *** <input type="checkbox"/> Standard Non-Owned Policy <input type="checkbox"/> Specific vehicles only <input checked="" type="checkbox"/>	*		\$.5000,000.00 INCLUSIVE LIMIT <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 33%;">EACH PERSON</th> <th style="width: 33%;">EACH OCCURRENCE</th> <th style="width: 33%;">EACH ACCIDENT</th> </tr> <tr> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$ 5000,000.0</td> <td style="text-align: center;">\$</td> </tr> </table>	EACH PERSON	EACH OCCURRENCE	EACH ACCIDENT	\$	\$ 5000,000.0	\$
EACH PERSON	EACH OCCURRENCE	EACH ACCIDENT							
\$	\$ 5000,000.0	\$							
*** ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE.									
OTHER (Describe) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	*								
NOTE:									
* ABSENCE OF AN ENTRY IN THESE SPACES MEANS THAT INSURANCE IS NOT IN FORCE IN RESPECT OF THE COVERAGES OPPOSITE THERETO.									

The insurance afforded is subject to the terms, conditions and exclusions of the applicable policy. This Certificate is issued as a matter of information only and confers no rights on the holder and imposes no liability on the insurer. The Insurer will endeavour to mail to the holder of this certificate 15 days written notice of cancellation of these policies, but assumes no responsibility for failure to do so.

Date: 02/14/2022

57020FA (R 4/06)

Authorized Representative


6790 Davand Drive, Unit 1
 Mississauga, ON L5T 2G5

Appendix L - Table of Failed Inspections – DARTS Fleet

Vehicle Number	MAKE/MODEL	First Inspection Pass/Fail	Reason for Failure, Mechanic's Notes	Re-(2nd) inspection	Notes	Re-Re-(3rd) Inspection	Notes	Images
410065	DODGE GRAND CARAVAN SXT	Fail May 12	Rear hatch is rotten (sharp edge) - 2 brackets behind front wheels need to be removed (sharp edge)	Pass June 3				
410068	DODGE GRAND CARAVAN SXT	Fail May 17	Needs front tires. Finding: The parking brake does not fully release when the release control is operated. Device or Equipment Attached or Mounted to the Vehicle. Finding: Any section has an exposed sharp edge, is torn or protrudes out in a manner that could be hazardous to the driver, a passenger, pedestrian, or cyclist	Pass May 19	Repairs completed, E brake, tires. Sharp objects corrected. Pass			
410069	DODGE GRAND CARAVAN SXT	Fail May 18	Exposed sharp edge, is torn or protrudes out in a manner that could be hazardous to the driver, a passenger, pedestrian or cyclist. Ls license plate light	Pass May 25				
410106	RAM PROMASTER	Fail May 2-6	Exhaust broken off	Pass May 18				See figure 11
410107	RAM PROMASTER	Fail May 2-6	Retired as per T. Souse May 18 2022)	Retired				See figure 12
410108	RAM PROMASTER	Fail May 12	Finding: The parking brake does not fully release when the release control is operated	Fail May 24	Work not completed Fail. According to the technician the tie rod ends for which this vehicle was cited have not been touched.	Pass Jun 7	Repairs completed, inner tie rods replaced Pass	
410118	RAM PROMASTER	Fail May 18	CV boot leaking	Pass May 24				
410121	RAM PROMASTER	Fail May 17	Fail RF CV boot torn	Pass May 25				
410123	RAM PROMASTER	Fail May 2-6	Steering: RF INNER TIE ROD WOULD NOT PASS SAFETY	Pass May 18	Tie rod end replaced			
410127	RAM PROMASTER 3500	Fail May 2-6	Wiper nozzle and left turn signal won't cancel. Note:(3) Suspension: PASS, MINOR PLAY IN LOWER BALL JOINTS	Fail May 12	Washer hose off	Pass May 19		
410205	MOBILE MV 1 DX	Fail May 20	Fail RF Tire (6 moth sticker Nov 2021)	Pass May 24	Tires replaced Pass			
410207	MOBILE MV 1 DX	Fail May 19	Wheel stud snapped	Pass May 20	Driver Side front tire tread: 4/32nd inches Passenger Side front tire			

Vehicle Number	MAKE/MODEL	First Inspection Pass/Fail	Reason for Failure, Mechanic's Notes	Re-(2nd) inspection	Notes	Re-Re-(3rd) Inspection	Notes	Images
					tread: 2/32nd inches			
410210	MOBILE MV 1 DX	Fail May 20	Fail RR caliper leaking, LF inner/outer tie rod. (6 mth sticker Dec 2021)	Fail May 26	FAIL - Right Rear caliper leaking / Left Front inner and outer tie rods have play. According to Donna Haining, DARTS Maintenance Supervisor, these two vehicles have not been repaired. The parts needed are not available at this time.	Pass May 27	Repairs completed, RR caliper, Inner tie rod Pass	
410211	MOBILE MV 1 DX	Fail May 20	Left rear brake caliper, 3rd brake light. Jan 2021 6 mo. sticker	Pass May 26	Repairs completed LR Caliper, 3rd Brake Light Pass			
410215	MOBILE MV 1 DX	Fail May 20	The parking brake does not fully release when the release control is operated. Driver Side front tire tread: 3/32nd inches. Passenger Side front tire tread: 2/32nd inches. 6 mo. sticker Nov 2021	Pass May 26	E-brake repaired and all tires have been replaced.			
410219	MOBILE MV 1 DX	Fail May 20	Per Cindy. Fail e-brake. 6 month sticker Nov 2021	Pass May 20	Emergency brake repaired and leaking shock absorber replaced.			
410222	MOBILE MV 1	Fail May 20	Tie rod, brake issues. UNIT 410222 Right front inner tie rod end has play , right rear caliper seized and leaking brake fluid.	Pass May 24	Work completed , RF inner Tie rod, RR Caliper Pass			

Appendix M – Table of Failed Inspections – H-Rising Fleet

Vehicle Number	MAKE/MODEL	First Inspection Pass/Fail?	Reason for Failure, Mechanics' Notes	Re-(2nd) inspection	Notes	Re-re (3rd) Inspection	Notes	Re-re-re (4th) Inspection	Images
HS 100	TOYOTA / SIENNA	Fail May 18	License light out	Pass May 19	Bulb replaced				
HS 101	TOYOTA / SIENNA	Fail May 18	Licence plate light out Lights, Sharp objects	Pass May 18	Lights, Sharp objects Pass				
HS 102		Fail May 17	E brake will not hold. Note: vehicle had incorrect inspection sticker installed (PMCVI - trailer inspection). Notified DARTS.	Pass May 18	E brake repaired Pass. E-mailed for correct 6-month sticker to DARTS				See Figure 2
HV 100	CHRYSLER / TOWN & COUNTRY	Fail May 2	FAIL PB (parking brake) will not release. Could be cables or calipers. Lamps: fail. Left licence lamp out. Pass minor play in inner tie rod ends note: vehicle has no backup alarm. Tires: tread depth RF 7MM, LF 7MM, RR 6MM, LR 7MM	Fail May 12	Note original fail not corrected plus now the rear tires are shot and a plug in the sidewall (not allowed) (15) Tires: tread depth (measure & record) RF 7MM, LF 7MM, RR 6MM, LR 7MM. HV100 Re-inspection. FAIL (again). Parking Brake Finding: doesn't fully release both sides (same as last week) and also note (below). NOTE: This vehicle had safe tires last week when we inspected it. Now Rear tire condition finding: plug in side wall of tire right rear. Observations Driver Side rear tire tread (outer): 8/32nd inches Passenger Side rear tire tread (outer): 8/32nd inches Driver Side rear tire tread (inner): 0/32nd inches Passenger Side rear tire tread (inner): 0/32nd inches	May 25 Fail	The AG&R technician advised that the e-brake cable snapped	Pass May 26	
HV 103	DODGE / CARAVAN	Fail May 2-6	Steering: fail right inner rack boot broken. See pic	Pass May 11	Pass re-inspection				
HV 108	HONDA / ODYSSEY	Fail May 17	HV 108 Failed needs plate light bulb , 2 tires are 235/65R17, 2 X tires are 235/60R17 - need to be factory spec which is 235/65R17	Pass May 18	Tires were replaced, light fixed				
HV 112	DODGE / CARAVAN	Fail May 16	Fail/ E brake won't return. Rf Side marker bulb	Fail May 25	Fail due to battery very loose- front brake pads and rotors new, rear pads and rotors new , tires new	Pass May 25	Correction made		
HV113		Fail June 3	Front & Rear Brake Pads & Rotors were new , New Tie Rod Ends Both Side Front.	June 7 pass	Comments: Transmission Leak fixed				See Figure 1

Vehicle Number	MAKE/MODEL	First Inspection Pass/Fail?	Reason for Failure, Mechanics' Notes	Re-(2nd) inspection	Notes	Re-re (3rd) Inspection	Notes	Re-re-re (4th) Inspection	Images
			Vehicle Failed Due to Transmission leak Level						
HV 120	TOYOTA / SIENNA	Fail May 2-6	Steering: fail left front inner tie rod needs replacing. Lamps: fail left licence light out	Pass May 12					
HV 123	DODGE / CARAVAN	Fail May 2-6	Lamps: FAIL. LF HEAD LAMP OUT	Pass May 12					
HV 125	CHRYSLER / TOWN & COUNTRY	Fail May 19	Failed Engine oil pan leaking Level 3 leak, mismatched tires, but new parts on vehicle, front pads and rotors , L/F inner outer tie rod, R/F inner and outer tie rod , R/R parking brake cable , rear shocks L/F lower control arm	Pass May 24					

Appendix N – Table of Failed Inspections – City Marvel Fleet

Unit #	MAKE/MODEL	First Inspection Pass/Fail?	Reason for Failure, Mechanic's Notes	Re-(2nd) inspection	Notes	Re-re- (3rd) inspection Results	Notes	Images
CV-203	DODGE / CARAVAN	Fail May 2-6	Fail, right front wheel bearing (bearing) has excessive play. (41) pass, right front strut leaking. Tires: tread depth (measure & record): (42) RF (43) RR (44) LF (45) LR (46) 7MM (47) 5MM (48) 4MM (49) 3MM	Fail May 11	Two tires worn out. Driver Side front tire tread: 1/32nd inches Passenger Side front tire tread: 5/32nd inches Front tire size: 225/65/17 Front Tire model: Firestone fr710 & General Evertrek	Pass May 18		See figure 9
CV-208	DODGE / CARAVAN	Fail May 16 2022	Failed .needs left inner tie rod end	Pass May 16	Tie-rod end replaced same day & passed			
CV-209	DODGE / CARAVAN	Fail May 16 2022	Fails Left Rear tire , Right Front tire , plate light bulb	Pass May 16	Tires replaced and plate lights repaired vehicle. Passed			
CV-211	DODGE / CARAVAN	Fail June 2 2022	Although there are new brakes, Vehicle CV211 (not C211) FAILED due to a seized right rear caliper. The driver was notified per Council direction vehicle to be pulled until repaired and re-inspected. Cindy e-mail	Pass June 2	Vehicle CV211 passed. Right rear caliper replaced.			
CV-212	DODGE / CARAVAN	Fail May 17	CV 212 Failed RF wheel with one stud and lug nut cross threaded and missing battery hold down.	Pass May 18				
CV-213	DODGE / CARAVAN	Fail May 2-6	Suspension: FAIL. RIGHT FRONT LOWER CONTROL ARM INNER BUSHING HAS EXCESSIVE PLAY.	Fail May 18	CV213 Failed Needs Tires	Pass May 19		
CV-214	DODGE / CARAVAN	Fail May 2-6	Fail: left rear caliper seized. Park brake will not release.	Pass/Fail May 11	Original brake problem was a pass but rear wiper doesn't clean window	Pass May 12		
CV-217	DODGE / CARAVAN	Fail May 2-6	Instruments and Auxiliary Equipment: fail rear washer fail hose off pump. See pic note - has incorrect owner on registration . See images of ownership doc and March 18 SSC .jpg	Pass May 12				
CV218	DODGE / CARAVAN	Fail June 6	Vehicle C218 Failed - horn rigged to a button on left not OEM and not identifiable, right front passenger side outer constant velocity boot leaking. New Front Brake Pads + Rotors, Rear Brake Pads + Rotor , New Tire's	Pass June 10	MVIS Safety Inspection - Re-Inspection Horn works on the steering wheel not a button			See figure 10

Appendix O – Table of Failed Inspections – Vankleef Fleet

Unit #	MAKE/MODEL	First Inspection pass/fail?	Reason for Failure, Mechanic's Notes	Re-(2nd) inspection	Notes	Re-re (3rd) Inspection	Notes	Images
606	DODGE / CARAVAN	Fail May 2-6	(1) Fail: emergency brake seized at rt rear caliper (29) steering: fail: rt inner tie rod excessive play pass: rt ft tire worn on outer edge, probably because of the faulty tie rod	Fail May 27	Repairs not completed E Brake still does not release, Tires replaced inner tie rod replaced Fail. Vehicle 606 re-inspected. Tires replaced and tie rod repaired (passed). Emergency brake (failed) as it won't release right rear tire.	June 2 Pass	Repairs completed, E brake releasing inner tie rod, LF tire Pass	See figure 4
607	DODGE / CARAVAN	Fail May 2-7	(1) Steering: fail: rt inner tie rod excessive play. (28) lamps: fail: left head light out. (30) body: fail: hole in rocker panel see pic	Fail May 26	RR parking brake applied but not holding up. Also not retracting back to original position. RR caliper might be seized up. Also had New Right front inner tie rod	May 27. Pass	Repairs completed Right inner tie rod, RF tire, Lights, Rocker Pass	See figure 5
611	DODGE / CARAVAN	Fail May 2-6	Fail: (27) Instruments and Auxiliary Equipment: fail: rear wiper does not contact glass. (28) lamps: Fail: right license light out	Fail May 25	Comments: Fail due to both inner tie rod boots torn. Also had New Right front inner tie rod	Pass May 27		See figure 6
614	DODGE / CARAVAN	Fail May 2-6	Fail: emergency brake will not release. (26) steering: Fail: l inner tie rod excessive play. Fail: r wiper does not contact glass	Pass May 12	Left front stabilizer link. Pass - It has been replaced and re-inspected, passes now.			
619	DODGE / CARAVAN	Fail May 2-6	Fail: heat shield over rear muffler loose fail: lr spring broken. Fail: left inner tie rod excessive play. Fail: driver's window won't go down - Will be taken off the road - see e-mail string Sue Lipnisky	Retired				
648	DODGE / CARAVAN	Fail May 2-6	Body rusted - Fail	Pass May 24	his vehicle was brought into 455 Ottawa St shop by a driver from Cosimo's garage. The G&R Tech (Brad Noble) told me that the rusted rocker panel had been repaired. (He also said that the repair was a better job than he would have done.)			
672	DODGE / CARAVAN	Fail May 17	Heat shield is loose	Fail May 25	Inner tie rod boots both torn, Wrong tire sizes (not manufacturer spec) Mismatched struts (different sizes and different brands)	Pass June 3	Vehicle #672 Passed - new front struts, tire rod, and all tire size match (per e-mail Cindy)	See figure 7
675	DODGE / CARAVAN	Fail May 11	Right front control arm bushing separated from control arm	Pass May 12	This unit #675 was a re check need right lower control arm bushing was separated it was replaced and good to go.			

Appendix P - Table of Recommendations

No.	Recommendations regarding DARTS Driver Communications
1	DARTS drivers, whether employed by DARTS or its subcontractors, should have a mechanism for freely reporting their concerns and complaints without fear of reprisal.
2	DARTS drivers filing a complaint or concern should be given the option of anonymity if that is their choice.
3	DARTS should appoint a designate to receive driver concerns and complaints. The designate should be a senior-level representative, sufficiently empowered and accountable for taking reasonable and appropriate corrective actions to address the driver's complaints/concerns once validated.
4	Complaints and comments by DARTS drivers should be documented and time-stamped, and an action plan prepared to address the driver's issue(s) by the DARTS designate selected to receive driver concerns and complaints.
5	The DARTS designate should ensure that there is a follow-up process in place to advise the complainant of the actions taken by DARTS to correct the issue.
6	The DARTS designate should be required to prepare a monthly report to DARTS senior management and the ATS of all complaints/concerns and corrective actions taken.

Number	Recommendations regarding DARTS Safety Practices
7	DARTS should take immediate actions to ensure its vehicles, and those of its subcontractors always meet MTO safety standards, not just when inspections are completed.

Number	Recommendations regarding DARTS Safety Practices
8	Safety inspections of the DARTS fleet, and its subcontractors should be conducted in accordance with applicable Ministry of Transportation of Ontario (MTO) Safety Standards Inspection (SSI) protocol and guidelines. (For further details please see the section of this report that deals with DARTS and DARTS subcontractor's practices)
9	DARTS should provide drivers instruction on the use of emergency brakes and required to deploy their emergency brakes whenever their vehicle is stopped.
10	DARTS should ensure that emergency brakes are inspected, tested and functional at all times.
11	DARTS should provide drivers with additional training and regular refresher on completing driver's daily inspections.

Number	Recommendations for ATS
12	ATS should conduct random MTO safety compliance inspections of Contractor (DARTS) and Subcontractor in-service vehicles.
13	Regarding contract language in the current MOA requiring DARTS vehicles to be "certified mechanically fit and safe" and "meet the requirements of the Ministry of Transportation" (MTO), the ATS should ensure that contract language is amended to apply the correct terminology and applicable requirements of the MTO (For further details please see section of this report dealing with Contracts)

Number	Recommendations for ATS
14	ATS should have real-time online access into a new DARTS fleet maintenance information system (FMIS) that would be managed and maintained by DARTS. This would enable ATS to verify the status of all DARTS MTO safety inspections and vehicle histories at any time while saving ATS time and administrative effort (as opposed to the ATS' current practice of laboriously tracking Vehicle Inspection Records (VIRs) in Excel after-the-fact). (For further details please see recommendations for DARTS later in this report)
15	DARTS and DARTS subcontractor's driver's daily inspections should be in electronic format (as opposed to paper-based as they are now). ATS should have real-time access to drivers' inspection electronic records. Driver's electronic daily reports should be integrated into a fleet maintenance information system (FMIS) managed by DARTS. ATS should always have online access to the system to confirm actions are being taken by DARTS and subcontractors when defects are reported by drivers.
16	Vehicle inspection worksheets prepared to guide technicians in completing DARTS and subcontractor vehicle safety inspections should be reviewed by the ATS to confirm full compliance with applicable MTO Safety Standards Inspection guidelines (see previous point)
17	ATS should review and ensure that vehicle inspection worksheets prepared to guide technicians in completing DARTS and subcontractor vehicle safety inspections must be signed by the licenced mechanic completing the inspections.
18	DARTS and DARTS subcontractors should provide ATS with current copies of the trade licences for their technicians/mechanics engaged in completing their MTO safety inspections and advise the ATS in the event of mechanic's trade certificate suspensions.
19	Major portions of the DARTS Master Operating Agreement (MOA) are no longer relevant. A new MOA is needed, ideally prepared with a clean slate approach. (Please see Contracts section of this report)

Number	Recommendations for ATS
20	An approval process and protocol to be followed by DARTS and ATS should be in place in the MOA regarding fuel rates and upcharges, weekend rates and in general, all relevant pricing and rate structures. (Please see Contracts section of this report)
21	Language in the DARTS subcontractors Service Agreements regarding Validated Registered Drivers should be reviewed to include pre-hire driver abstracts, and follow-up abstracts after hire. (Please see Contracts section of this report)
22	Language in the DARTS subcontractors Service Agreements regarding Validated Registered Drivers should be reviewed to define the minimum standards for drivers and include a maximum demerit point threshold. (Please see Contracts section of this report)
23	Language in the DARTS subcontractors Service Agreements should include a commitment to professional driver improvement courses (PDIC) or remedial training, rather than taking a punitive approach when driver complaints are received, as is the current practice. (Please see Contracts section of this report)

Number	Recommendations for DARTS
24	DARTS should practice vigilance regarding the contractual vehicle safety inspection requirements and maintenance procedures of its subcontractors to prevent a recurrence of unsafe subcontractor vehicles being operated in the DARTS fleet.
25	DARTS preventive maintenance (PM) inspections should be increased in intensity and frequency to reduce or eliminate safety defects – how much they need to increase would be determined by a new fleet maintenance information system (FMIS) (See point #28 below regarding fleet maintenance systems) based on “uptime” tracking functionalities of the FMIS.

Number	Recommendations for DARTS
26	<p>The requirement for subcontractors' drivers to complete daily vehicle circle checks, and the processes of managing the checks, and in particular, defects reported by drivers, should be defined in the subcontractor's service agreements (SAs)</p>
27	<p>DARTS should immediately implement quality assurance measures. In its current preventive maintenance practices, there are no quality assurance processes in place at DARTS. We feel this is likely the root cause of the high rate of safety inspection failures during the recent safety inspection campaign.</p> <p>The DARTS Maintenance/Driver Supervisor is not a licenced mechanic and therefore not in possession of the skills and accreditations required to confirm that the work of the mechanics is satisfactory.</p> <p>As one option, DARTS should consider a new Lead Mechanic job classification, in which a licensed mechanic would be given responsibility for final inspection of work completed by DARTS mechanics thusly assuring quality and increasing adherence to safety protocols.</p>
28	<p>DARTS should invest in a proper fleet maintenance information system (FMIS) to replace the current whiteboard. The fleet maintenance scheduling and management functionalities of the current program, which was developed in-house, are far inadequate for the needs of a modern fleet.</p>
29	<p>The recommended FMIS (see above) should be capable of multi-criteria preventive maintenance (PM) scheduling, tracking DARTS and subcontractor maintenance and safety inspection histories (now tracked by ATS externally in Excel), enable complex cost-analysis, track fuel usage and driver profiles, abstracts and a myriad of other functions required by a modern fleet. Electronic drivers' daily inspections should be connected to the FMIS to replace paper-based records now in place.</p>

Number	Recommendations for DARTS
30	<p data-bbox="216 204 1982 318">In the long-term, and once quality assurance processes are in place and the issue of safety inspections failures has been fully addressed in a manner that is acceptable to the ATS, DARTS should consider re-applying to become a licenced, accredited Ministry of Transportation (MTO) Motor Vehicle Inspection Station (MVIS).</p> <p data-bbox="216 367 1982 440">If successful in becoming an MVIS, it would lower costs and increase efficiencies by eliminating the dependency on third-party garages for performing its MTO safety inspections.</p> <p data-bbox="216 488 1982 602">That stated, without having quality assurance processes in place, as is the situation now, it would be risky if DARTS was able to complete its own MTO safety inspections given the results (~26% fail rate) from our independent safety inspections. At this time, a licenced, independent third-party MTO Motor Vehicle Inspection Station (MVIS) of the City's choosing would be a more prudent choice.</p>
31	<p data-bbox="216 691 1982 805">Under the terms of the MOA, there is a contractual requirement for DARTS use of subcontractors to be approved by the General Manager of Public Works. DARTS management should immediately seek this approval for existing and future subcontractors and ensure that documentation of the approval(s) is available at all times.</p>
32	<p data-bbox="216 894 1982 1008">DARTS should conduct a detailed financial review to compare the cost of subcontractor vehicles versus similar vehicles being obtained by DARTS through leases, rentals, or purchases. The latter options may be more cost-effective than previously expected. Consider issuing an RFQ/Q for the provision options (i.e., buy, rent or lease) for acquisition of light-duty vans now being provided by its subcontractors.</p>

Number	Recommendations for DARTS regarding its Subcontractors
33	<p>DARTS should take a vigilant approach in managing its subcontractors as far as their vehicle safety inspections and quality standards. For example, DARTS should require that annual MTO Safety Standards Inspections and 6-month accessible vehicle MTO Safety Standards Inspections required under the subcontractor Service Agreements to be carried out at MTO licenced Motor Vehicle Inspection Stations (MVIS') of DARTS choice, not the subcontractors.</p>
34	<p>DARTS should re-investigate its dependency on outsourced subcontractors. Cost-effective alternatives may include in-sourcing the services now outsourced to the sub-contractors.</p>
35	<p>DARTS should complete comprehensive business case analysis to revisit the lowest cost options between insourcing or outsourcing to subcontractors</p>
36	<p>For vehicles now provided and driven by DARTS subcontractors, DARTS should consider a hybrid business model in which DARTS would provide and maintain the vehicles while drivers would be provided and managed by contracted driver pool service-provider(s).</p>
37	<p>DARTS subcontractor Service Agreements should set a limit regarding the maximum age and total kilometres for subcontractor vehicles. As a starting point, we recommend vehicles should be no older than five model years and 200,000 total kilometres, but these thresholds should be confirmed through historical operating data and safety inspection failure rate analysis.</p>

Number	Recommendations - Insurance
38	DARTS should require subcontractors to obtain insurance coverage that applies to all vehicles owned or operated by the insured (as opposed to insurance coverage for specific vehicles identified by their vehicle identifications numbers, fleet unit numbers, makes/model/year of units or other methods).
39	DARTS and ATS, as additional named insureds, on subcontractor's insurance policies should be provided legally notarized copies of the subcontractor's certificates of insurance (COIs).
40	In subcontractor COIs, DARTS and ATS should be provided full details including Declarations (e.g., at minimum the risks that are covered, policy limits, and deductibles), Insuring Agreements (e.g., policy conditions, exclusions and special limits, risks that are covered, policy limits, and deductibles, other insureds, a list of form numbers and endorsements that add to or alter the policy, losses covered, the subject matter of the insurance and description of the property covered, the perils insured against and circumstances when the insured may receive the proceeds of the insurance), Policy Conditions and Exclusions and Special Limits.
41	DARTS and ATS should be provided legally notarized subcontractor insurance COIs at least annually, any time changes are made to the policies, whenever a vehicle is added to the subcontractor's fleet, or any time a vehicle is returned to active DARTS service.
42	City of Hamilton Risk Management should review and approve in writing to DARTS and ATS management, the legally notarized COIs provided by each subcontractor's insurers before vehicles are put into active service in the DARTS operation.
43	City of Hamilton Risk Management should review subcontractor insurance requirements at least annually.

Number	Recommendations – Contracts – the MOA
44	The DARTS Master Operating Agreement (MOA) should be re-written or replaced in its entirety. Although DARTS business structure has changed significantly over the years the MOA was executed almost ten years ago and has remained much the same:

Number	Recommendations – Contracts – the MOA
	<ul style="list-style-type: none"> • MOA Schedule A is irrelevant as it relates to vehicles and buses, they (the City) leased to DARTS, however there are no buses leased to the City as of last year • MOA Schedule B relates to IT Services and has been stricken as DARTS procure their own servers and licences • MOA Schedule C relates to City-owned land, offices & parking used by DARTS • ATS no longer handles reservations – now DARTS manages
45	The terminology used in the MOA section 3.3.13 c): “Certificate of Mechanical Fitness” should be referred to as the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program.
46	The MOA should define requirements of accessible vehicles that must receive MTO accessible vehicle safety inspections every 6-months.
47	The MOA should be re-worded to require the Contractor (DARTS) to keep records of vehicle maintenance (it now refers to Schedule A regarding leased City-owned vehicles)
48	The MOA should define the requirement for driver's daily pre-trip inspections and the processes for managing documentation of, and actions resulting from these inspections
49	The MOA should set out the requirements regarding driver screening and driver’s abstracts, both pre-hire and during employment.
50	The MOA contract language should define the minimum standards as far as DARTS driver’s demerit point status.

Number	Recommendations – Contracts - Subcontractor Service Agreements (SAs)
51	Subcontractor Service Agreements (SAs) should be aligned with the DARTS MOA contractual obligations to the City.
52	Contract language throughout the subcontractor SAs including current references to “Certificate of Mechanical Fitness”, should be updated to correctly refer to the Ministry of Transportation (MTO) Safety Standards Inspection (SSI) program.
53	The SAs should define requirements for accessible vehicles to receive MTO accessible vehicle safety inspections every 6-months.
54	The SAs should be re-worded to require the subcontractors to keep records of vehicle maintenance and promptly provide such records to DARTS
55	The SAs should define minimum acceptable vehicle safety and preventive maintenance (PM) standards consistent with MTO safety standards.
56	The SAs should set out the consequence of non-compliance with MTO safety standards.
57	The SAs should define the consequence of non-compliance with MTO safety and PM standards, up to and including cancellation of their SA contracts

Number	Recommendations – Contracts - Subcontractor Service Agreements (SAs)
58	The SAs should define the requirement for driver's daily pre-trip inspections, the processes for managing documentation of, and corrective actions resulting from these inspections.
59	The SAs should set out the requirements regarding driver screening and driver's abstracts, both pre-hire and during employment.
60	The SAs contract language should define the minimum standards as far as driver's demerit point status.
61	The SAs should include specific language requiring subcontractor vehicles to conform to safety requirements for the modification and construction of accessible vehicles.
62	Language in the SAs regarding Validated Registered Drivers should be reviewed to include pre-hire driver abstracts, and follow-up abstracts after hire.
63	Language in the SAs regarding Validated Registered Drivers should be reviewed to define the minimum standards for drivers and a maximum demerit point threshold.
64	Language in the SAs should include remedial measures such as professional driver improvement courses (PDIC) or training, rather than taking a punitive approach when driver complaints are received.

Appendix R – Images of Fails

Figure 1. H-Rising #HV113 major oil leak -
Image by OCA



Figure 2. H-Rising #HS102 Incorrect safety (trailer) inspection
sticker installed. Shown with correct sticker applied later. Image
by OCA



Figure 3. H-Rising #HV103 CV Joint boot broken/split. Image by FCC
Inc.



Figure 4. Vankleef #606 – Brake issues. Image by AG&R



Figure 5. Vankleef #607 rusted hole in body panel. Image by FCC Inc.



Figure 6. Vankleef #611. Both inner tie rod boots torn. Image by AG&R



Figure 7. Vankleef #672 Split inner tie rod boot. Image by AG&R



Figure 8. Vankleef #606 bald tire with steel cords exposed. Image by OCA



Figure 9. City Marvel #CV203 - Strut leaking. Image by FCC Inc.



Figure 10. City Marvel #CV218 – Auxiliary horn button unlabelled, not OEM. Factory horn non-functional. Image by OCA





Figure 12. DARTS Unit #410107 - Large hole rusted in muffler. Image by FCC Inc.



Figure 13. City Marvel #CV211. Seized brake caliper. Image by OCA.

