



# Recommended Practice January 2012

Road Use  
Agreement



# RECOMMENDED PRACTICE *MUNICIPAL ROAD USE AGREEMENT*

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## Introduction

Municipalities in Alberta have a varied exposure to oilfield related activity. The Municipalities that have an active exploration and service sector are at greater risk of exposure to road damage caused by the increase in overweight and multiple legal weight traffic in their jurisdiction.

Many Municipalities have implemented Roadway Inspection Programs to assist with review and relevant recovery of roadway damage. There are various options available to implement an effective program to suite the unique needs of every Municipality.

This document will provide information that would maximize infrastructure protection for the Municipality as the priority and, where possible, address issues expressed by Industry. Based on input from Municipalities and Industry, we have created an outline for a “Recommended Practice”. It is important to appreciate that each Municipality may have specific needs that may not be addressed in this document.

## Background

In January 2010 Acton Consulting facilitated a full day session at RoaData’s 4<sup>th</sup> annual Infrastructure Protection Conference to gather input on two key issues; Roadway Inspections and Road Use Agreements (RUA). Focus was on key differences, common viewpoints, and highlighting ways of improving the working relationship between Industry and Municipalities.

There has been a noted increase in the level of interest by Municipalities to develop RUA’s. This may be because of the concern Municipalities have in relation to retaining control of roadway use once part of the new method for permit approvals.

Many of the request we receive relate to the fundamentals of developing an effective RUA document as well as the management and connection of the program to the permit approval process.

## Discussion

The Provincial Government, Industry and Municipalities developed a Municipal Road Notification and Repair Agreement in 1999 that was intended to assist Municipalities to implement a consistent RUA that was developed through stakeholder input. The reality of this Agreement has only a few Rural Municipalities utilizing this Agreement. Industry and Municipalities have recognized the issues that surround the documents of 1999, the main concern being the amount of time required by both Municipalities and Industry to fulfill their requirements.

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The underlying principle of any RUA is to define financial responsibility as it relates to potential roadway damage. It is often combined with Roadway Inspection programs and frequently focuses on the oilfield activity.

Industry recognizes the requirement of an RUA, however, the delivery, availability and communication surrounding the Municipal RUA requirement can create unforeseen delays to Industry. Even short delays can have significant impact on Industry and can escalate project cost significantly. There is a desire from Industry to have the RUA process as standardized as possible between Municipalities.

Municipalities and Industry both agree that improvement in communication at all levels is required. This communication can be as simple as improving information exchange between Prime Contractors and Sub Contractors as well as internal communication within a Municipality.

## **Challenges and Critical Success Factors**

Each group has specific issues and challenges. These will be identified from the Municipal perspective and from the Industry perspective:

### **Industry Perspective**

#### **Industry Challenge 1 – General**

- Municipal enforcement is inconsistent across industries. A standardized system should be developed to ensure similar treatment and enforcement for all Industries.
- There can be minimal recognition regarding the significant role of Industrial business to Municipal revenue.
- Industry wants a simple, consistent, aligned process which considers the following:
  - Consistency throughout all Municipalities.
  - Aligns various agreements including the RUA, maintenance agreements, municipal bylaws etc.
  - Takes into account the time required to execute.
  - Considers offering a blanket agreement over a longer term.

#### **Industry Challenge 2 – Accountability**

- Issues exist regarding money collection and pinpointing a consistent individual/company to take responsibility for inspections/RUA/repairs and maintenance.

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- Often the responsibility and requirements of the RUA are not properly explained from the Prime Contractor to any Sub Contractors employed
- There are questions surrounding who is responsible for repairing damage and who will pay the costs of repair once the damage is found.
- Industry would like Municipalities to be more proactive and try to anticipate problems that may occur.

### **Industry Challenge 3 – Communication / Understanding**

- There is often a lack of internal communication within the Municipality itself, resulting in delay of the RUA process.
- Industry believes unfair requirements exist because Municipalities do not understand the logistics involved. (e.g. Municipalities want a single route of travel to minimize damage, but often this is not logistically possible.)

### **Industry Challenge 3 –Cost**

- There can be unfair maintenance costs assigned to Industry for infrastructure repair on roadways that were not properly inspected.
- Issues/costs involved with the inconvenience that hauls place on landowners, and dealing with their grievances.
- There are costs associated with monitoring the haul itself.

## **Municipal Perspective**

### **Municipal Challenge 1 – General**

- The original MRUA<sup>1</sup> does not work well because of the following:
  - There is a lack of awareness among Municipalities regarding what the document contains.
  - Both the document and process are onerous and lengthy.
- As most Municipalities use their own abbreviated version of the MRUA, many felt this agreement could be the basis for a longer-term agreement.
- Some Municipalities have a large roadway network and require a strict set of policies and procedures. Smaller communities may not need to enforce these policies.

<sup>1</sup> Government of Alberta, "Memorandum of Agreement - Road Notification and Repair Agreement." (1999)

### **Municipal Challenge 2 – Communication / Understanding**

- Industry needs to understand that road-use inspections/permits are only one of the many services Municipalities provide.

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- There is a disconnect between the Prime Contractor and the Sub Contractors. If the Prime Contractor communicated with the Sub Contractors or the Municipality, 48 hours notice would be achievable.
- Municipalities should be prepared to initiate communication with Prime Contractors as it is their roadway system.

### **Municipal Challenge 3 – Notice**

- Does Industry know three or four days in advance that they are moving? Quite often, Industry states they know weeks in advance while other times they only know hours before a move. Industry would like a 24-hour window. This may not be possible due to Municipal processes.

### **Municipal Challenge 4 – Fees**

- Municipalities provide the administrative component to implement and deliver the RUA, however most Municipalities do not charge a fee for processing the RUA.

## **Recommended Practice to Meet the Challenges**

Our goal is to provide a practical approach to implementation and delivery of an effective Road Use Agreement that is manageable administratively, focused on Infrastructure Protection, damage recovery and considers the challenges faced by Industry.

### ***Key Elements***

A well executed Road Use Agreement must incorporate the following key elements. They are not complex but are crucial elements as they will assist Municipalities and Industry by delivering a successful Road Use Agreement. Any Road Use Agreement must be:

#### **Defendable**

It is important to be clear about why an RUA is required. It has been observed that Municipalities who implement an RUA have done so due to an increase in roadway damage. If roadway damage is commonly the result of one specific sector or operation, consideration should be to require that only one sector or operation obtain the RUA. Industry and rate payers become frustrated with blanket requirements when it is a specific group that creates the problem.

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All aspects of the program including the documents used, tracking of events, inspection process, fees etc must be derived from need that can be defended as “reasonable” and with measurable outcome. This will allow Municipal staff to confirm the success of the program to Council, rate payers and Industry.

### Accountable

The RUA process must not be solely about the “paperwork” and should be implemented as an “Active” program. This means there should be a commitment to review routes, even randomly, to ensure compliance and accountability. Ratepayers will provide feedback and report damage; however, the program should have some level of Municipal monitoring. This monitoring is especially important if you implement a site specific RUA.

### Administratively Simple

It is important to keep the program as simple and short as possible, regardless if it relates to the process for Municipal staff or Industry. The detail in any required document or method to record and retrieve information should be kept straightforward as time plays a factor for both sides.

- Keep documents, Terms & Conditions as short and simple as possible
- Document the required process in a simple policy that is accessible to all Municipal staff and to Industry
- Apply the policy consistently
- Update the policy regularly with input from all users
- Information required from Industry should be easily accessible (via internet and/or contract service)

### Communicative

Communication is the most important component of any successful program. Ensure the following components are executed with your program:

- Prime Contractor (Oil Company) is aware of requirements
- Sub Contractors (Trucking Carriers) are aware of requirements
- Municipal staff is aware of requirements
- All processes, fees, documents, notice requirements, policy guidelines etc are easily accessible (internet and/or contract service)
- Any policy changes or temporary restrictions are quickly communicated with Industry and staff

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- In the event a pre-determined route is part of the RUA, the inspection process should occur quickly and communicate any changes in route to the Prime Contractor.

### **RECOMMENDED PRACTICE**

Roadata has developed a 3 level “Recommended Practice” that provides basic components to the implementation, management and delivery of an effective Road Use Agreement Program within a Municipality. The primary function is to maximize infrastructure protection with secondary focus on the recovery of roadway damage delivered in a manner that efficiently uses administrative and human capital. These levels will meet the “*Key Elements*” noted previously.

#### **STANDARD**

This level of service will provide a basic Road Use Agreement that will address most Municipal needs and consider Industry challenges.

#### **ENHANCED – add to Standard**

Will provide Road Use Agreement that address’s additional Municipal needs and considers Industry challenges while increasing the level of Infrastructure Protection.

#### **ADVANCED – add to Enhanced**

Provides a Road Use Agreement Program that addresses Municipal requirements and provides an unparallel level of service to Industry. This practice takes full advantage of all levels of service and provides the highest level of Infrastructure Protection.

### **STANDARD**

- Determine where the actual problems are. Use the RUA to assist with only areas proven to put the roadway infrastructure at a higher risk
- Clearly define the RUA policy, including how it is to be delivered, to all Municipal staff who may be required to administer the process
- Provide a minimum of 2 or 3 Municipal staff members trained to assist with completion and validation of RUA
- Clearly define the policy to Industry that undoubtedly states:
  - Who is responsible to complete the RUA (Prime Contractor, Trucking contractor, either etc)
  - Define when you may obtain an RUA (office Hours only)
  - Define which department and if possible individuals (titles) to contact to process the RUA
  - Clearly state if Municipal review and approval is required before work can commence or define if the RUA must be signed by Municipal staff before implementation
  - Determine if a route(s) must be defined

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- Indicate how the completed RUA is to be submitted – fax, e-mail, in person
- State the consequences of violation of the terms and conditions
- Ensure this policy information is readily available to industry
- Implement a simple one to two page blanket company based agreement
- Make the application process as straightforward as possible
- Make RUA available to Prime Contractor, Oil Company, facility owner or trucking contractor
- Issue a unique number to each RUA, retain and track the numbers
- Ensure RUA expires and is renewed annually to allow any updates if necessary.
- Include a Term and Condition to ensure no movement occurs on wet gravel roads
- Create a validation process to ensure that a current RUA is in place before any permit approval is granted to move equipment onto site

### **ENHANCED – add to Standard**

- Move annual RUA from a blanket company based agreement to a SITE SPECIFIC RUA
- User to define the route to be used to access the location
- Allow RUA process and all documents available on line for ease of completion
- Provide notification service to all agreement holders when adverse weather restrictions are placed or lifted
- Consider an addition to the Terms & Conditions stipulating permit approval be obtained once a defined number of legal weight loads over 11,797 kg move into the site within a 24 hour period

### **ADVANCED – add to Enhanced**

- Use “Pre-determined Route”
  - User defined, then Municipality reviews and modifies if required
  - OR
  - Municipality to define route to be taken
- Have all pre-determined route information available to be used by permit approval system for ALL overweight travel
- Attempt to assign routes that are unique to a specific Prime Contractor in areas with multiple contractors. This will endeavour to eliminate the issue of who is responsible and also protects Prime Contractor
- Add Condition to require the applicant to advise any subcontractor of the route that is required to be used to transport goods or services into the location.
- Make Pre-determined route available on line to be viewed by any company that may require access



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- Tie RUA process to other required process that would occur weeks prior to the actual move of equipment onto the location- e.g.: ERCB licence issue, Approach approval application
  - Proactively initiate communication with the oil company as the “triggers” are available from other programs
- Make RUA application process fully automated – RUA can be completed on line and advanced timing allows for route approval before RUA becomes active
- Capture daily or weekly volume for facility type locations and determine if this will result in an increased maintenance or inspection cycle

## **Other Considerations**

### **Keep it Simple**

Previous attempt to develop an overall RUA that meets all stakeholder needs has been relatively unsuccessful. The intentions were admirable; however, the final outcome resulted in an agreement that was too long. The addition of inspection requirements with signatures and road meetings made the delivery unmanageable.

The RUA is to define general guidelines and ensure those who are held responsible for the roadways are aware of municipal rules. This can generally be captured in a one or two page agreement.

### **Inspection Component**

If you choose to implement an Enhanced or Advanced level of RUA, there is often an inspection component. Most municipalities that would consider adding an inspection component will already be using an inspection program for permit approvals.

It is important to define when the inspection may occur in the Terms & Conditions of the RUA but there is no need to define any additional inspection process. All inspection requirements and policy should be defined as part of the Roadway Inspection Program, not as part of the RUA.

### **Time Consideration**

The RUA process tends to be administratively time-consuming. Allow for a greater time period from discovery of the RUA requirement to the point at which equipment can move. As requirements increase (moving to Enhanced or Advanced service) it is important to ensure proactive steps are taken to move the process earlier in the overall development process.

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## SAMPLE AGREEMENTS

Attached are samples of simple the two types of agreements:

- Annual
- Site Specific

## Conclusion

There are many possibilities to consider when determining if a Road Use Agreement Program is required and is manageable for your Municipality. It is an effective way to improve Infrastructure protection AND to recover roadway damage costs.

Municipalities are encouraged to contact neighbouring jurisdictions that currently employ a Road Use Agreement to discuss the successes and shortcomings they have identified. We urge Municipalities to consult with the local Industry sector to discuss concerns and potential challenges. Professional assistance in program delivery and development is also available.

### ***Disclaimer***

***This document provides an overview of the subject and is intended as a resource only. Implementation of any program or process is at the discretion of the reader. The reader should ensure all required legislation related to any process or program is properly reviewed to ensure compliance to all applicable laws. Roadata Services Ltd. offers this as INFORMATION ONLY. It is the sole responsibility of the reader to validate and implement on their own free will.***