



Victoria F. Sheehan
Commissioner

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



William Cass, P.E.
Assistant Commissioner

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November 9, 2016

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to Governor and Council approval on March 9, 2016 Item #30, the Department of Transportation plans to increase the hourly rental rates for private contracted winter maintenance plow and hauling trucks. Without the increase in rates for rental equipment, the Department will experience difficulty recruiting and retaining sufficient contracted equipment to meet the needs for snow removal, thereby limiting the frequency and timeliness of plowing. The contract agreements will be set up on a five (5) year term, with an option to exercise an additional five (5) years. The funding is through the Highway Fund and Turnpike Fund.

Funding for the contract agreements is available as follows:

Highway

- 04-96-96-960515-2928 -022 Rents-Leases other than State Equipment
- 04-96-96-960515-3007 -022 Rents-Leases other than State Equipment

Turnpikes

- 04-96-96-961017-7027 -022 Rents-Leases other than State Equipment
- 04-96-96-961017-7032 -022 Rents-Leases other than State Equipment
- 04-96-96-961017-7037 -022 Rents-Leases other than State Equipment

EXPLANATION

Since its creation, the Department has rented and the Legislature has funded, privately owned equipment to assist with the maintenance of the state's roadway system. Over the course of this time there have been numerous versions of administrative rules, all noting (as in the current TRA 102.05)(b)(03) that the Department's "Bureau of Mechanical Services shall be responsible for ...the setting of rental rates and approval of private equipment rental by this or any other department." The most current rental rates were published by the Department in 1999, with an update in 2005 for plow trucks rates.

The Department reviewed the current winter equipment rental rates and compared them to the adjacent New England States and learned that Massachusetts rates are roughly 75% higher than NH's rates for 1-ton, 5-ton and 10-ton plow trucks (see Appendix C). Vermont does not use hired equipment and Maine does not hire winter maintenance equipment by the hour so no hourly comparison could be made with these two states. The rates in Rhode Island and Connecticut are even higher than Massachusetts as fully equipped 10-ton plow trucks with salt spreaders, AVL equipment, and closed loop spreaders controls exceed \$170 per hour, compared to NH's rate of approximately \$63.00. The Department is aware that some local municipalities in NH are paying \$90 to \$95 for hourly contracted snow removal services.

The current operator rates for hired equipment were established in 1999 at \$11.00/ hour paid to all contracted plow truck operators. An analysis completed by the Department showed that Highway Maintainer hourly wages increased by 45% from 1999 to current and similar percentage increases occurred for private light and heavy truck operators during that same time period, according to a NH Employment Security report. The Department plans to increase the private contracted operator rates by approximately 45% (i.e. CDL plow truck operator's rate would increase from \$11.00 to \$16.00 per hour), to be included in the overall rental rate increase.

The Department plans to increase the Rental Rates for the 2016/2017 winter as shown in Appendix A. These rates have been consolidated to four (4) major categories of plow trucks and include the operator rate and adjustment for the change in the fuel base price. The proposed rates result in an average increase of approximately 15% for plowing and spreading rates for 5-ton and 10-ton trucks, in addition to the private contracted operator rate increase. Even with these planned increases, the Mass DOT rates are still 45% to 50% higher than the proposed NH plowing and spreading, with operator, base rates. The proposed increase in the NH rates will result in an annual increase of approximately \$940,000 in Class 22, divided between the Highway Fund and the Turnpike Fund. Existing rates are also included in Appendix A for a comparison with the proposed rates.

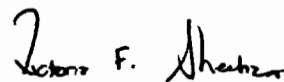
Appendix B shows the proposed updates to the hauling rates to include the updated hourly operator rates, an updated hourly rate for the truck or truck/trailer and the inclusion of the diesel fuel rate adjustment. Appendix B also compares the existing rates with the proposed rates.

The Department currently relies on rental contractors to provide approximately 52% of our winter maintenance plowing. The proposed increase will reduce the amount of work the Department can achieve with rental contractors. The Department will be able to provide acceptable service for a light winter similar to last year, but may need to seek a transfer of funds to cover rental equipment costs if the 2016-2017 season is an average winter or worse. Without the increase in rates for rental equipment, the Department is having difficulty recruiting and retaining sufficient contracted equipment to meet the needs for snow removal, thereby limiting the frequency and timeliness of plowing. The Department will implement the proposed plowing and spreading rates as shown in Appendix A for the 2016/2017 winter season, and proposed hauling rates as shown in Appendix B for Fiscal Year 2017. This increase will help the Department secure the rental contracts throughout the state, especially when competing with Massachusetts and other municipalities in the southern part of the State.

The Rental Contract Agreement that will be utilized has been approved by the Attorney General as to form and execution. Copies of the fully executed contracts will be on file at the Department of Transportation.

It is respectfully requested that this item be accepted.

Sincerely,



Victoria F. Sheehan
Commissioner

Attachments

cc: D. Rodrigue, J. Corcoran, C. Dobbins

Proposed NHDOT Rental Rate Sheet for Plowing and Spreading

Effective: 12/23/2016

	Current	Proposed	Current	Proposed
	Plowing Rate E/C 55205	Plowing Rate E/C 55205	Plowing & Spreading E/C 55206	Plowing & Spreading E/C 55206
Gross Vehicle Weight Rating (GVWR)- Based on vehicle's door label, not vehicle registration				
Below 12,000	\$34.75	\$41.81	\$38.25	\$45.31
12,000 to 25,999	\$37.93	\$45.47	\$42.43	\$49.97
26,000 to 43,999	\$44.13	\$54.10	\$50.13	\$60.10
44,000 and above	\$47.35	\$57.80	\$54.35	\$64.80

Once the base amount is determined, the following amounts are to be added is so equipped.
These rates are unchanged from the previous rates.

<u>Description</u>	<u>Hourly</u>	<u>Monthly</u>
One Way Snow plow	\$3.00	\$225.00
Reversible Snow Plow	\$4.00	\$300.00
Wing Plow	\$2.00	\$150.00
Spreader- up to 2 CY	N/A	\$262.50
Spreader- 2-1/4 CY to 5 CY	N/A	\$337.50
Spreader- 5 1/2 CY to 8 CY	N/A	\$450.00
Spreader- over 8 CY	N/A	\$525.00
Hydraulic Plow and/or Wing Hoist 2 ton and under	\$4.00	N/A
Hydraulic Plow and/or Wing Hoist over 2 ton	\$11.00	N/A
Electric/Hydraulic Hoist over 2 ton	\$4.00	N/A
Ground Speed Spreader Control System	\$7.80	N/A
Liquid Dispensing System-On/Off	\$2.00	N/A
Liquid Dispensing System-Ground Speed Controlled	\$3.50	N/A

Notes:

- 1- All rates include operator rates described in notes 2 & 3
- 2- Proposed Operator rate is \$14.50/hr for non-commercial vehicles (below 26,000 lbs GVWR). Existing is \$11.00/hr
- 3- Proposed Operator rate is \$16.00/hr for commercial vehicles (26,000 lbs GVWR and above). Existing is \$11.00/hr
- 4- All rates will be adjusted biweekly for any increases in the diesel fuel price as compared to a AAA base rate of \$2.18/gallon. The additional hourly fuel adjustment will be based on the difference in price, multiplied by a factor of 4.25 (5 gal/hr*85% uptime).
- 5- Use GVWR listed on the door identification label, not the registered GVWR
- 6- Any spreader paid hourly has already been included in the Plowing and Spreading base rate
- 7- Any vehicle that is equipped with a spreader paid monthly shall only be paid the plowing base rate

Revised 10/20/2016

Proposed NHDOT Rental Rate Sheet for Hauling

Effective: 12/23/2016

Gross Vehicle Weight Rating (GVWR)	Body Cubic Yards (CY)	Current	Proposed
		Hauling Rate E/C 55203	Hauling Rate E/C 55203
15,000 to 22,999	4 to 5-1/2	\$36.10	\$43.37
23,000 to 25,999	5-1/2 to 6-1/2	\$37.00	\$43.88
26,000 to 28,999	6-1/2 to 7	\$37.00	\$45.90
29,000 to 33,999	7-1/2 to 8	\$37.90	\$46.94
34,000 to 43,999	8-1/2 to 10	\$44.10	\$54.07
44,000 to 46,999	11	\$44.20	\$54.18
47,000 to 50,999	12	\$45.80	\$56.02
51,000 and above	13 to 14	\$47.00	\$57.40

Tractor w/ Dump Trailer & Tri Axle trucks

61,000 to 69,999	16 to 17	\$53.90	\$66.59
70,000 to 73,999	18	\$55.90	\$68.89
74,000 to 76,999	19	\$58.90	\$72.34
77,000 and above	20+	\$61.90	\$75.79

Notes:

- 1- All rates include operator rates described in notes 2, 3 & 4
- 2- Proposed Operator rate is \$14.50/hr for non-commercial vehicles (below 26,000 lbs GVWR). Current rate is \$11.00/hr
- 3- Proposed Operator rate is \$16.00/hr for commercial vehicles (26,000 lbs to 60,999 GVWR). Current rate is \$11.00/hr
- 4- Proposed Operator rate is \$23.00/hr for commercial vehicles (61,000 lbs GVWR and above). Current rate is \$16.00/hr
- 5- All rates will be adjusted biweekly for any increases in the diesel fuel price as compared to the base rate of \$2.18/gallon. The additional hourly fuel adjustment will be based on the difference in price multiplied by a factor of 4.25.
- 6- Use GVWR listed on the vehicle's registration, not the door identification label

10/20/2016

NH DOT Rental Rate Comparison

Description	NH DOT current plowing rate*	NH DOT proposed plowing rate**	Mass DOT 2014-2015 plowing rate (w/out any bonuses)	NH DOT current plowing & spreading rate	NH DOT proposed plowing & spreading rate	Mass DOT 2014-2015 plowing & spreading rate (w/out any bonuses)***
14,000 GVWR truck with reversible plow, electric hoist and 3 CY spreader	\$44.50	\$53.47	\$75.20	\$48.50	\$57.97	N/A
36,000 GVWR truck with reversible plow, wing plow, 6 CY spreader, over 2-ton hydraulic hoist, ground speed spreader control, on/off pre-wet system	\$63.20	\$71.10	\$109.00	\$79.00	\$86.90	\$140.00
55,000 GVWR truck with reversible plow, wing plow, 11 CY spreader, over 2-ton hydraulic hoist, ground speed spreader control, on/off pre-wet system	\$65.00	\$74.80	\$118.00	\$81.80	\$91.60	\$154.00

*Includes an operator rate of \$11.00/hr plus added accessories

**Includes \$14.50/hr operator rate for non-commercial vehicle and \$16.00/hr operator rate for commercial vehicles.

***Includes rate for 6 to 9 CY spreader with 150 gallon pre-wet system, ground-speed oriented (\$31.00) for trucks less than 33,000 GVWR and rate for 10 CY or greater spreader with 150 gallon pre-wet system, ground-speed oriented (\$36.00) for trucks greater than 33,001 GVWR

Mass rates includes the equipment, accessories, licensed qualified operators and operating costs, including but not limited to, insurance, registration fees, maintenance, repairs and fuel.