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New Hampshire DOT
Department of Transportation

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

Bureau of Highway Maintenance
October 13, 2021

INFORMATIONAL ITEM

The Department of Transportation requests placing this item on the Consent Calendar.

The Department of Transportation plans to increase the hourly rental rates for private contracted rental equipment, including winter maintenance plow and hauling trucks by 15%. The Department continues to have difficulty competing with adjacent states, municipalities and private companies to attract CDL holders for Department Highway maintenance positions which has resulted in a driver shortage for state equipment. Coupled with this internal shortage, the Department has had similar difficulty in attracting private rental equipment with drivers to supplement the Department's internal shortage of staff. Our internal shortage of available CDL drivers with plowing experience only serves to heighten our need for recruiting and retaining sufficient contracted equipment. Failure to attract internal or rental resources to meet the snow removal needs will likely result in reduced plowing frequency, which will translate into longer periods of degraded driving conditions and longer durations before highways are fully treated. The contract agreements will be set up on a five (5) year term, with an option to exercise an additional five (5) years. Funding 91% Highway Fund and 9% 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 highway 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 updates in 2005, 2016 and 2019 for operator and plow trucks rates.

The Department relies on contracted rental equipment with operators, to supplement its own internal winter operations workforce in order to treat the state highway. Currently the rental trucks constitute the majority of the trucks that plow the state roadway system and due to the shortfall in the internal workforce, a greater reliance on contracted rental equipment will be needed.

The Department reviewed the current winter equipment rental rates and compared them to the adjacent New England States and found that Massachusetts rental rates are roughly 60% to 100% higher than NH's 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 Department is also aware that many local municipalities in New Hampshire are paying $90 to $100 for hourly contracted snow removal services alone, without salt/sand spreaders and without liquid pre-wet ability or ground speed controls. Since 2015, the Department has had a 14% reduction (413 vs. 356 trucks) in the number of hired trucks available to work at the offered rental rates. For the upcoming winter season, that number is predicted to be reduced even further based on initial contact with the private vendors.

The Department plans to increase the operator rates by 25% to 31% (i.e. CDL plow truck operator's rate would increase from $15.95 to $20.00 per hour or from $17.60 to $23.00 per hour depending on the size vehicle), to be included in the overall 15% rental rate increase.

The Department plans to increase the Rental Rates for the 2021/2022 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 increase of 15% for plowing and spreading rates for 5-ton and 10-ton trucks, and operators. Even with these planned increases, Massachusetts DOT rates are still 38% to 76% higher than the proposed New Hampshire plowing and spreading, with operator, base rates. The proposed increase in rates will result in an annual increase of approximately $1,270,000 in Class 22 Rents-Leases other than State Equipment based on the average of the last 3 years. This cost will be based on usage between the Highway Fund and the Turnpike Fund (91% and 9% respectively). 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 more than 60% of the winter maintenance plowing for the southern Maintenance Districts (4, 5, 6, & the Turnpikes). The proposed increase in hired equipment costs will reduce the amount of work the Department can achieve with rental contractors under the current budget. The Department's current budget may be able to provide acceptable service for a light winter, but may need to seek a transfer of funds to cover rental equipment costs if the 2021/2022 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 and

roadway treatment. The Department will implement the proposed plowing and spreading rates as shown in Appendix A for the 2021/2022 winter season, and proposed hauling rates as shown in Appendix B for Fiscal Year 2022. This increase should help the Department secure 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

APPENDIX A

Proposed NHDOT Rental Rate Sheet for Plowing and Spreading

Effective: Uppon G&C Approval Fall 2021

Vehicle Rates Including Operators Gross Vehicle Weight Rating (GVWR)- Based on vehicle's door label, not vehicle registration	Current Plowing Rate E/C 55205	Proposed Plowing Rate E/C 55205	Current Plowing & Spreading E/C 55206	Proposed Plowing & Spreading E/C 55206
Below 12,000	$45.99	$54.21	$49.84	$58.64
12,000 to 25,999	$50.02	$58.84	$54.97	$64.54
26,000 to 43,999	$59.51	$72.86	$66.11	$80.45
44,000 and above	$63.58	$77.54	$71.28	$86.39

Once the base amount is determined, the following amounts are to be added if so equipped.

Description	Current Hourly	Current Monthly	Proposed Hourly	Proposed Monthly
One Way Snow plow	$3.30	$225.00	$ 3.30	$ 258.75
Reversible Snow Plow	$4.40	$300.00	$ 4.40	$ 345.00
Wing Plow	$2.20	$150.00	$ 2.20	$ 172.50
Spreader- up to 2 CY	N/A	$288.75	N/A	$ 332.06
Spreader- 2-1/4 CY to 5 CY	N/A	$371.25	N/A	$ 426.94
Spreader- 5 1/2 CY to 8 CY	N/A	$495.00	N/A	$ 569.25
Spreader- over 8 CY	N/A	$577.50	N/A	$ 664.13
Hydraulic Plow and/or Wing Hoist 2 ton and under	$4.40	N/A	$ 4.40	N/A
Hydraulic Plow and/or Wing Hoist over 2 ton	$12.10	N/A	$ 12.10	N/A
Electric/Hydraulic Hoist over 2 ton	$4.40	N/A	$ 4.40	N/A
Ground Speed Spreader Control System	$8.58	N/A	$ 8.58	N/A
Liquid Dispensing System-On/Off	$2.20	N/A	$ 2.20	N/A
Liquid Dispensing System-Ground Speed Controlled	$3.85	N/A	$ 3.85	N/A

Notes:

1- All rates include operator rates described in notes 2 & 3

2- Proposed Operator rate is $20.00/hr for non-commercial vehicles (below 26,000 lbs GVWR). Existing is $15.95/hr

3- Proposed Operator rate is $23.00/hr for commercial vehicles (26,000 lbs GVWR and above). Existing is $17.60/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 10/12/21

APPENDIX B

Proposed NHDOT Rental Rate Sheet for Hauling

Effective: Uppon G&C Approval Fall 2021

Hauling Rates Including Operators

Gross Vehicle Weight Rating (GVWR)	Body Cubic Yards (CY)	Current Hauling Rate E/C 55203	Proposed Hauling Rate E/C 55203
15,000 to 22,999	4 to 5-1/2	$47.71	$54.87
23,000 to 25,999	5-1/2 to 6-1/2	$48.27	$55.51
26,000 to 28,999	6-1/2 to 7	$50.49	$58.06
29,000 to 33,999	7-1/2 to 8	$51.63	$59.37
34,000 to 43,999	8-1/2 to 10	$59.48	$68.40
44,000 to 46,999	11	$59.60	$68.54
47,000 to 50,999	12	$61.62	$70.86
51,000 and above	13 to 14	$63.14	$72.61

Tractor w/ Dump Trailer & Tri Axle trucks

61,000 to 69,999	16 to 17	$73.25	$84.24
70,000 to 73,999	18	$75.78	$87.15
74,000 to 76,999	19	$54.27	$91.51
77,000 and above	20+	$83.37	$95.88

Notes:

1- All rates include operator rates described in notes 2, 3 & 4

2- Proposed Operator rate is $18.34/hr for non-commercial vehicles (below 26,000 lbs GVWR). Current rate is $15.95/hr

3- Proposed Operator rate is $20.24/hr for commercial vehicles (26,000 lbs to 60,999 GVWR). Current rate is $17.60/hr

4- Proposed Operator rate is $29.10/hr for commercial vehicles (61,000 lbs GVWR and above). Current rate is $25.30/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

Revised 9/27/21

APPENDIX C

10/12/2021

NH DOT Rental Rate Comparison

Description	NH DOT current plowing rate*(2019-2020)	2021-2022 NH DOT proposed plowing rate**	Mass DOT 2021-2022 plowing rate (w/out any bonuses)	NH DOT current plowing & spreading rate* (2019-2020)	2021-2022 NH DOT proposed plowing & spreading rate**	Mass DOT 2021-2022 plowing & spreading rate (w/out any bonuses)**
14,000 GVWR truck with reversible plow, electric hoist and 3 CY spreader	$58.82	$67.64	$90.34	$63.77	$73.34	$101.34
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	$88.99	$102.34	$158.26	$95.59	$109.93	$189.26
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	$93.06	$107.02	$168.41	$100.76	$115.87	$204.41

*includes $15.95/hr operator rate for non-commercial vehicle and $17.60/hr operator rate for commercial vehicles.

**includes $20.00/hr operator rate for non-commercial vehicle and $23.00/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 ($38.00) 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.