



Ontario County Public Works

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HIGHWAYS ~ ENGINEERING ~ WASTEWATER SYSTEMS & SEWERS ~ BUILDINGS & GROUNDS ~ PARKS ~ PUBLIC WORKS FINANCE

DATE: August 8, 2022
TO: Town highway Supts.
FROM: William Wright
RE: Snow & Ice Contracts

Department of Public Works staff and a committee of Town Highway Superintendents met to discuss contract provisions, rising operational costs and the model used to calculate the town expenses for snow & ice control.

The general agreement was to 1) review of the components of the cost model before the next contract (2023-2024) and 2) make a one-year cost adjustment to cover increases in materials (salt), fuel and equipment parts/maintenance. Any cost adjustment will not be added to the base contract reimbursement (\$5,800/centerline mile) and will be reviewed/modified before the 2023-2024 contract.

A spread sheet shows how the calculation was made.

Cost Adjustment

The attached spreadsheet outlines the calculation leading to our recommended increase of \$1,000/centerline mile. This is being discussed at the County's public Works Committee meeting on 8/15/22. If the committee recommends or amends this proposal, the full BOS will consider it on 8/25/22.

A) Materials

From the 2020 data, materials comprise 57% of the town's cost to service county roads. Salt costs have increased 20% from \$56/ton to \$64/ton plus a \$3.50/ton fuel surcharge. This calculates to $(\$5,800 \times .57 \times .2)$ a \$661 cost increase per lane mile.

B) Fuel

Fuel represents a relatively small percentage of a town's overall costs (4%), but the per gallon costs has increased enough to make a difference. Looking at the pre-pandemic snow season (November 2019 – March 2020), the average cost was 2.27 per gallon. Compared with the average cost from January - July 2022 (4.27 per gallon), this calculates to an 88% increase and a \$204 cost centerline per mile increase.

C) Maintenance and Parts

We looked at 2 "baskets of goods"; one for snow equipment parts and one for truck maintenance, to see how prices have fluctuated since late 2020. For parts, prices escalated around 25% and maintenance costs increased 36%. We used a figure of 40% as a conservative estimate of the cost escalation. Maintenance and parts represent about 4% of the overall town costs which, with the 40% cost escalation, lead to a \$93 increase per centerline mile $(\$5,800 \times .04 \times .4)$.

The total cost adjustment is \$958 per centerline mile (661 + 204 +93). Given uncertainty in prices as we approach the snow season, we are recommending to round up to a one-time increase of \$1,000/centerline mile. South Bristol has an added expense in traveling through the Village of Naples to service CR 21 (8.9 miles round trip), so they will receive a \$300 mile per centerline mile, which cover cost increases in fuel and maintenance only (204 + 93 rounded to \$300).

2020

	Labor	Materials	Fuel	Maintenance	Equipment Depreciation	Facility Depreciation	Utilities	Total Cost for County Roads	Cost per Mile
Bristol	20,070.67	32,999.99	2,213.75	4,006.08	2,082.37	-	249.73	61,622.58	4,929.81
Canadice	23,006.19	33,537.51	1,367.81	1,306.97	3,671.45	383.12	556.53	63,829.58	4,648.91
Canandalgua	48,666.41	85,054.48	12,621.24	2,136.51	2,982.66	4,889.08	2,933.06	159,283.43	6,482.84
East Bloomfield	11,178.98	27,333.67	882.19	857.97	3,127.03	87.56	140.84	43,608.24	5,370.47
Farmington	14,319.40	25,583.76	792.11	1,127.59	5,199.38	1,579.92	585.87	49,188.03	3,179.58
Geneva	32,192.17	20,941.40	1,523.62	1,387.11	3,604.82	331.29	526.68	60,507.08	5,566.43
Gorham	20,567.48	38,230.09	2,011.14	8,797.11	7,636.60	-	1,047.06	78,289.48	3,545.72
Hopewell	36,796.53	71,585.27	3,679.86	5,867.42	4,549.78	1,332.03	1,026.68	124,837.56	3,901.17
Manchester	21,554.07	68,604.91	1,509.98	1,525.78	2,525.90	536.65	408.59	96,665.88	6,037.84
Naples									
Phelps	29,732.71	51,129.46	2,504.23	1,840.19	1,666.35	890.41	457.24	88,220.58	3,903.57
Richmond	14,748.48	42,797.82	1,378.10	6,848.84	2,144.95	217.54	2,001.46	70,137.20	4,133.01
Seneca	19,859.02	19,699.63	4,613.44	2,393.57	3,253.86	499.31	399.50	50,718.32	3,519.66
South Bristol	20,451.12	61,192.78	1,741.03	3,903.24	2,459.16	326.85	534.83	90,609.01	7,678.73
Victor	22,399.79	41,686.85	1,817.95	2,150.74	1,538.36	117.52	503.88	70,215.08	6,186.35
West Bloomfield	14,609.75	48,975.98	3,641.14	3,292.47	3,343.24	173.43	393.56	74,429.58	6,891.63
	23,343.52	44,623.57	2,819.84	3,162.77	3,319.06	757.65	784.37	78,810.78	5,065.05

30% 57% 4% 4% 4% 1% 100%

	Per mile rate	Increase
(1) Materials	57% \$ 5,800.00 \$	20.0% \$ 661.20
(2) Fuel	4% \$ 5,800.00 \$	88.1% \$ 204.39
(3) Maintenance	4% \$ 5,800.00 \$	40.0% \$ 92.80
		\$ 958.39

(1) using \$56.50/ton as current cost of salt, estimating future cost of \$64/ton, and adding \$3.50 fuel surcharge (costs per Bill W/J. Fletcher)

((64 - 56.50)+3.50)/56.50 = 19.5% or 20%

(2) using OGS pricing for diesel including (KERO) - compared average for Nov 19 - Mar 20 snow season to average 01/01/22 - 07/21/22

19/20 snow season average of \$2.27 vs 2022 ytd average of \$4.27 = 88.1% increase

(3) using a sampling of truck repair/maint parts & snow parts, compared 2019/2020 costs with 2022 costs

truck repair/maint - increase of 36%, snow equip - increase of 25% - propose using 40% increase