

80 – 20 RULE MANUAL

(April, 2015)

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SECTION A

TIR Directives Related to the 80-20 Rule

Directive

1

Distance Paid Per Tonne-KM Rate

Trucks are paid for the distance travelled from the point where the trucks are loaded to the point where they unload. In other words the distance should be measured from the loading site to the unloading site.

2

Payment of Truck Haul Rates

It is Department practice and policy to pay any portion of a kilometre as a full kilometre with respect to Truck Haul Rates. As a result, for example, 1.1 kilometres would be paid as 2 kilometres.

3

Guidelines for Reasonable Notification to TANS from Contractors

Contractors will attempt to give as much notice as possible, but a minimum of 12 hours' notice must be provided.

Emergencies will be handled on an "as required" basis but should include consultation with the Truckers Association.

4

Workers Compensation Board Requirements

Effective immediately, proof of Workers Compensation Board coverage will be required for all truckers prior to working on any TIR projects (maintenance and capital).

TIR Directives Related to the 80-20 Rule

Directive

5

Certificate of Recognition

Effective July 1, 1997, all truckers working on Department of Transportation and Infrastructure Renewal projects (maintenance or construction), must provide proof that they hold a valid letter of good standing – Certificate of Recognition Program issued by the Nova Scotia Construction Safety Association and the Nova Scotia Department of Labour.

6

Use of Back-Up Beepers

Effective immediately, all trucks operating on TIR projects must be equipped with back-up beepers.

7

Safety Pins on All Tailgates (Asphalt)

All trucks hauling asphalt mix require double pinned tailgates.

8

Contaminated Winter Salt

If it can be confirmed that the contamination of winter salt came from a particular truck/trailer combination, any costs of screening of the salt should be recovered from the trucker.

9

80/20 Rule of TIR Maintenance Work

It is not intended that the 80/20 rule be applied to TIR maintenance work. In order to effectively utilize Department fleet, the Department reserves the right to use as many Department trucks as are available to fill their trucking requirements. Department staff are to ensure that Department trucks adhere to legal axle and gross vehicle weights in carrying out maintenance projects. Note: our salt and sand trucks are exempt from the normal weight regulations when providing what is considered an emergency service, i.e. plowing, salting, sanding.

TIR Directives Related to the 80-20 Rule

Directive

10

Breaking the Load (Prior to Backing into the Spreader the Truck Body Shall be Partially Elevated)

As a result of safety concerns associated with “breaking the load” effective immediately, on all TIR paving and repaving contracts the requirement to break loads will be suspended pending review.

11

Truck Rates

It is the intention of this Department to use the hourly rate per axle for the transporting of any materials where there are built in loading and/or unloading delays associated with the operation, i.e., ditching, pothole patching, culvert replacement. On other activities that may be more or less defined as production runs, where the operation basically involves loading, transportation to the discharge site and return for another load, the method of payment will be by the cubic-metre-km or tonne-km. It is recognized that there may be delays in loading and unloading associated with “production runs” as well but these delays, normally associated with equipment breakdowns, inappropriate numbers of trucks, traffic, etc., would not create the necessity to revert to an hourly axle rate.

It should also be pointed out that when hauling by the cubic metre, Department employees will ensure that truck boxes are properly measured and loaded so that they are actually carrying the volume of material for which they are being paid.

12

TANS Representatives at Pre-Job Meetings

TANS representatives must be invited to project pre-job meetings.

TIR Directives Related to the 80-20 Rule

Directive

13

Pup Trailers

The TANS/TIR Committee had recommended the current practice of emptying the pup trailer, pulling ahead, disconnecting the pup trailer and returning to the position of last among those trucks waiting to discharge their loads be continued.

The Standard Specifications stated “Ordinarily there shall not be more than five trucks to unload ahead of the spreader”. In making these recommendations, the Committee understood that the pup trailer would return in line to no more than 5th position and anticipated no problems. In case of breakdowns, traffic tie up, etc., when there can be a lineup of more than 5 trucks, the pup trailer returns to the 5th position.

14

Use of 360° Vehicle Mounted Amber Flashing Lights

For shoulder, partial lane blockage and full lane closure conditions all vehicles within a work area shall be equipped with and have activated at least a 360° amber flashing light.

Vehicles engaged in an off-shoulder area are not required to have an activated 360° amber flashing light.

15

Temporary Workplace Traffic Control

During the movement of traffic through a work zone controlled by Traffic Control Persons (TCP), construction equipment, supervisors and/or TIR staff have no special status over public traffic controlled by the TCP. For example trucks hauling materials to the job site are not permitted to leave the line of stopped traffic to proceed to the job site.

TIR Directives Related to the 80-20 Rule

Directive

16

Truck Rates for Hauling Asphalt

The Minister has authorized an increase in the asphalt haul rate differential of \$0.50 per tonne to bring the asphalt haul rate differential from \$0.13 per tonne to \$0.63 per tonne.

Staff are advised that effective 1 May 1998, the asphalt haul rate differential is \$0.63 per tonne for trucks hauling asphalt.

17

Pre-Job Minutes

The TANS portion of the pre-job meeting minutes should be sent by the PE to the TANS representative at the pre-job meeting and also to the Executive Director at the TANS Office in Truro.

18

Weigher's Daily Reports

Department Weigher's shall record the time trucks are tared on the Weigher's Daily report. Copies of the Weigher's Daily Report should be sent to the local county President c/o of the dispatcher on a weekly basis.

19

Truck Haul Distances

In an effort to alleviate the confusion associated with truck haul distances (80-20 Rule) for TIR Projects, Construction Managers and PE's are to be advised that the following procedures shall be followed:

- The PE shall not permit the Contractor to haul any material covered under the 80-20 Rule until the dead haul distance (point of loading to a predetermined Station number) is agreed to be the TANS representatives and the Contractor. This should be determined at the pre-job meeting.
- If TANS and the Contractor cannot agree on a dead haul distance, the PE shall measure the route and determine the distance, prior to any material being hauled.

TIR Directives Related to the 80-20 Rule

- TIR shall post at the scale house the pit name and dead haul distance for each pit from which material is being hauled.
- TIR Checker shall record on the weigh slip the Station number at the point of unloading.

20

TANS Unable to Supply Sufficient Trucks

The following procedure should be followed in the event that TANS cannot supply sufficient trucks for TIR construction project where the 80-20 Rule applies:

- Contractor shall notify Project Engineer if TANS cannot supply sufficient trucks.
- Project Engineer shall contact Executive Director TANS (902) 895-7447 to verify if TANS cannot supply sufficient trucks.
- If TANS cannot supply sufficient trucks, the Project Engineer will advise TANS and the Contractor, that the Contractor has permission to supply their own trucks for a period of 5 days.

NOTE: Any TANS trucks already hauling on the Project will be permitted to continue to haul.

- After 5 working days the Project Engineer will reassess the situation:
 - If TANS can supply sufficient trucks, the Contractor will be advised that TANS are now permitted to dispatch trucks as outlined in the 80-20 Rule.
 - If TANS still cannot supply sufficient trucks the Contractor will be permitted to supply their own trucks for a further 5 working days.

NOTE: Any TANS trucks already hauling on the Project will be permitted to continue to haul.

- After the additional 5 working days the Project Engineer will again reassess the situation:
 - If TANS cannot supply sufficient trucks, the 80-20 Rule will be suspended for the remainder of the Contract.

SECTION B

TIR Interpretation Bulletins

Policy Regarding: Hiring and Truck Dispatch – Issued 26 June 1996

A TANS member is permitted to be the contractor's first truck, without penalty, for ten (10) working days. The member's second (2nd) truck cannot be used as a contractor's truck and must be in the second (2nd) hiring rotation. The ten (10) days as a contractor's first truck is a total for the membership year and cannot be repeated for different contractors or projects. Following the ten (10) days as the Contractor's first truck, the member's first (1s) and second (2nd) trucks can go back into the rotation.

Construction Pre-Job Meeting Requirements (excerpt trucking related)

Depending on the scope of work the pre-job meeting may include the following attendees:

Truckers Association

The following items should be discussed at the pre-job meeting:

- 2). Items Affecting TANS Members, Contractor and TIR
 - a. Length of haul distance and pit location

Note: These items must be agreed to in writing and signed by TIR, TANS and the Contractor before any material is hauled from the source.
 - b. Safety Certification and Workers Compensation required for every truck. Every Driver must have WHMIS and First Aid. There will be zero tolerance on these requirements.
 - c. Requirements for trucks include:
 - Backup beepers
 - Tarps
 - Double pin systems
 - d. Review of Traffic Regulations at the Construction Site.
 - e. 12 hour call out

- f. Haul rates
- g. The number of trucks required for the Project
- h. 80-20 Rule
- i. Any request for special type of truck to be used on the job
- j. Payment for truck hauls, working with planner

Interpretation 80-20 Truck Rule – Contractors “Own Truck”

The statement is included in the current specifications with respect to the 80-20 Rule that “if only one truck is required on a contract, the contractor may use his own truck. However, to comply with the 80-20 Rule, before the contractor could use another of his own trucks, he would have to have a minimum of eight private trucks employed on the contract provided, of course, private trucks are available.” It was the intention when the specification was written, that the contractors “own truck” would indicate a truck of the contractor’s choice. Unfortunately, the specification was not clearly worded.

This letter is to indicate that the interpretation originally intended is the interpretation maintained by our Department and the specification will be revised to replace the words in the first sentence, “his own truck”, with the words, “a truck of his own choice”, and also to replace the words in the second sentence, “his own choice”, with the words, “truck of his own choice”.

Payment for Trial Mix Production

(2009) Further to our TIR/TANS/NSRBA Joint Meeting where the hauling of trial mix on EPS jobs was discussed and the following was decided:

- Contractor to make clear to trucker that they are producing trial mix and hourly rate will apply
- Contractor to inform trucker when trial mix complete and hourly rate has ended and the work is over for the day or
- Contractor to inform trucker trial mix over/hourly rate no longer applies but now going into production mode and tonne-km rate applies.

The following is a revised Special Provision which will be in all our future tenders where the 80-20 Rule applies to reflect the hourly rate only applies to production of trial mix:

1.0 **Truck Rates:**

The Contractor is hereby notified that the Department of Transportation and Infrastructure Renewal truck rates which came into effect on **March 1st, 2009** and are in effect for this Contract, in situations where the 80/20 Rule applies, are available in the latest Department's Standard Specification.

The Contractor is hereby notified that for Asphalt Concrete produced under the End Product Specification, during the production of any mix type when the Contractor is establishing their Job Mix Formula, trucks hired under 80/20 Rule to haul trial mix asphalt will be paid at the hourly rate for the hours worked during the production of the trial mix.”

Clarified again in 2014

Truck Rates:

The Contractor is hereby notified that the Department of Transportation and Infrastructure Renewal truck rates dated April 1st, 2014 which came into effect on **January 1st, 2014** and are in effect for this Contract, in situations where the 80/20 Rule applies, are posted on the NSTIR BidX Website (www.bidx.com).

The Contractor is hereby notified that for Asphalt Concrete produced under the End Product Specification, during the production of any mix type when the Contractor is establishing their Job Mix Formula, trucks hired under the 80/20 Rule to haul trial mix asphalt concrete will be paid at the hourly rate for the hours worked during the trial period until production commences at which point tonne-kilometre rates will apply.

SECTION C

STANDARD SPECIFICATION, Division 1 Section 3

15.0 80-20 RULE. The following is the practice to be adhered to by all Contractors working on Department Contracts and shall apply to materials, as noted in the following, hauled after 12:00 noon, local time, on the date of the Letting.

15.1 Hiring of Local Trucks. The 80-20 rule shall apply to the hiring of local trucks for Department operations. At least 80% of the trucks hired on NSTIR Contracts shall be private trucks hired, on a rotational basis, through the local branch of the Truckers Association of Nova Scotia, so that all trucks in the area receive a relatively equal amount of work. This is referred to as the 80-20 rule. The Contractor shall make every reasonable effort to balance the interests of the private trucks hired with the Contractor's requirement to accomplish the Work in an efficient and cost effective manner.

15.2 Dispute Resolution. In matters of disagreement between the Trucking Industry and the Contractor, the Engineer is empowered to adjudicate the dispute. The complaint shall be put in writing and presented to the Engineer by the Local President of the Truckers Association or the Contractor. The Engineer shall investigate the complaint and within 20 days shall present a resolution of the problem. This resolution shall not be limited in scope and shall be focused on ensuring the spirit of the Contract with respect to the hiring and payment of local truck within specified area is upheld.

15.3 Hauling of Granular Materials and Asphalt Concrete. The 80-20 rule applies to hauling of all granular materials (including rock fill and loose laid rip rap) and asphalt concrete from a pit, crusher or asphalt plant for a Department Contract. Department Truck Rates to apply.

15.4 Hauling Materials To Produce Granular Materials. The 80-20 rule applies to the hauling of all material which is to be used to produce granular material including stone chips (with exception of material to be used to produce asphalt concrete). Department Truck Rates apply.

15.5 Hauling of Stone Chips for Seals. The 80-20 rule applies to the hauling of stone chips for seals from the site where the stone chips are manufactured to a stockpile location on or near the Contract and also from the stockpile on or near the Contract to the spreader. Department Truck Rates apply.

15.6 Hauling of Aggregates for Micro Surfacing. The 80-20 rule applies to the hauling of aggregate for Micro Surfacing from the site where the aggregate is manufactured to a stockpile location on or near the Contract. Department Truck Rates apply.

15.7 Hauling of Excavation or Borrow Material.

- **Section of Road Not Designated.** The 80-20 rule applies to the hauling of excavation and/or borrow material on a Contract where the section of road under Contract is not designated. Department Truck Rates apply.
- **Part or All of Section of Road Designated.** The 80-20 rule applies to the hauling of excavation and/or borrow material over a non-designated section of highway for a Contract where all or a portion of the section of road under Contract is designated. Department Truck Rates apply.

15.8 Hauling of Common and/or Borrow Material. The 80-20 rule does not apply to hauling of common and/or borrow material for a Contract where the section of road under contract is

designated, and the movement of material is confined to the designated limits. Department Truck Rates do not apply.

15.9 Hauling of Blend Sand. The 80-20 rule does not apply to the hauling of material (including blend sand) to be processed into asphalt concrete. Department Truck Rates do not apply.

15.10 One Truck Only. If only one truck is required on a Contract the Contractor may use a truck of his or her own choice. However, to comply with the 80-20 rule, before the Contractor could use another truck of his or her choice they would have to have a minimum of 8 private trucks employed on the Contract provided, of course, if private trucks were available. Under normal circumstances, upon start up, the Contractor would be expected to provide their own truck first followed by 8 private trucks, before providing another of their own trucks.

15.11 General. Granular material is deemed to include all classes of gravel, Special Gravel, Gravel Borrow, Rock Fill, Loose Laid Rip Rap and Fill Against Structure material. Where Department rates apply, rates paid to all owners of trucks in the employ of the Contractor, Sub-contractor, or of any person doing or contemplating doing, the whole or any part of The Work contemplated by the Contractor, shall be at least equal to the rates of pay fixed by the Minister from time to time. It should be noted, however, that the rate to be used when hauling items for which the Contractor is paid on a per tonne basis shall be the tonne-km rate unless otherwise stated in the Special Provisions. The utilization of Tonne Kilometre Rates and/or Hourly Rates shall be mutually agreed upon between the Contractor and the TANS representative at the pre-construction meeting. The rates paid to all labourers or other persons in the employ of the Contractor, Sub-contractor, or of any person doing, the whole or any part of The Work for the Contractor shall be at least equal to the rates of pay that may be fixed by the Minister from time to time. Workers shall not be required to work longer hours than those fixed by the custom of the trade in the district where The Work is carried on, except for the protection of life or property, or in case of other emergencies. In the event of a dispute arising as to wages, or what are the current hours fixed by the custom of the trade, it shall be determined by the Minister whose decision shall be final.

15.12 Removal of Asphalt from Overweight Trucks. It shall be the joint responsibility of the paving Contractor and trucker to load the proper amount of asphalt concrete into each truck. Any excess amount that is removed shall be the joint responsibility of the paving Contractor and the trucker. The removal of the excess material shall be accomplished in a manner that is consistent with the Occupational Health & Safety Act and also shall not impact on the integrity, or promote segregation, of the hot mix asphalt.

SECTION D

Memorandum Of Understanding, 2009

(summary or items not identified elsewhere)

B. STATEMENT OF MUTUAL BENEFIT AND INTERESTS

The 80-20 Rule does not apply to Maintenance operations, including Rural Improvement Mitigation (RIM) contracts, although Supervisors may contact the local branch of TANS when private (non-departmental) trucks are required. The 80-20 Rule does not apply to lump sum contracts if there are no quantities specified.

General.

Granular material is deemed to include all classes of gravel, Special Gravel, Gravel Borrow, Rock Fill, Loose Laid Rip Rap and Fill Against Structure material.

Pre-Job Minutes.

- **Length of Haul Distance When Using Interchanges**

The haul distance measurement for determining the truck payment is to be determined by measuring the distance from the production site to the placement location and return and divided by two when interchanges are to be used.

Projects Where Liquid Anti-Striping Agents are Used

All TANS members hauling asphalt mix that requires liquid anti-stripping agent must show proof that they have received training in the use of liquid anti-stripping agents.

Formal Grievance Procedure for TANS Members

- a. The grievor shall present their grievances in writing to the Executive Director of TANS with a copy to the Local President, fully describing the incident that they wish investigated.
- b. The Executive Director shall, within 10 days convene a panel of 2 Directors and himself/herself, excluding the selection of any Directors from the local which the grievor belongs.
- c. The panel shall hear evidence from the grievor and the local executive and present a decision on the grievance within 5 days of hearing the evidence.
- d. The decision of the panel shall be final.

- e. Should the grievor feel that they that they had not been given a fair hearing the grievor may present their case to the TIR/TANS Joint Committee.
- f. Any Directors from the local to which the grievor belongs shall be excluded from the panel of the TIR/TANS Joint Committee hearing the grievance.

Payments of Truck Haul Rates

Where Department rates apply, rates paid to all owners of trucks in the employ of the Contractor, Sub-contractor, or of any person doing or contemplating doing, the whole or any part of the work contemplated by the Contractor, shall be at least equal to the rates of pay fixed by the Minister from time to time. It should be noted, however, that the rate to be used when hauling items for which the Contractor is paid on a per tonne basis must be the tonne-km rate.

Trucks are paid for the distance traveled, from the point where the trucks are loaded to the point where they unload. The Department or Contractor shall pay any portion of a km as a full km with respect to truck haul rates. For example: 1.1 kms would be paid as 2 kms.

Payments to truckers employed in the hauling of materials used in the construction, shall be made bi-weekly with payments for one pay period made prior to the end of the following pay period.

- **Ferry tolls**

The Contractor will reimburse ferry tolls to TANS members performing truck hauls for Department construction activities where the 80-20 rule applies.

If a TANS member crosses the ferry when performing a truck haul for Department project, the Contractor will reimburse the trucker for the cash value of each ferry crossing (including return trips) as part of the payment of the truck haul, not including the distance traveled by water. Receipts are not required to be submitted by the trucker to receive payment, the number of ferry crossings will be determined from the weigh slips. Alternatively, the Contractor may decide to provide the trucker with tickets/tokens at no cost to the trucker.

- **Truck Rates**

The hourly rate per axle will be paid for the transporting of any materials where there are built in loading and/or unloading delays associated with the operation, eg. ditching, pothole patching, culvert replacement.

SECTION E

TANS Protocols and Guidelines

1. Number of Trucks. Rule of Thumb is 1 truck (tandem) per 1.6 kilometre (1 mile). This figure may vary depending on the route or site conditions (ie. heavy traffic, detours etc.)
2. Start of ACC (trial) Production – trucks paid per hour until the production goes full at which time trucks switch to tonne/km.
3. Trucks will be paid by the hour for slow production activities such as ditching, hand patching and culvert replacement.
4. Haul Route. If safety or load restrictions (ie. posted structure) is not identified in the Special Provisions then contact the Asphalt Material Coordinator for resolution.
5. 80-20 applies to hauling of designated materials regardless of how the item was bid (ie. by the tonne or cubic metre).
6. 80-20 does not apply to a lump sum/design build items.
7. 80-20 may be suspended if TANS is unable to supply sufficient trucks on a job. **See Directive 20, Section A.**
 - **Option exists to not suspend 80-20 but simply permit the Contractor to make up the difference with their own trucks with the agreement of TANS Dispatch.**
8. Contractors cannot normally specify the type of truck (ie. belly dump vs. end dump), a truck is a truck (unless job site is such to preclude a body type for safety or other legitimate reasons).
9. Trucks are to be paid every 2 weeks. If a truck is not paid by a Contractor then TIR can pay (letter to Finance authorizing payment to Trucker from funds withheld from the Contractor payment). If a private truck is hired (not through TANS) then they would be treated as a subcontractor. TIR can hold security until sub's are paid.
10. No protocol forcing payment (ie. hourly rate or lump sum) to truckers who have been held up by a Contractor on a tonne-km job due to a delay (eg. breakdown) where the Contractor has not released the trucks to be available for other work.
11. Rotation. Load a Contractor's truck first (if they want) then a TANS truck. Can't load all of Contractor's trucks one after another and leave TANS waiting unless agreed to be TANS Dispatch.
12. Hand Laid Rip Rap currently not referenced in 80-20.
13. Free Haul - A truck (owner) may haul away fill for free from a Project, if approved by the Engineer. This does not violate the 80-20 Rule. 80-20 refers to "hired" trucks. Trucks hired must be TANS members. Contractors can move material via rail car or barge.

14. Revised Haul Rates. Rates are revised each year and usually available early spring. Rates apply from that time forward in all Contracts where they are referenced. Rates are also retroactive to January 1. For Contracts that close before the revised rates are available the Contractor will pay the trucks at the revised rates and then TIR will reimburse the Contractor for the difference in the rates (since the Contractor is unable to factor revised rates into their costs).
15. RIM work is excluded from 80-20 (maintenance). TIR Manual PR5021 (Hiring of Local Trucks for TIR Operations and Rate of Compensation). Under Purpose: *"The 80/20 rule does not apply to Maintenance operations, including Rural Impact Mitigation (RIM) contracts, although the Supervisors may contact the local branch of TANS when private (non-departmental) trucks are required"*.
- 16.

SECTION F

TANS Fuel Surcharge/Rebate

Determining TANS Fuel Surcharge/Rebate

1. A baseline price of \$1.00 per litre for diesel fuel has been established.
2. Each month an average diesel fuel price is determined by TIR for the Province.
3. The Nova Scotia Utility and Review Board posts weekly high and low prices for each of six zones in Nova Scotia in cents per liter.
4. Prices for ultra-low sulfur diesel (self-service) from the last Friday of each month are averaged for each zone and then an average Provincial price is calculated.
5. The baseline price (expressed in cents) is subtracted from the calculated average price in cents. The remainder is equal to the percentage increase in fuel prices relative to the baseline price.
6. This percentage change is then compared to values in a table established in March, 2009. Surcharges from 0% to 22% have been established for percentage changes up to 55%.
7. Once established the Surcharge is posted to TIR internet site. The Surcharge is in effect for the upcoming month.
8. Diesel fuel prices lower than \$1.00 per litre could result in a Rebate to the Province.

Applying the TANS Fuel Surcharge/Rebate

1. Paid by TIR at the end of the Contract (line item "Fuel Surcharge/Rebate for 80/20 Rule")
2. Contractor to submit documents to PE showing costs associated with applying the Surcharge (or recovered from Rebate). Contractor's documents shall show the dollar value of the work TANS trucks have earned (or recovered).
3. PE will check and verify documents.
4. Both TANS and Contractor trucks may claim the Surcharge or have the Rebate applied.
5. Add the Surcharge (+) or Rebate (-) dollar values to get the overall value to the Contractor to either recover costs associated with applying the Surcharge or reimburse TIR for the Rebate.
6. On the progress or final estimate enter the net value (+ or -) as a lump sum dollar value to the line item "Fuel Surcharge/Rebate for the 80/20 Rule".
7. No HST is applied to the total.
8. Retain all the records in the item contract file.