



Program & Accreditation Consultation Committee Minutes

July 14, 2022

1:00 pm to 3:00 pm

Committee Attendance

- Denis Cloutier, ATA
- John Vernaus, ATA
- Craig Dunn, MMDA
- Lynsey Wilson, MMDA
- Marnie Kacher, MPI
- Steve Lupky, MPI
- Waldemar Koos, MPI

Regrets

- Norm Bruneau, ATA
- Geoff Sine, MMDA

Marnie Kacher welcomed everyone to the committee meeting and noted that Waldemar Koos, Manager, Research & Estimatics was joining the meeting today to provide technical expertise on some of the agenda items.

MPI Updates

Update provided by Steve Lupky:

Steve that most of MPI's updates are covered in the meeting agenda items.

Repair backlogs and shop availability were discussed. MPI notes some shops are no longer accepting tow in vehicles due to a back log of repairs and capacity. In particular, some customers are having difficulty finding shops willing to work on water loss claims. MPI will be sending a request to all shops and inspection stations to determine interest and compile a list of shops able to take in this type of work. ATA and MMDA are willing to circulate information on this work as well and send a joint message with MPI.

Action item: MPI's information request will be shared with the ATA and MMDA as soon as it is ready.

MPI continues to work with LKQ and Mitchell to find a resolution to the issue of LKQ's



\$5 fuel surcharge. LKQ indicates they will be proceeding with the surcharge, and it will roll out to Manitoba shortly. Unfortunately, LKQ has not indicated how the charge was calculated nor what the criteria are for ending it. MPI continues to stress that these charges are not in alignment with MPI Parts Business Rules that all MAPP suppliers agreed to follow. MPI will work toward a mutually acceptable resolution with LKQ and Mitchell or consider other options to maintain the integrity of the MAPP program in fairness to all participants as no other supplier has added similar surcharges.

There will be a further meeting with MPI and LKQ in approximately 1 month, however, MPI will temporarily accept shops invoicing for this surcharge and an NTT will be sent shortly to advise how to claim this cost. This will be reviewed in one month's time and a further decision will be made on MPI's position going forward.

Association Updates

ATA Update provided by Denis Cloutier:

- Organizing continues for the August golf tournament and the October trade show.
- Repair shops have been very busy.
- Starting to hear concerns from shops about escalating prices.

MMDA Update provided by Lynsey Wilson:

- Continuing to work on international recruitment. (Further discussion on technician training and recruitment included in minutes later in meeting.)
- Pilot on shop efficiency and onboarding CSR's is occurring.



Action Items from previous meeting's agenda (April 11, 2022)

Repair Procedures Differing from OE Requirements

- The associations were to provide MPI with specific examples. Two were received from the MMDA, both were used engines.
- This will continue to be worked on.

Action: Item to be added to the next agenda.

Temporary Repairs and Labour Charges

- A further NTT was sent to the repair facilities on how to have temporary repairs approved and invoiced.

Glass Pricing

- MPI is currently reviewing compensation around glass pricing and a number of other items. An update will be provided to the committee by the third week of August.

Mechanical Rate Review

- MPI is currently reviewing compensation around mechanical rates along with a number of other items. An update will be provided to the committee by the third week of August.



Parts Autonomy:

- A slide deck (attached) updating the consultation committee on Parts Autonomy was shared.
- MPI shared that the 'bonus' paid to shops who exceed their RPS targets by greater than 4% will increase to 50% of savings from the current 25% effective at the end of this quarter. An NTT will be sent to the trade advising of this change.

First Party Loss of Use

- MPI has brought forward a proposal on this item which is pending approval. The consultation committee will be updated once a final decision is made, which is anticipated to be within a few weeks.

Northern Study:

- This has been delayed as MPI and MNP continue to work on a letter of engagement to commence the study. It is anticipated this will be resolved in the near future and the study can commence.

Paint Material Increases:

- MPI is currently reviewing compensation for paint material along with a number of other items. An update will be provided to the committee by the third week of August.



Pre and Post Scanning:

- John Vernaus stated MPI should pay for scans on vehicles older than 2012, **and** it should be completed on any age vehicles that are scannable.
- Scans could identify pre-existing conditions not related to the claim and is important to ensure only claimable items are paid.
- MPI noted a scan can be authorized by the customer and if the damage is related to the loss can be claimed. In addition, on a case-by-case basis a shop can request a pre or post scan on an older vehicle with a reason, and this can be reviewed by MPI.

Action item: MPI will review the current pre and post scanning standard and consider opportunities to clarify.

Labour Rates:

- John Vernaus stated that repair facilities need to pay their technicians appropriately to retain them and all costs are increasing higher than anticipated.
- He feels labour rates need to increase and with inflation the issues that have been discussed previously are accelerating.

Action item: The ATA and MMDA can provide information they would like MPI to consider on the issue of labour rates.

Deferred Deductibles and payment verification:

- MPI noted that shops are able to defer a deductible under the current LVAA. There is no indication on the final repair account (FRA) if and how a deductible has been paid or if it is deferred.
- MPI will be amending the FRA to include a check box on how a deductible is paid or if it is deferred.
- Shops will be advised to retain proof of payment as this item will be added to future audits to ensure shops are collecting deductibles on repairs.



RRC:

- Steve outlined a meeting he recently had with Tom Grant, Derek Kochenash and Matthew Fast of RRC Polytech.
- They are interested in partnering with MPI and the Associations/Repair trade in attracting students to their program, and how to expand the interest in autobody repair as a career.
- They are also interested in expanding micro-credentials, and with Skills Canada being hosted in Manitoba in 2023, there is an opportunity to showcase the repair trade.
- The MMDA has a Transportation Sector Committee and is actively working on the issue of technician recruitment.
- Both associations support further work in this area and are interested in collaborating with RRC.
- An issue is how to ensure RRC graduates are recognized by MPI.

Action Item: MPI to invite members of RRC to attend the next Programs & Accreditation Consultation Committee to further discuss.



Repair Industry Townhalls:

- MPI is beginning to work on town hall meetings with the repair trade for the fall
- Logistics are being considered, but likely one in Winnipeg, Brandon, and Thompson
- Potential for one of them to be attended virtually.
- Opportunity for the three committees to provide updates on the work that they are doing and have participation from the ATA and MMDA in the discussions.
- MPI is open to further suggestions.
- Agreement that consultation committee reports would be positive for these meetings.
- Further details to follow as the plan develops.

Action Item: Town hall presentations to be added to the next consultation committee meeting agendas.

Meeting adjourned at 3:15 pm

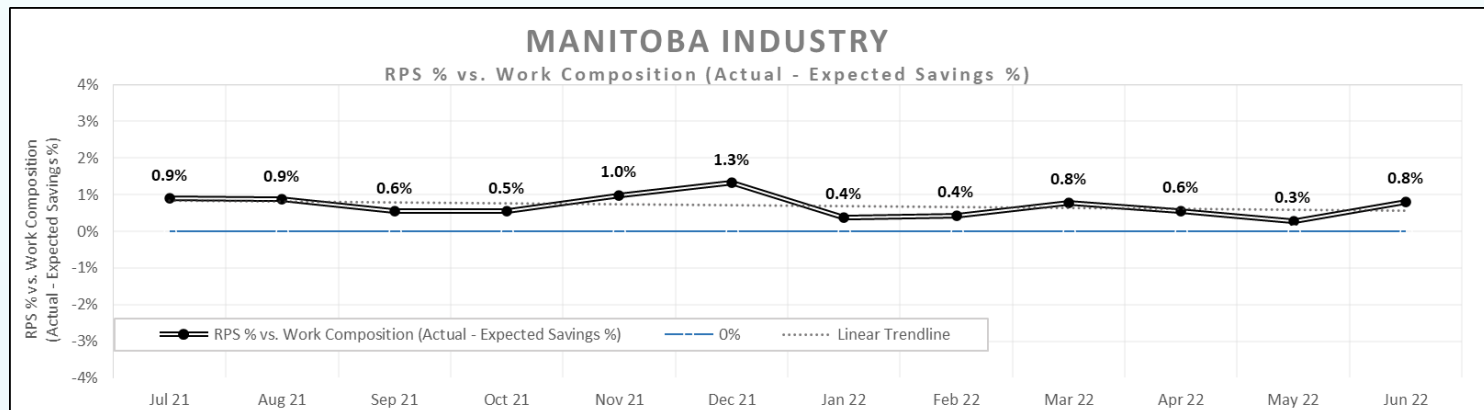
Parts Autonomy

RPS Quarterly Performance

FY	2021/22			2022/23
Tier	Q2	Q2	Q4	Q1
Level 1 - 2	130	152	141	138
PR	101	78	88	90
Lost PA	N/A	N/A	1	1
Success %	56.3%	66.1%	61.3%	60.3%

Note: Shops with no claims are not included in counts.

RPS Variance by Month

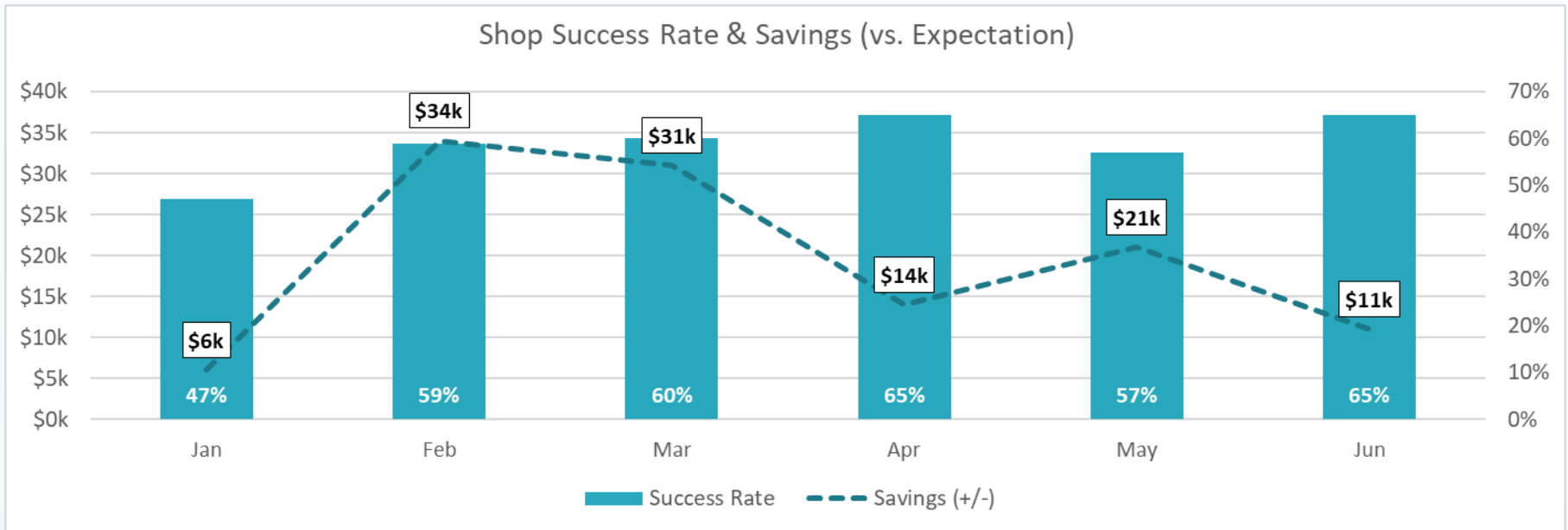


Shop Type Analysis

Dealer* — shop success

*Includes 1 shop in Lost PA

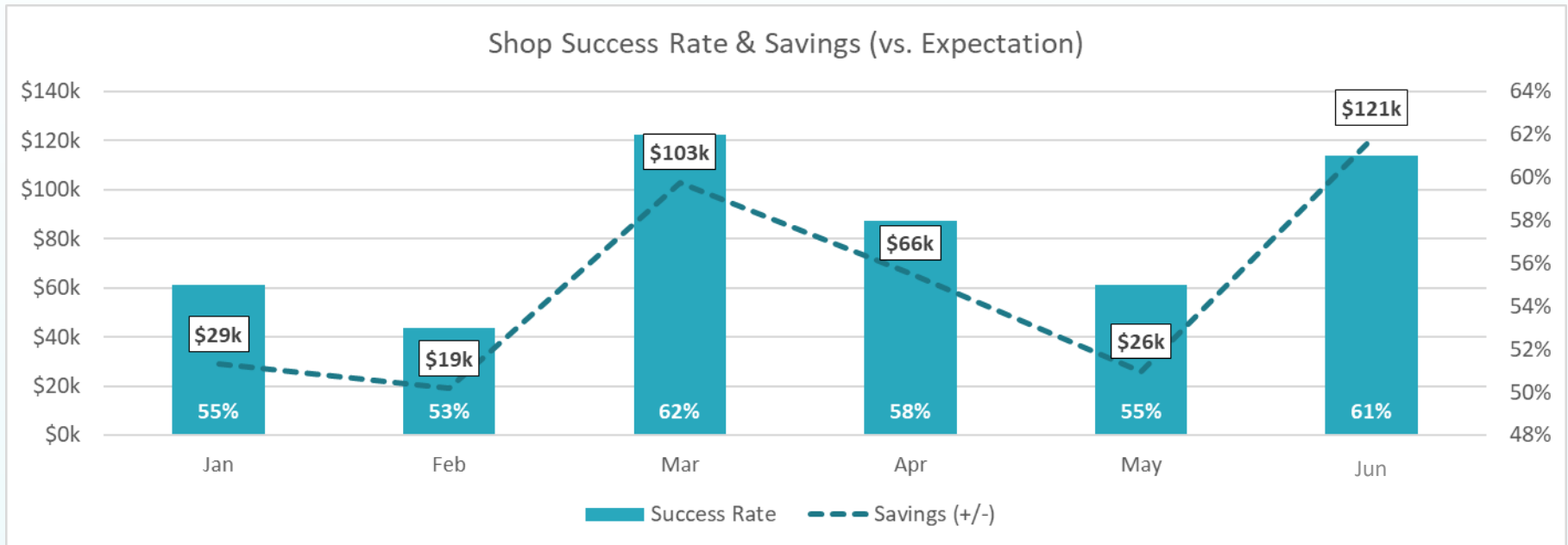
FY	2021/22			2022/23
Metric:	Q2	Q3	Q4	Q1
Success Rate	70%	69%	63%	61%



Shop Type Analysis

Independent – shop success

FY	2021/22			2022/23
Metric:	Q2	Q3	Q4	Q1
Success Rate	53%	65%	61%	60%



Shop Success and Savings 2022 (by type)

