

Fleet Management

Led by: Director of Fleet & Inventory

Description

Fleet Management enables City Services and external partners by providing reliable and efficient vehicles and equipment that maximize safety, environmental sustainability, and minimize lifecycle costs. Fleet Management is responsible for green and safe driver training, vehicle and equipment maintenance, fabrication and repair, asset management, fuel management, and green fleet initiatives.

Fleet Management provides a range of vehicles and equipment from sanders to refuse trucks to snowplows and construction equipment. These vehicles and equipment enhance mobility of staff, act as mobile offices, and enable the delivery of services to Calgarians.

Value and benefits

Fleet Management's customers require the provision of, and training for, vehicles, equipment, and manufactured goods to perform front line services for Calgarians. Fleet Management's expertise ensures reliable assets, responsive services, and safe operations. Fleet Management enhances the success of other City services by providing appropriate, available, and innovative solutions that support the continuity and mobility of services.

Fleet Management's customers value transparent, affordable, and innovative professional services that meet their needs. Customers rely on Fleet Management to provide green driver training, green fleet solutions, and safe vehicles and equipment that contribute to The City's economic and climate resiliency.

Customers

Fleet Management's primary customers are City Services including Mobility, Waste & Recycling Services, Water Services, Parks & Open Spaces and Recreation & Social Programs. It also provides light-duty vehicles for Calgary Transit and Calgary Fire. Other external customers include Alberta Health Services, government agencies, and external utilities.

Partners

Fleet Management partners with several City Services including Supply Management, Climate & Environment, Corporate Security & Safety, Information Technology, Facility Management, Collaboration, Analytics & Innovation, Finance, Law and Corporate Planning & Performance.

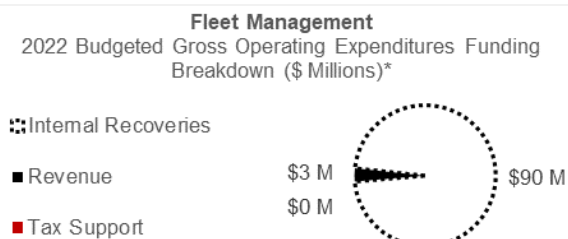
What we deliver

Fleet Management provides professional lifecycle asset management for vehicles and equipment from planning and acquisition to end-of-life management to minimize the total cost of ownership of The City's fleet. Fleet Management provides fabricated items, maintenance, collision repairs and investigation, roadside inspections, legislative, regulatory, and specialized training for City operators.

23,000,000	KMs traveled by City vehicles in 2021
47,184	Work orders completed in 2021
6,301	Vehicle/equipment training hours in 2021
34	Green vehicles owned in 2021

Key assets

Fleet Management maintains over 4,500 vehicles and equipment for The City of Calgary and external customers. This includes approximately 1,400 light fleet vehicles, 1,450 medium and heavy fleet vehicles, and 1,200 motorized and specialized equipment. Fleet Management operates 66 maintenance bays, 10 commissioning bays, and fabrication and body shops.



* Gross operating budget may include internal recoveries that are also included in other services' gross operating cost.

Note: Internal recoveries is how The City accounts for the costs of goods or services between services

What we have heard & what we are watching

What we have heard

Fleet Management promotes two-way dialogue with its customers to ensure awareness and understanding of service needs. Fleet Management relies on customer forums, open houses, steering committees, and daily interactions between Customer Account Coordinators and customers to improve satisfaction levels and collect feedback.

Engagement shows customers value responsiveness, availability, safety, transparency, and affordability, along with innovative and cost-effective solutions that support their service needs. Fleet Management combines customer feedback with telematics to provide enhanced insights, reporting and real-time information to improve safety, customer satisfaction, transparency, and ensure services are resilient and responsive.

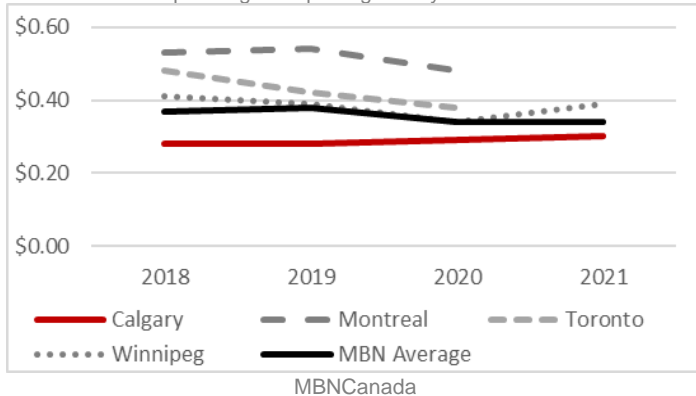
What Council has directed

Council directed Administration to deliver 'faster and better' services for citizens. Fleet Management plays a vital role by providing innovative technology solutions and analytics to improve evidence-based decision-making to modernize The City's fleet. Council and Administration have identified an immediate need to reduce greenhouse gases to mitigate the effects of climate change, improve air quality, and reduce The City's carbon footprint. Fleet Management has developed a Green Fleet Strategy to modernize our fleet by moving away from gasoline and diesel vehicles, reducing fuel consumption, increasing our capacity to procure green vehicles and equipment, and supporting the testing and implementation of new technology through a Green Vehicle Technology Framework. The Green Fleet Strategy will ensure The City leads by example and reduces greenhouse gas emissions while supporting low-carbon, resilient and green operations that strengthen The City's brand and reputation.

What we are watching

The recruitment and retention of skilled trade workers is an ongoing challenge. Paired with rising costs, inflation, demand for new technologies and supply chain constraints these challenges may disrupt operations and ability to be cost-effective. We are watching technological trends including artificial intelligence, autonomous vehicles, and advancements in analytics that have the potential to increase efficiency and right-size fleets. The accelerated pace of electric vehicle adoption poses an opportunity to reduce fuel consumption, emissions and maintenance costs. These benefits are balanced by the cost to replace existing vehicles and install electric charging infrastructure. The new dynamic Carrier Profile R-Factor threshold can result in additional monitoring, service delivery disruption and increased liability. Aging infrastructure and space challenges is a major constraint for operations. A proactive approach is required to get ahead of service impacts and improve safety.

Operating Cost per Light-Duty Vehicle KM



Comparing our service

The City's cost per light-duty vehicle kilometer has remained consistently below the Municipal Benchmarking Network's average.

This measure is impacted by labor, parts and fuel costs, severity of use, driver behaviour, utilization, data quality, environmental conditions, asset age/condition and preventative maintenance plans.

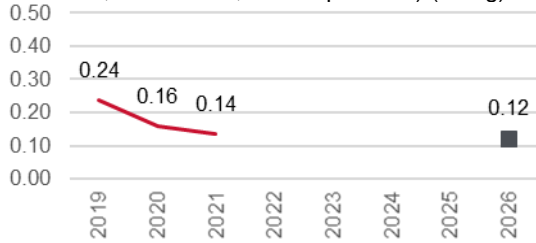
Several initiatives are underway to support improved performance, including idling reduction, improved driver behavior, increased utilization from The City's car share program, Flex Fleet, as well as a transition to utilization-based maintenance for light-duty units.

Measuring performance & where we want to go

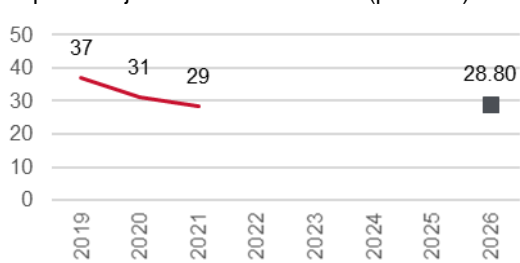
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— Actuals ■ Expected Future Performance

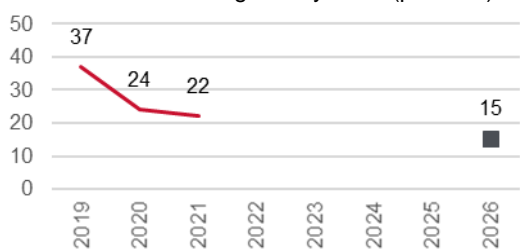
PM1: Carrier Profile Risk Factor (calculation using collisions, convictions, and inspections) (rating)



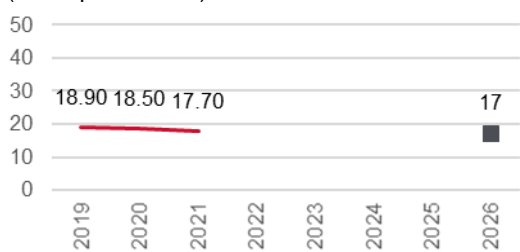
PM2: Maintenance labour hours spent on unplanned jobs - Fix-on-Fail Jobs (per cent)



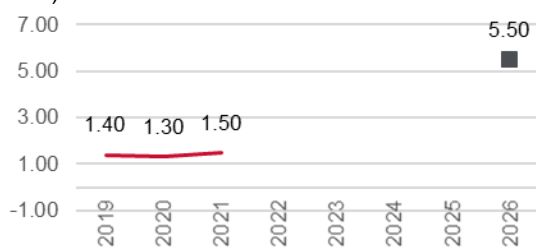
PM3: Underutilized Light-Duty Fleet (per cent)



PM4: Total Fuel Consumed by Light-Duty Vehicles (Litres per 100 km)



PM5: Fleet-Owned Vehicles that are Green (per cent)



Story behind the curve

The Government of Alberta's Carrier Profile Risk-Factor (R-Factor) measures and monitors the on-road safety performance of The City's commercial fleet. Fleet Management strives to consistently stay below the Government of Alberta's dynamic Stage 1 threshold to avoid additional monitoring, service delivery disruption and reduce liability to The City and citizens. With a continued focus on safe operator behaviour, inspections and training, Fleet Management is confident in its ability to further reduce The City's Carrier Profile risk rating.

A lower percentage of labour hours spent on unplanned jobs ('fix-on-fail') supports high availability and uptime of The City's fleet, reduces cost and improves service delivery to citizens. Fleet Management intends to have no more than 30 per cent of maintenance labour time spent on fix-on-fail jobs. This means that 70 per cent or more of the time spent on work orders will be dedicated to preventative maintenance to avoid unexpected breakdowns.

The increased utilization of light-duty fleet vehicles will optimize the use of City assets. Fleet Management will focus on light fleet vehicles travelling less than 7500 km/year and those used less than 50% of working days. Fleet Management will use advanced telematics to support initiatives such as Flex Fleet, The City's car share program, to increase vehicle utilization. This reduces costs to partner business units, while maintaining City staff's access to fleet vehicles.

Fuel consumed per 100 km by light-duty vehicles contributes to the measure of fuel efficiency and the integration of green technology. This measure accounts for the fuel fluctuation and the seasonality of business needs. Fleet Management has developed initiatives to replace existing vehicles with green technology, reduce corporate idling and improve safe and green driver behaviour to increase fuel efficiency and reduce environmental impact.

This measure will support the Corporate Green Fleet Strategy, and Fleet Management's goal of increasing Fleet-owned vehicles to be 5.5 per cent "green". A green vehicle is either zero-emission (e.g. electric), hybrid, or uses an alternative fuel that has a lesser impact on the environment. This description aligns with the current Municipal Benchmarking Network Canada definition. Fleet Management will provide reliable, sustainable and green vehicles through its Capital Asset Management plan and pursue additional external funding opportunities to accelerate the greening of the City's fleet.

What we plan to do

Result for 2023-2026

We will reduce the environmental impact of The City's fleet while implementing initiatives that will improve customer safety and service delivery.

How we are going to get there

Reduce the environmental impact of The City's fleet and contribute to achieve corporate greenhouse gas emissions reduction targets by implementing the Corporate Green Fleet Strategy.

Improve safety and business continuity by investing in critical facility and equipment lifecycle upgrades.

Engage employees to be actively involved in maintaining a safe workplace through participation in safety governance committees, implementation of safety programs and performance improvement.

Reduce liability to The City and citizens by investing in telematics and critical technology infrastructure that will improve vehicle safety and driver behaviour.

Improve vehicle utilization and maximize the use of City-owned vehicles and equipment by advancing Flex Fleet, The City's corporate car share program.

Provide reliable and sustainable service delivery to customers by delivering The City's Fleet Capital Asset Management plan.

Improve vehicle and equipment uptime, service delivery to citizens, and reduce costs by implementing Reliability Centered Maintenance (RCM).

Support critical service delivery and attract and retain a diverse workforce by implementing a workforce strategy for hiring "difficult to fill" positions.

Partner with service owners to consolidate The City's fleet management practices to realize efficiencies and improve service quality and delivery to customers

Ensure safe operation of vehicles and equipment through operator training, testing and certifications for new and existing employees to maintain compliance.

Support efficiency and effectiveness in service delivery by implementing a continuous improvement process framework to engage employees and customers in the implementation, testing, and evaluation of innovative solutions.

Support staff development and performance by providing opportunities for learning and development that promote safety, respect, and inclusion to support Council's strategic direction.

Operating budget needed to achieve results

For Council Approval

Breakdown of net operating budget (\$000s)

	2023		2024		2025		2026	
	Base	One-time	Base	One-time	Base	One-time	Base	One-time
Previous Year's Net Budget	-		140		140		140	
Previously approved One-time budget		-		-		-		-
2022 One-time carry forward		-		-		-		-
Revenue Changes	-	-	-	-	-	-	-	-
Internal Recoveries Changes	(353)	-	(391)	-	(468)	-	(439)	-
Inflation	53	-	391	-	468	-	439	-
Operating Impact of Previously Approved Capital	-	-	-	-	-	-	-	-
Operating Impact of New Capital (Incremental)	-	-	-	-	-	-	-	-
Service Reductions	-	-	-	-	-	-	-	-
Service Increases	440	-	-	-	-	-	-	-
Transfers to/(from) reserves	-	-	-	-	-	-	-	-
Transfers (to)/from services	-	-	-	-	-	-	-	-
Total net budget	140	-	140	-	140	-	140	-

Total Operating Budget (\$000s) for Approval

	2022 Budget	2023			2024			2025			2026		
	At April 30	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	93,074	93,567	-	93,567	93,958	-	93,958	94,426	-	94,426	94,865	-	94,865
Recoveries	(90,301)	(90,654)	-	(90,654)	(91,045)	-	(91,045)	(91,513)	-	(91,513)	(91,952)	-	(91,952)
Revenue	(2,773)	(2,773)	-	(2,773)	(2,773)	-	(2,773)	(2,773)	-	(2,773)	(2,773)	-	(2,773)
Net	-	140	-	140	140	-	140	140	-	140	140	-	140

Note: Figures may not add up due to rounding.

Capital budget needed to deliver service

For Council Approval

Activity	Investment Name	2023 Request (\$000s)	2024 Request (\$000s)	2025 Request (\$000s)	2026 Request (\$000s)	2027+ Request (\$000s)	Total Request (\$000s)
Annual Investment Program(s)							
414450	V&E Replacement	66,000	54,000	41,000	38,000	-	199,000
414350	V&E Growth	3,700	4,400	1,700	2,600	-	12,400
Program(s)							
480810	Facility/Equipment Lifecycle	2,700	2,600	900	700	-	6,900
480800	Data & systems improvements	1,250	1,250	-	-	-	2,500
414470	Green Fleet Strategy	2,500	4,500	4,000	4,000	-	15,000
Projects(s)							
Sub-Total (New Budget Requests)							
		76,150	66,750	47,600	45,300	-	235,800
Previously Approved Budget Remaining							
		25,385	-	-	-	-	25,385
Total Capital Investment							
		101,535	66,750	47,600	45,300	-	261,185

Explanation of capital budget requests

Annual Investment Program(s)

Activity 414450: V&E Replacement

Capital budget request for \$199M (funding from self-supported debt) for the replacement of vehicles and equipment. The City's fleet currently has 25 per cent of the assets nearing replacement requirements to continual provide essential services to Calgarians.

Funding From: Self-supported Debt (\$199,000 thousand)

Contributing Services: None

Operating Impact: None

Activity 414350: V&E Growth

Capital budget request for \$12.4 (funding from self-supported debt) for additional vehicles and equipment purchases. This request will ensure The City's fleet will reflect any changes in operational service levels for the next business cycle.

Funding From: Self-supported Debt (\$12,400 thousand)

Contributing Services: None

Operating Impact: None

Program(s)

Activity 480810: Facility/Equipment Lifecycle

Capital budget request of \$6.9M for the replacement of critical equipment and facility lifecycle upgrades to support essential services. This request maintains legislative, regulatory compliance and ISO standards. It is critical to safety, business continuity, and service delivery.

Funding From: Lifecycle Maintenance & Upgrade Reserve (\$3,605 thousand) Self-supported Debt (\$3,295 thousand)

Contributing Services: None

Operating Impact: None

Activity 480800: Data & systems improvements

Capital budget request for \$2.5M for critical technology and information system automation and integration. This investment will ensure reliable and accurate data to support operational, tactical, and evidence-based strategic decisions.

Funding From: Pay-As-You-Go (\$1,750 thousand) Self-supported Debt (\$750 thousand)

Contributing Services: None

Operating Impact: None

Activity 414470: Green Fleet Strategy

Capital budget request of \$15M to implement the Green Fleet Strategy and support the procurement of green vehicles, technology and infrastructure. The Green Fleet Strategy supports corporate Green House Gas emissions reduction targets by reducing the environmental impact of The City's fleet.

Funding From: Municipal Sustainability Initiative (\$15,000 thousand)

Contributing Services: Public Transit

Operating Impact: None
