

***Service Delivery and Modernization Review
of Fleet Services***



City of Brockville



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I.

Executive Summary

The City of Brockville operates a diverse commercial fleet of passenger, vans, light and heavy duty trucks, commercial trailers and heavy equipment.

Fleet is considered a service department for 99 vehicles, 18 trailers and heavy equipment (quantity unavailable). The fleet units are distributed throughout the organization and partner services as follows:

- Fire Services
- Police Services
- Transit Services
- Oakland Cemetery
- Fleet Services
- Finance Department
- Planning / By-law
- Facilities
- Engineering
- PW - Parks
- PW - Roads/Sewers
- Water/Waste Water Systems

The City's mandate is to provide a cost effective solution for vehicle and equipment needs, without compromise to safety. In addition to compliance mandates from all authorities, specifically the Ministry of Transportation and Commercial Vehicle Operator's Registration (CVOR).

Course Capital Consulting (**C³**) was engaged to review the City's existing fleet function for service delivery and modernization, aimed at identifying opportunities for efficacy and financial improvements. **C³** is an independent supplier of consulting services in the specialty and expertise of fleet policy, management and reimbursement programs.

Using a score card format, the fleet function was measured on industry best-practices for lifecycle cost analysis, technology and criteria for logic-based decision making.

Beginning with the **strategic plan**, the current assessment needs improvement to align the fleet assets with the overall asset management plan, utilizing lifecycle or Total Cost of Ownership (TCO) in its methodology.

A formal **fleet policy** is highly recommended as it does not currently exist for the fleet function. Portions of the policy should be deferred until improvements to existing processes and staffing have been re-evaluated and a new system for modernization of the fleet data is selected. Implement a standardized business-case template (regardless of division or partner) to assist council with decision making criteria for their approval process.

The existing **replacement criteria** is based on years in service, operating expenses and remarketing are excluded. This is a priority action item, to determine when operating expenses outweigh the benefits of (replacement) capital investment in a new unit, will provide significant cost savings. Establishing 2nd life criteria, may be required for occasional use or seasonal needs with established parameters. Replacement criteria, catastrophic failure and selector criteria for each class of vehicle and its application are recommended.

The fleet department is prime for procurement improvement, all elements of **fleet acquisition** need improvement. Current methods rely on retail dealers providing multiple bids. Best practice fleet procurement, would provide the City access to manufacturers fleet pricing, provided transparency and disclosure of fleet concessions and pre-negotiated delivering dealer mark up. Implementing standard specifications for select vehicle categories will streamline the process. Anticipation of a new fleet system will negate the current on-boarding issues that exist currently. Funding reserve levels were reviewed the cashflow model. Modernization of the fleet replacement policy will require a more detailed analysis of funding reserves and alternative funding options should also be included with review. Our current public health conditions are extending manufacturer required lead times, for factory orders.

By definition, the City does not use fleet **remarketing** in its asset disposal, salvage or liquidation would provide a better description. Access to wholesale remarketing expertise will be a desired improvement, when replacement cycle is amended to TCO. Remarketing values will be used for creating standard specs on utility light-duty vehicles.

Each fleet unit incurs fixed and operating costs during its on-road life. Industry best practice for **fixed cost** is to match the depreciation rate with vehicle application and usage, the current depreciation rates do not. By using a 10-15 year amortization, the depreciation rates are far lower than industry standards, and may reflect an artificial cost benefit. Without the ability to manage escalating maintenance costs as the unit ages, logic based decision making is not be possible.

By monitoring **operating cost** and preventative maintenance ((PM) compliance to original equipment manufacturer (OEM) schedules, trends will emerge and key performance indicators (KPI) will provide economic data for informed decision making. PM compliance was not available. Fleet reporting for fuel, maintenance, repairs and tires are measured at the unit level. For units that require idle hours, the unit should be benchmarked by kilometer and per hour, presently both benchmarks cannot be obtained for City units. Until a new system is implemented, data mining of the existing system can be retrieved, this is a priority recommendation. This will require manual manipulation of data, however can be actioned immediately if resources permit.

CVOR incidents are a major threat to organizations, the City's fleet function has placed regulation compliance as its top priority to mitigate risk and liability in the event of an incident or inspection. Not to minimize **regulation of CVOR compliance**, it appears the threat of non-compliance may have been over-prioritized and in essence hijacked the fleet function. This ideology of "compliance at all cost" may offer insight into the financial reporting deficiencies. We would encourage "out of service" time for both driver and fleet unit be measured or at minimum subjectively reviewed, cost can be significant and easily obscured.

Reporting is the most critical tool for effectively managing fleet units. The City's access to financial reporting of KPI's in a useable format should be priority # 1. The current platform for managing fleet assets is antiquated and support will be discontinued July,

2021. Modernization of the fleet system will require a market evaluation of available service providers. Integration with the “in house” garage, fuel and finance system are imperative, in addition to process improvement or inclusion for parts inventory when reviewing vendor options. Alternatively, existing systems currently used by the City may offer a low cost platform, however tailor made fleet systems are designed to minimize administration time. The goal is to capture real-time data, in a simple and useable format for both the fleet administrator and senior management. This is an immediate action item identified in the triage of priorities for fiscal improvement. The lack of quantifiable data was a major obstacle for this review and rendered financial cost savings limited to qualitative data only.

Risk management within the scope of this project was limited to insurance adequacy. In review of the **safety and accident programs**, we suspect there is a priority placed on safety within the corporate culture. The existing safety and accident programs are very good and reflected in the Safe Driving Awards Program. Modernization of the fleet system may offer automation solutions for driver safety programs and should be included in the City’s criteria. If the City’s has congruent Health and Safety programs, record keeping and compliance may streamline and simplify administration.

The fleet **staffing resources** are in transition as the organization’s division, department and partner services were reorganized December, 2020. The fleet administration function has not been assigned in the new organizational structure. The administration demands of the existing fleet function far exceed industry best practice. The “in house” garage foreman and technician staffing are within industry norms. The role of fleet administration is commonly outsourced, this may offer fiscal savings and should be included in the next phase. Once a new platform for fleet management is chosen, the administrative requirements will change, to what end, is yet to be determined.

The service delivery model and modernization review of the City’s fleet program is in critically poor condition. The lack of available financial data to quantify results and provide financial recommendation within the scope of project, serve as testimony to this conclusion.

Next steps:

Repair the foundation of the fleet function by modernizing the technology platform. A new foundation, designed for the complexity and specificity of managing fleet assets will provide the performance and financial data needed for logic based decision making.

Align fleet investment with the strategic direction of other City managed assets to a lifecycle model or TCO model, the industry standard. This consensus approval is paramount to achieving financial savings for the City’s fleet division and their respective service customers.

Once adopted, replacement criteria for each fleet category can be developed using historical data, knowledge experts, industry benchmarks and application criteria.

II.

Strategic Plan

Industry Best Practice

The fleet management strategy should align with the overall strategic direction, goals and priorities of an organization. The strategy must be considered as part of your overall approach to asset management, funding or financial resources for sustainability. In addition, cultural and environmental aims should be included in its development. A key part of the strategy is defining the purpose of the fleet. A good fleet management strategy should outline how the fleet fits in with the objectives of the business as a whole. Contingency planning for emergencies and service interruptions would be appropriate inclusions for municipalities.

City of Brockville Existing Methodology

The City of Brockville has initiated various strategic plans to guide the City's management, elected officials and citizens into the future. Prior to commencing this project, all strategic plans were reviewed to ensure alignment with this project's mandate.

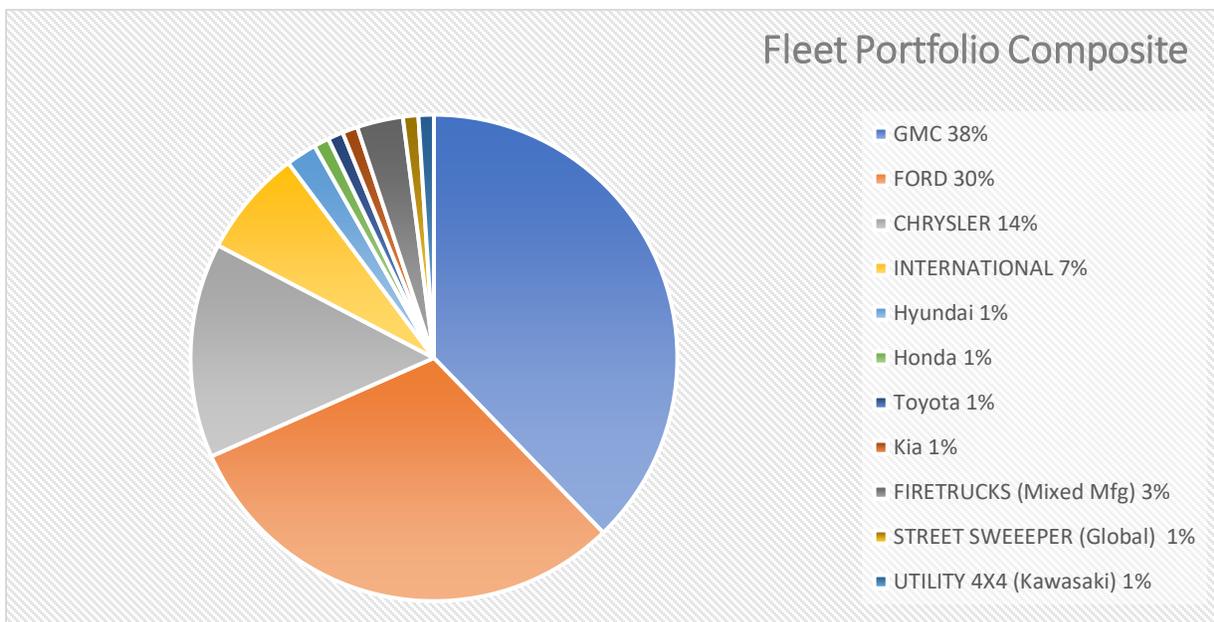
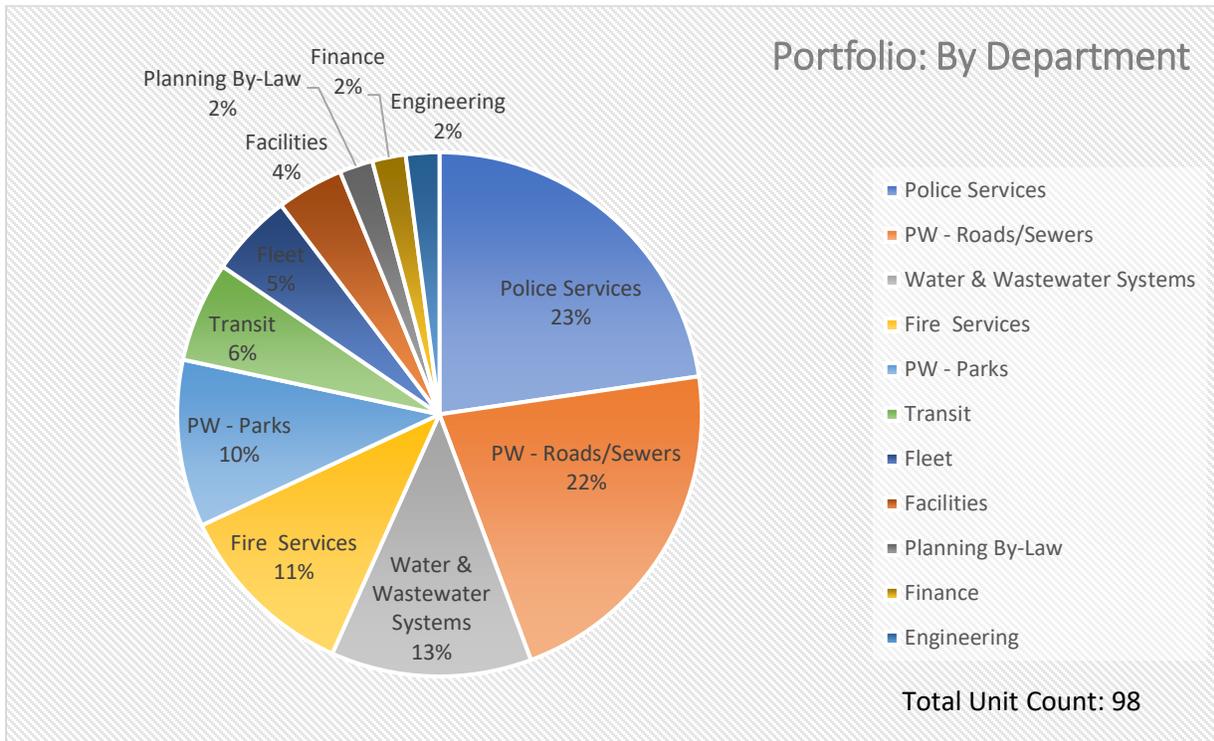
The City of Brockville has an Asset Management Plan, the original version was issued in 2013, and updated in 2016 by JL Richards & Associates Limited. In 2016 fleet assets were valued at \$11,000,000, as one of nine categories included in the infrastructure assets. In addition, The Community Strategic Plan (CSP Version 4.4) was also reviewed.

In August, 2019 the Fleet and Support Services provided an update to the division's strategic aims. "The Centralized Fleet Concept was put in place in 1986 as a system and operation that would maintain and service the Corporations Fleet in the most efficient and effective manner. The Fleet and Support Services Division monitor and maintain the Corporation's \$14,500,000 fleet, including a long-range fleet replacement plan. The Division makes recommendations to the Senior Management Team and the user department, who decide the path forward."

The fleet inventory was limited to licensed rolling stock (vehicles and trailers) only, and did not include unlicensed rolling stock or equipment i.e., "yellow iron", with the exception of the Utility 4x4 for the Parks division.

Fleet Inventory Summary:

- 98 power units and 18 trailers, plus one unit in storage
- 38 power units are registered under the City's CVOR (39% of fleet)
- 8 vehicle OEM's were identified, excluding the fire truck manufacturers
- Allocated to 11 City Divisions, departments and partner services



Score Card

	Assessment	Score	Rationale
Strategic Plan	Lifecycle “total cost of ownership” are not applied to the fleet function	N/I *	The fleet function does not support the City’s strategic initiative.
Asset Replacement Value	\$8.2 million insured rolling stock	Adequate	Data provided
Asset Replacement Value	Equipment insured value	n/a	Unavailable

* N/I: Needs Improvement

Recommendation

Amend fleet assets to align with the City’s strategic asset plan, to include fleet specific best practices for lifecycle strategy or total cost of ownership (TCO).

Review the fleet function to align with the City’s revised Organization Chart. The current functionality, existing staff roles and responsibilities should be reviewed as its likely to identify the managerial gaps and processes improvements.

Recommend priority modernization of the fleet system is required for real-time, comprehensive and integrated data.

III.

Fleet Policy

Industry Best Practice

Fleet management best practice begins with a comprehensive and well communicated fleet policy to clearly outline the purpose and goals of an organizations company provided vehicles. A policy should be customized to tailor the unique needs of an organization and the special considerations according to the fleet’s composite. The fleet policy should include input from key stakeholders, such as human resources, finance, procurement, risk management, fleet staff and senior management.

Fleet staff monitor and enforce policy compliance and require the support of senior leadership. Without senior management support, the desired effect, compliance and accountability will be compromised. An annual review of the policy will prevent it from becoming stale, providing a sustainable document to capture updates from appropriate provincial Ministries.

City of Brockville Existing Methodology

The City does not have a comprehensive fleet policy. The 1992 NAFA Fleet Manager’s Manual is utilized as a reference document when needed.

There is a plethora of memo’s, procedure documents, processes, authorization forms, compliance instructions, education and training material that have been created over the past three decades, and if provided have been reviewed for this project. Initiated in August, 2020 migration of fleet documentation to the City’s server is a good starting point for process mapping of the existing fleet program.

Fire and Partner Services Division will have additional policies and governing authorities that have not been reviewed in the scope of this project. In addition, Transit buses will have Ministry and regulation mandates that have not been included in the scope of work, but will need to be incorporated in developing a comprehensive policy.

Score Card

	Assessment	Score	Rationale
Policy	The City does not have a comprehensive fleet policy.	N/I	Data silos, RTA system, processes, contradicting policies do not provide the resources necessary for a comprehensive policy.

Recommendation

- *We recommend the existing fleet processes and/or functions are re-evaluated, with a strong emphasis on process mapping for redundancy, duplication and administration demands prior to policy development*
- *Re-evaluate fleet resources, many elements of the existing function will not support modernization or nor are they cost effective*
- *Provide elected officials a business case **template**, providing financial transparency and accountability to approve capital expense requirements.*
- *A comprehensive fleet policy, customized for the Municipality is recommended*

IV.

Replacement Criteria

Industry Best Practice

The aim of professional fleet management is to provide reliable and safe transportation at the lowest possible cost. Finding the “sweet spot” for when to replace a vehicle, ideally before maintenance costs and downtime begin to rise, but while resale values remain profitable, yield the best use of financial resources and performance. The goal is to **pinpoint when operating expenses outweigh the benefits of capital investment in a new unit**. Each category of vehicle or equipment type will require its own replacement criteria in the time-mileage (time-hour) continuum for lowest total cost of ownership. Equipment and vehicles that include idling hours in their performance require additional comparative criteria, expressed as operating cost per hour /operating cost per litre.

City of Brockville Existing Methodology

Lifecycle or “total cost of ownership” analysis is excluded from the replacement criteria.

The existing replacement criteria is triggered by years in service. The replacement criteria is 10 years for passenger and light duty vehicles. For medium - heavy duty vehicles and heavy equipment the replacement period is 15 years. Odometer and hour meters are not included in the replacement criteria.

Maintenance cost analysis is mentioned in supporting documents at the 10 & 15 year trigger for replacement, this appears to be a retrospect view of historic operating costs.

Maintenance & repair expenses during the “on road” or “in-service” period from 0-10 years are excluded in monitoring vehicle performance, unless the unit experiences a catastrophic failure prior.

Using the current cash flow model, remarketing is excluded. Proceeds on sale are better described as liquidation value or salvage value, as depreciation is fully amortized and asset/book value is \$0.

When on-boarding a new unit into the RTA fleet system, the system is binary, limited to odometer OR hours, it cannot support units requiring idle-time (hours) and mileage (odometer) for accurate lifecycle monitoring.

Key performance indicators (KPI) required to support best-practice replacement criteria are not available with the existing system. The existing system does not support the City’s mandate to effectively manage resources. The existing RTA fleet system does not

provide reporting for fundamental monitoring of the fleet function. In addition, canned-reporting is available as “view only” and is unworkable. The fleet parts inventory manual task is a costly administrative process and its value is unclear.

Without a documented reference, we *assume* the replacement criteria was chosen to align with the City’s 10-year capital expenditure plan.

Inference to the “shell & pea” game for competing capex requirements, during the budget approval process, will hinder effective fleet management.

The replacement criteria for units that experience catastrophic failure prior to their 10-year *expected* service life are unknown. We *assume* there is no contingency plan or process for logic-based decision-making, we use the Public Works Vac Truck failure as an example.

The 2nd Life fleet units are extended beyond their 10-year anniversary and we have been unable to identify what rationale is used for this classification. It is noteworthy, the units include small equipment (mowers), heavy equipment (backhoes), specialty equipment (compressor) in addition to rolling stock.

2nd Life In-Service Units

- For 2021, 5 divisions have identified 34 units

2nd Life – Out of Service (Decommissioned)

- For 2021, 4 divisions have identified 9 units

We could not source rationale for the repair cost criteria that determines when a 2nd Life vehicle is no longer viable and reclassified from *In-Service* → *Out-of-Service* (Decommissioned). We *assume* repair cost is the determining factor, but have no evidence to the repair \$ limits that re-classify the asset.

Utility trucks with plows are procured on one RFQ specification, this is not standard practice for asset management. Attachments that can be removed, re-conditioned or be redeployed to another power unit should be assigned their own asset ID and managed accordingly.

The fleet data base does not easily distinguish asset types. The sifting of data and management / replacement of small assets should have their own replacement process.

The replacement criteria suggest driver & vehicle downtime would be exponentially higher than lifecycle methodology, this quantifiable data is not available for review.

A fleet culture that promotes extending the life of aging equipment, due to a lack of usable reporting data, would be the key indicator that a fresh fleet strategy is priority.

Fleet units for Fire, Police and Transit do not adhere to the existing “cash flow model”. Each of these partner services / divisions have outside governance and authorities that

may offer insight into their replacement criteria. The replacement details for fire, police and transit criteria were not available and beyond the scope of this project.

During discovery, commentary for replacement included:

- Transit Units: 5-6 years and/or 250,000 km
- Police Units: 3 to 7 years and includes leasing for funding new units

Inflation index used to forecast the capital cost (years 6 through 10) may be an over-estimate for light duty vehicles, the funding reserve relevance, if any of this over-inflated capex value is unknown.

Score Card

	Assessment	Score	Rationale
Replacement Criteria	Years in service is the trigger point for replacement criteria.	N/I	Lifecycle methodology is a best practice for optimal asset replacement.
	Lifecycle methodology is not used.	N/I	Align asset management with the City's strategic plan.
	Antiquated system will not support any improvements to the fleet's functionality or financial effectiveness.	N/I	Without an effective fleet system, mandates for process & financial improvements cannot be realized.

Recommendation

Avoid organization behaviour that promotes the greatest risk i.e., accepting and failing to question the way things have always been done.

Prioritize a new fleet management system as the foundation to any and all future improvements. A fleet system should be considered as the tactical planning tool to support strategic goals. The customized fleet solution should support unit level KPI's, integrating data into the City's financial system. Integrated data from the existing fuel system, include a solution for parts inventory and real-time data from the City's "in-house" garage service, as a preliminary assessment of needs.

Recommend the preliminary assessment of TCO, using historical data by mining the existing RTA system. Inference, suggest the data is available. A deep dive using manual data mining may be the only way to initiate a review of unit level operating costs. The historical data, from RTA will need to be included in the integration of a new fleet system. The TCO analysis is the starting point for developing replacement criteria.

Develop basic vehicle selector criteria by vehicle category, for example:

- *¾ ton 4x4 work trucks and apply to all department/divisions*
- *½ ton utility work truck*
- *Medium duty cab & chassis with dump box*

Contingency planning for catastrophic failure should be included in the replacement criteria. Failure events without a defined process & criteria have potential drastic financial implications to the opex budget. Failure events without timely solutions have a ripple effect to the City's infrastructure repair work flow planning and postponement of scheduled maintenance.

V.

Asset Acquisition

Industry Best Practice

The decisions you make during the acquisition phase can significantly impact your total cost of ownership (TOC). The best acquisition strategies will include the following:

- Funding resources and options for purchase, lease or long term rental
- Access to manufacturers pricing, ordering, fleet discounts and transparency for dealer delivery fee: *“Cost – plus” procurement method*
- Partner with subject experts via buying groups, fleet management companies (FMC) or direct negotiation
- Standardize vehicle specs for each division or application wherever possible
- Timing of acquisition is critical, current trends are negatively impacting fleet replacement lead times and are expected to continue
- Proactive inventory management, historical data and tracking month to month will provide the best indicators for a vehicles & equipment performing/costing below or above norms.

Fleet acquisition is a key component of a fleet’s strategic plan and should be in synch with your remarketing goals, fuel management, maintenance etc; all aspects of TOC.

City of Brockville Existing Methodology

The new City procurement practices are detailed in the [2020 Procurement Policy](#). It is our understanding the procurement function is currently in development regarding staffing and continuous improvement as it is implemented throughout the organization. Refer to Section 2.0 Methods of Procurement and Thresholds for details applicable to fleet purchases.

The Fleet department is prime for procurement improvement. The August 10, 2020 Fleet Replacement Program – Cashflow Model maps the budget and allocation process from budget proposal → approval(s) and authorization(s) → allocating costs by user → Operations approval → Finance approval → Council budget approval.

The specs are then determined, for each individual unit by the fleet foreman and “end user”. An RFQ is sent to 6-8 retail vendors (Dealerships). All manufacturers who offer the desired spec/model are represented in the “RFQ” process, example GMC, Ford, Chrysler and import manufacturers when applicable.

The current RFQ procurement method can be summarized as “MSRP less discounts”. The discounts are not itemized, do not offer transparency or audit-accountability, in addition the RFQ vendor submission forms do not provide for disclosure of dealer mark up or other fees. Best practice “Cost plus” fleet procurement is not available in the current process.

The fleet department has provided case studies that demonstrate a 2 year time frame, from identifying a replacement unit to delivery with the existing cashflow model.

Case Study Unit # 21510 (2010 Ford F250 S-Duty Pick Up Truck)

May 2017 – vehicle identified for replacement, year 8 of 10 year expected life

March 2018 – tender sent to vendors

October, 2018 – PO issued to vendor

April, 2019 – new unit delivered/ in-service

Noteworthy; it is unknown why/how Unit # 21510 is currently in service, as of July, 2020. It appears contradictory, as the unit was too costly to repair in 2017 and identified for early replacement. Logic based decision making, is a financial decision. Without financial reporting to support decision making, the tendency is to repair. Without financial reporting, repair expenses accumulate to what end? Without a Lifecycle or TOC replacement model, repair expenses for aging units are typically an ineffective use of financial resources.

Vehicle Selector / Specifications are not currently used in the utility fleet function. There are established patterns within the fleet composite for “utility units”.

Utility units; defined for the project refer to ½, ¾ and 1-ton to pick-up trucks and cargo vans used by PW, Fleet, Engineers, Facilities, Parks, Water & Waste Systems. These work trucks/vans have similar applications and would be prime for selector development.

Transit buses are the exception to standards development. Transit bus standards are established using the Ford E450 cab & chassis platform and accessible 18 passenger body. The existing transit buses averaged manufacturer’s 6-month lead time from order placement to delivery.

The procurement function has begun preliminary investigation of available options through AMO “Association of Municipalities of Ontario” and LAS “Local Authority Sources”. Co-operative procurement groups for non-profit and municipalities are available and we encourage continued investigation into cost savings applicable to fleet units. “Government fleet managers should determine whether their own agency has established contract prices, and whether the agency is eligible to purchase under the contract established by broader government agencies.” 1992 NAFA

On-boarding process for a new fleet unit:

1. Fleet staff inspects and approves the unit for payment
2. A unique identifier is assigned to the unit
3. New unit is entered three (3) systems; RTA, Fuel, Cashflow Finance Model
4. Insurance notified
5. Driver training documented

When on-boarding a new unit, the description data is inconsistent, we *assume* this is a reflection of the aged RTA fleet system. Modern fleet management systems would provide streamlined “drop down options” to eliminate inconsistency in data entry.

The set up function for a new unit is critical as it populates the fleet management system for compliance for PM schedules, CVOR annual inspection schedule, vehicle recalls, warranty work etc.

Hard copy files are created for each unit by the fleet staff. Original ownerships are also kept with the fleet staff for renewal of license plates and the manual task of copying and distributing. Driver training records are also kept by the fleet staff, rather than human resources.

Adequacy of funding reserve levels have not been ascertained for this project. A comparison of Capex Budget vs Capex Spend (actual) for 2020 and 2019 were not available from the fleet staff, however may be available from finance.

Score Card

	Assessment	Score	Rationale
Asset Acquisition	Fleet pricing nor concessions are accessible	N/I	Retail price model without transparency
	No standard spec	N/I	Utility truck and van specs are good candidates for standardization
	Cashflow model	N/I	Remarketing value not in replacement criteria
	Unit level reporting not available	N/I	Decision making financial data not available

Recommendation

Prioritize fleet procurement in the implementation plan of the City's strategy for purchasing enhancements. Government fleet concessions may be applicable to the City's acquisition needs and OEM regional representatives may offer assistance to access.

Contingency planning for parts procurement when catastrophic failure has taken a critical equipment "out of service". Are the thresholds for approval, and subsequent process to gain purchase approval appropriate for fleet needs? There may be a need for "exception criteria" in the procurement process. Failure events without timely solutions have a ripple effect to the City's infrastructure repair work flow planning and postponement of scheduled maintenance.

Recommend process mapping to further understand & illustrate the various fleet functions and their existing relationships to each other. To this end, we conclude the objectives of the fleet function be renewed from "ground zero."

The revised organization chart, is a key indicator that the existing fleet process not be adopted – modernization will not be possible without aligning strategic goals and building the tactical plan to support those goals.

Alert only, 2021 lead times for factory orders are trending 6-12 months for light duty vehicles, rather than previous industry averages of 3 months.

Recommend procurement improvements, access manufacturers wholesale pricing rather than accessing fleet pricing through the retail dealers without transparency or disclosure.

Create spec criteria for each of the common utility categories for light duty, medium duty applications, this is a good starting point to action.

We recommend a "cost plus model" for fleet procurement will eliminate the excessive admin time to illicit, review and action each fleet purchase. We are unable to find value or cost benefit, in the admin time required to process 6-8 retail quotes for each replacement unit. Factory-paid dealer delivery fees should also be negotiated along with receipt of fleet incentives. Once a transparent net price is established, the fleet manager should negotiate a reasonable flat fee of profit for the dealer.

We recommend attachments are not included on the same RFP/RFQ as the power unit. Best practice would suggest ancillary equipment that can be removed, serviced and potentially redeployed to an alternative power unit would require its own preferred spec and the asset would be managed separately, example; plow blades.

Recommend a review of capex budget vs capex spend for years; 2020 – 2017 for comparative purposes, to assist with funding reserve level adequacy.

VI.

Remarketing

Industry Best Practice

Remarketing vehicles is the controlled disposal of fleet assets that have reached the end of useful life to the organization.

Depreciation is the largest cost when operating a fleet of vehicles and accounts for approximately 40% of overall fleet spend. In order to effectively operate a safe fleet and manage costs, implementing an effective remarketing program is the key to fleet efficiency. After the completion of your lease term or when owned vehicles are due for replacement, the next step is to remarket your vehicle to ensure you are receiving the best return possible.

City of Brockville Existing Methodology

Remarketing is not included in the current fleet program.

The disposal of scrapped vehicles/equipment is determined by the fleet staff when a condition report and technical assessment deem the unit unsafe/unfit for use.

Once fleet has removed unit from service, senior management authorization is required for disposal. Disposal methods include:

1. In-house silent auction
2. Auction house
3. Scrap yard

Proceeds of sale are tracked and a summary report is prepared for the Finance Department for year-end adjustments.

During discovery for this project, we had contradicting data that units unfit for use, or considered “scrap” are not sold for salvage and these units are in still on the property, or paraphrased as “the bone-yard.” This comment was referenced for vehicles, heavy equipment and small equipment.

Sourcing an asset list of salvage equipment “boneyard assets” was unavailable but its existence was acknowledged.

A list of 2nd life units was sourced from the 2021 Fleet Reserve Plan. The criteria to determine what changes the status from primary life → 2nd life → scrap was unavailable, nor has it been determined during this project.

In our review, condition reports and photos were provided to demonstrate the unfit status. However, the maintenance and repair cost of keeping a vehicle road worthy until it is “unfit” were not available from the fleet department.

Utility trucks are sold with removable attachments (plows) this is not standard practice for asset management. Attachments that can be removed, re-conditioned or redeployed should be monitored and remarketed separate to the power unit.

Noteworthy, Transit buses are replaced at 5 years / 250,000 km. Reports for sale proceeds average \$7,000, approx. 8% of their original capital cost. This equates to 1.67% per month depreciation per month.

The RTA system cannot measure vehicle / equipment performance for hours and odometer. At set up, the fleet staff must choose one only, for units that are measured by hours only – the fleet staff uses a conversion rate of 1 hour=55 km. The conversion rate is within industry standards, however its primary purpose is to maintain the preventative maintenance (PM) schedule for oil changes, when the odometer reading does not accurately reflect internal wear and tear when idling.

Score Card

	Assessment	Score	Rationale
Remarketing	Not included in current method.	N/I	Critical component to lifecycle management.

Recommendation

Until a Lifecycle or TOC replacement policy is adopted, remarketing recommendations cannot be applied to the existing strategy: keep it road-worthy until its value is salvage/liquidation.

The repair and maintenance cost to keep a vehicle operating until “unfit” is not typical for commercial fleet management. As vehicles age, the repair costs will outweigh the benefit of keeping it safe and operable. We strongly recommend a financial review to determine the optimal replacement period – as detailed in Section IV, Replacement Criteria.

When a Lifecycle approach is adopted, we strongly encourage remarketing will require a subject matter expert, this is not currently available. As a rule of thumb, the more specialized a vehicle/equipment, the smaller the remarketing niche to source for maximum proceeds. Remarketing resources for wholesale fair market value (FMV) will need to be sourced and developed.

VII.

Fixed Costs

Industry Best Practice

Fixed costs are incurred with or without the odometer or hour meter moving. These costs include depreciation, rental/lease expenditures, insurance, taxes, licenses, cost of capital, and management fees. The largest of these costs is depreciation. The economic cost is calculated using the complete purchase price of a vehicle or equipment less the remarketing or salvage value. Best practice for calculating depreciation rates in a TCO replacement program, factors the remarketing value at end of life (undepreciated value) with the aim of establishing a break-even point.

City of Brockville Existing Methodology

The City's current method is to fully amortize capital cost over the capex assignment of 10 years (light duty) or 15 years (medium-heavy duty). To fully amortize the capital cost, the respective depreciation rates are:

- 10 year is 0.833% per month
- 15 year is 0.555% per month

As a reminder, the TCO goal is to **pinpoint when operating expenses outweigh the benefits of capital investment in a new unit.**

The City can expect depreciation rates will increase in the TCO model, with the goal of reducing overall cost of ownership. Without tracking and monitoring maintenance costs as the vehicle ages, the patterns for optimal replacement period cannot be determined.

When vehicles fall short of the 10-15 year life, short/long term rent contracts allow essential City operations to continue, however the contingency cost can be excluded from the analysis. This potentially shelters the expense in the op-ex budget, and does not reflect the actual fleet expense. The early failure of the City's vac-truck is a tangible case in point.

The City uses a variety of funding options, primarily debentures or operating lines of credit. The scope of this project does not include a review of the cost of funds.

Fixed expenses reporting was unavailable, typically this would be a required fundamental of fleet reporting by unit or per vehicle.

Score Card

	Assessment	Score	Rationale
Fixed Costs	Vehicle Insurance current	Adequate	Equipment insurance not provided
	Licence processing	Adequate	Industry standard
	Depreciation fully amortized	N/I	Under-depreciated based on use

Recommendation

Recommend a formal recycling policy be developed, anticipated fleet expenses may be underestimated by contingency spending for rental replacements. As a result, the opex budgets are not reflective of true operating expenses.

VIII.

Operating Costs

Industry Best Practice

The operational fleet management costs are those that arise from day-to-day vehicle/equipment activity. These associated costs include fuel, maintenance, service, tires and repairs. These costs are variable and measured on a per km and/or per hour basis. Operational costs for older or higher mileage vehicles are generally expected to be higher than younger lower mileage vehicles. Maintenance cost per litre of fuel burn rises and fuel utilization declines with the age of the vehicle. This is the largest source of operational costs in a fleet and therefore measurement and control of these costs are paramount. *“You can’t manage what you can’t measure.” Peter Drucker*

City of Brockville Existing Methodology

Replacement criteria requiring time-mileage (time-hour) continuum for lowest total cost of ownership is not available with existing systems of silo data.

Details for the existing fuel and maintenance functions are documented as follows:

- 24 Hour Fuel Station – GWMC, August 4, 2020
- Maintenance & Fuel Budgets for Corporation Vehicles/Equipment, August 13, 2020

Fleet maintenance and fuel expenses are allocated to the department/division.

Maintenance budgets are extrapolated from historical data of each unit and a 3-year average is used to project the upcoming year. With maintenance cost increasing for older units, a projected expense should include a reasonable increase. Historical averages will not reflect the trending increase that would be expected. It is unknown how the unit data is populated to excel as the RTA system does not download into useable reporting. In addition, a 4-year comparison of actual maintenance cost are analyzed by the fleet staff and “end user.” The 3-year and 4-year excel reports were not available from the fleet function for this review.

The data available in excel format for this project was extracted from the list of insured vehicles & trailers.

Anticipated fuel expense is budgeted similarly, reflecting changes to commodity pricing. The fuel budget is also available in excel format, unavailable for review. The fuel billing

report was provided, it is unclear what analysis is done on fuel cost in the management function. The FOB system, captures real time odometer readings and provides security and control, however it is unclear how potential abuse is to be assessed.

Analysis and decision making for fleet repairs are detailed in the document:

- Vehicle Repair Maintenance Cost, August 13, 2020

The fleet staff estimates the repair cost and determines if the unit warrants additional investment in repairing to keep in-service. The criteria or tipping-point for decision making is listed as: age – condition – residual value.

Residual value typically represents the “book value” of the asset and is a reflection of undepreciated capital cost. We suspected the term may be referencing wholesale fair market value (FMV), or salvage value. It’s unknown how the FMV or salvage value is determined without access to fleet remarketing expertise. Reminder, the City’s residual book value has no reflection on unit’s remarketing (resale) value.

For repairs valued over the \$5000 dollar range, the Procurement Policy 20.139 is applicable to authorizing the parts purchase. Typically, commercial fleet operations could not afford the downtime or “out of service” of a unit while it waits for the procurement process and subsequent approval. We have conflicting data on this topic from the discovery data.

For light duty trucks, a pool or surplus vehicle may serve as a replacement, while a unit waits for parts approval. However, for specialty equipment / vehicles there is likely no alternative other than to delay the construction work plan. How are urgent construction demands executed if the unit is out of service? For specialty equipment, OEM parts distributors are most likely limited and a single source purchase will be the only option.

In house garage operations are managed by the Fleet Foreman, who supervises 3 highly qualified technicians with access to a 4-bay garage. The in-house garage provides service for:

- PM service for all fleet vehicles & equipment:
 - Passenger cars
 - Sport utility vehicles
 - Light-duty pickup trucks and Vans
 - Medium & heavy-duty trucks
 - Firetrucks
 - Transit buses
 - Yellow iron & construction equipment
- OEM’s recommendations are followed for scheduling all PM requirements for oil changes and maintenance schedules
- Repair service for all break-fix occurrences
- CVOR annual inspections

In-house maintenance facilities provide the City with immediate access to repairs for all vehicle and equipment break-downs in construction and snow removal operations. An “out of service” asset may expose the City to liability.

The work flow planning for PM scheduling to minimize vehicle and driver downtime could not be assessed. Contradictory intel on driver satisfaction was obtained, specifically with regards to driver down time for PM oil changes.

Maximum capacity or % utilization of garage facility is currently unknown. The financial expense to provide in-house garage service was unavailable.

An internal labour rate of \$35/hour (est. 2001) is allocated to work orders and charged to appropriate department. External labour rates are established at \$98/hour and are a better reflection of current market rates. The subsidy of the internal labour was not quantifiable. If a market comparison is performed, the labour rate subsidy may artificially reflect a lower overall maintenance cost that is actually incurred. This amount should be reflected in the comparison.

Warranty recovery expense for in-house garage operations were not reviewed for this project.

Compliance of PM schedules are critical to vehicle performance, non-compliance is a major cause of unnecessary and costly repairs. Real time data for fleet reporting is an important component to identify non-compliance. The current system does not provide timely or real-time data.

Score Card

	Assessment	Score	Rationale
Operating Costs	The financial and KPI data is not available.	N/I	Decisions are not made with the long range view, repairs can continue to keep a unit in-service “at all cost”.
	Fleet reporting at the unit level is not integrated.	N/I	Fuel costs are recorded but reporting is unavailable.

Recommendation

Recommend an assessment of fleet demands for service delivery, specifically are OEM part requirements, to complete a repair causing delayed “out of service” time.

Driver and departmental surveys for “internal customer” would be recommended, specifically comparing simple PM scheduled maintenance vs a break-fix repair.

Recommend cost comparative analysis on outsourcing passenger and light duty trucks for regularly scheduled PM service. For in-house garage organizations it is common to outsource this type of service for cost savings and efficiency.

When the City modernizes its current fleet system, FMC’s that include in-house facilities as part of their fleet administration, parts inventory, labour hours, and integration into the financial system are key requirements to support the needs of a diverse fleet.

IX.

Regulation & CVOR Program

Industry Best Practice

For applicable vehicles, the required regulation for Commercial Vehicle Operator's Registration (CVOR) and the Carrier Safety Rating (CSR) by the Ministry of Transportation should be included in the fleet policy and procedures. Each operator is responsible for monitoring its CVOR record, performance and documented compliance. Fire and ambulance fleets are exempt in the Corporate CVOR rating.

City of Brockville Existing Methodology

A comprehensive description of the City's CVOR program is available in document Commercial Vehicle Operators Registration, August 10, 2020. The City received a rating of "excellent" in its 2018 audit.

The challenge is to minimize vehicle and driver downtime and meet or exceed minimum compliance requirements. We were not able to source, if or how down-time is measured, an important variable in managing and improving on the cost of operations. However, fleet staff has provided sample work order(s) for CVOR annual inspections that may offer insights into "out of service" requirements. Example: Fleet Unit # 02016 WO #35354 (Open date: August 8th) & WO #35517 (Close date: Sept. 22nd)

The work flow planning for pre-inspection, ordering parts, scheduling the unit for repair requires some method of advanced planning. The method to schedule annual inspections, while minimizing "out of service" period could not be obtained from the fleet staff.

Part of compliance for CVOR includes adherence to the manufacturers' preventative maintenance schedule, it requires documented proof and must be available on demand by MTO regulation for each unit. The scheduling method for organizing and work flow planning for PM schedules and repairs could not be provided.

With an excellent rating, we conclude the garage work is being performed.

Annual mileage reporting (a CVOR regulation requirement) for 38 vehicles is calculated using odometer readings from the fuel system and/or work orders done with paper and pen. 475,327 km were recorded, we *assume* this is the 2020 annual mileage for all CVOR units.

The fleet staff are responsible for the City’s Radio Operator’s Certificate, in addition to the operating, maintenance and training of equipment and license requirements. The document Radio Communication System – GWMC, dated August 17, 2020 provides comprehensive information on the roles, responsibilities for the fleet staff & dispatch role.

Score Card

	Assessment	Score	Rationale
CVOR Compliance	Excellent rating	Good	Meet or exceeds minimum requirement
CVOR Program	Executed	NI	Methodology unavailable
Radio Communication	Fleet services responsibility	Good	Comprehensive management for compliance, license, training and equipment maintenance

Recommendation

Recommend new and future fleet staff have a comprehensive knowledge of the of MTO regulation as it pertains to CVOR compliance and its application to the City’s fleet

Driver daily Vehicle Inspection Checklist currently hard copy are trending to electronic format. We recommend e-format options be considered if the fleet management system is modernized.

Recommend the process for scheduling a) annual inspections b) PM’s be reviewed for efficiency. The daily PM report from RTA appears to have no value in the existing process.

Recommend driver and vehicle “out of service” be quantified, as it pertains to CVOR compliance, the goal is to avoid compliance at any cost.

Recommend case study(s) and map the existing planning, scheduling and execution for annual inspections to assess/quantify the vehicle and driver downtime. The fleet staff has provided sample work orders for one unit, we would suggest a minimum of 4 examples.

X.

Record Keeping & Reporting

Industry Best Practice

Best practice for fleet management include technology designed to provide the fleet team and senior management with intelligent reporting for effective decision-making. Centralized data to collect, house and organize fleet information is required. Silos of data captured in parallel systems throughout the organization are rendered meaningless without integration. The goal is to provide accurate, proactive, reporting in meaningful presentation, with the minimum administration or manual input.

City of Brockville Existing Methodology

The fleet data is captured and housed in the RTA Fleet System. The City's current software version "Vision Data Format" will be discontinued for updates, security patches and new features as of July 1, 2021.

The current system does not provide for effective reporting other than a "view only" representation of the data. There is no ability to download, sort, organize, manipulate data, rendering reports useless for analysis. The fleet staff must resort to manual calculations and "pencil and pen" when business demands supersede the functionality of the software.

Finance and accounting data is captured and housed with VADIM-iCity software designed for municipalities.

The existing *inventory process* of data entry for parts appears to duplicate and to the best of our understanding, the accounting general ledger entries and removals require excessive hours of administration staff time.

Record keeping for the City's compliance to CVOR regulation can only be stored and sourced, using the RTA system. The City is required to keep granular maintenance and repair records for each CVOR registered vehicle. The risk of non-compliance, in its most severe MTO disciplinary sanction could cease operating of all City vehicles registered for commercial operations.

In 2017 a new fueling system "Computrol" was purchased and implemented. The fleet staff wrote code to integrate the new fuel system with the legacy version of RTA. The fuel system captures real-time odometer data. The odometer data is critical to the fleet function.

The fleet system will not support a revision of the replacement criteria if the City chooses to modernize to a lifecycle or TOC methodology.

There appear to be no performance reports available for the fleet staff or senior management necessary for logic-based decision making.

We have been unable to determine what processes are used to proactive review or management reporting that are standard practice for internal customers with fleet responsibility for Directors, Supervisors, Managers or Foreman.

We assume the RTA database is used for **all assets** assigned to the fleet function, specifically yellow iron, equipment trailers, small equipment. It is unclear how various equipment categories are identified and organized within the current database.

Score Card

	Assessment	Score	Rationale
Record Keeping	CVOR maintenance records available	Adequate	Minimum requirement met
Fleet Reporting	Format is view only	N/I	Reporting is not useable

Recommendation

Priority recommendation to modernize the fleet system. Without centralized data, integrating finance, fuel and fleet data are not available to monitor or effectively manage the fleet function.

We recommend the RTA upgrade not be purchased without a review of alternative fleet systems that may support the strategic goals for sustainable modernization of the fleet function.

The cost – benefit of manual data input is not justified by today’s technology standards.

Quick connect attachments for heavy equipment/vehicles have a useful life, separate from the power unit. We recommend these types of assets should be managed independently from the power unit.

XI. Safety, Accident Reporting / Risk Management

Industry Best Practice

Risk management is your company's insurance policy and liability guidelines that will help you formulate the safety and insurance portions of the fleet policy. At minimum the basic inclusions are:

- Acknowledgement – Have your drivers acknowledge that they have read the policy (annually) by signing the document. The acknowledgement should state that they have received the policy and understand their responsibilities as a fleet driver.
- Record checks – regular eligible driver abstract.
- Personal belongings – Inform drivers whether your company's insurance policy covers personal items if stolen from the company vehicle.
- Use of electronics – Clearly state guidelines for use of mobile devices like cell phones while in the company vehicle. Be sure that your risk and legal departments review this section of the fleet policy.

City of Brockville Existing Methodology – Safety & Accident Reporting

Details for the City's vehicle and driver safety programs are very comprehensive and can be sourced in the following documents;

Safe Driving Awards Program – CVOR Rating, August 7, 2020

Safe Driver Award Program – Process, March 2019

Safe Driver Award Program - Rules and Regulations, March 2019

Guide for Preventable or Non-Preventable Accidents, March 2019

Accident Investigation Procedure, March 2019

There appears to be a strong corporate culture for vehicle and driver safety.

The participation and annual awards recognition for commercial drivers is evidence of the priority on safety. Driver and operator training records are well documented, complete and stored in with the fleet staff.

No data was provided to identify drivers who fall outside the safety awards program. We will *assume* there are students and newly licensed drivers who are categorized as "high risk" for accidents, incident reports and near-misses.

In addition, snow plow safe operations and driver checklist were provided.

Safety regulation can be challenging with the numerous Agency, Ministry and Regulatory Authorities overlapping and perpetual updating requirements. The fleet staff have placed safety and compliance as a priority, minimizing the City’s exposure to risk and liability.

City of Brockville Existing Methodology – Insurance Risk Management

The fleet inventory of insured vehicles and trailers were provided in excel format.

The replacement value of insured vehicles was \$7.9 million and trailers were \$265 thousand (rounded figures). The fleet portfolio replacement value is referenced as \$16 million (as of July 2, 2019).

We *assume* the additional \$7.8 million represents the equipment portfolio, better understood as unlicensed assets such as backhoe’s, cut off saws and plate packers. We *assume* some of these assets are insured under an umbrella liability policy, while more costly equipment like backhoes, loaders, ride-on compaction rollers are itemized for replacement coverage. An asset list for serialized, unlicensed equipment was not available.

The City’s insurance provider has encouraged GPS software for tracking snow removal routing may assist in liability risk, and potential insurance savings may be available. GPS software provided by FMC’s may offer additional features, including telematics to capture data points at the unit level.

Score Card

	Assessment	Score	Rationale
Safety Program	Participation in CVOR Safe Driving Awards Program	Good	Emphasis on safety evident in corporate culture
Accident Reporting	Thorough training & documentation	Good	Mitigates risk for organization
Risk Management	Vehicle insurance add/deletes appear current	Adequate	Equipment portfolio was not available for review
Risk Management	High risk driver program has not been identified	Adequate	Students & newly licensed drivers are statistically the greatest risk for fleet liability

Recommendation

Continue the Safe Driving Awards Program, a corporate culture of safety permeates throughout the organization.

As modernization of the fleet functions are developed, the emphasis on safety should not be lost in its priority.

When a new fleet system is reviewed, modernizing the safety program may offer administrative relief on the compliance, storage and monitoring of driver records. Human resources may be better suited for training and compliance records.

We recommend GPS software, designed for fleet units be included in a review of fleet software, investigating telematics in addition to routing data.

We recommend the City confirm our assumption of \$7.8 million is the approximate value of insured equipment portfolio.

We recommend modernization of a fleet asset system, include improvements for categorizing and managing non licensed assets and small handheld equipment.

XII.

Staffing Resources

Industry Best Practice

A fleet the size of the City of Brockville can be efficiently managed by one Fleet Manager with a Maintenance Foreman, Supervisor of Safety & Training and a Fleet Administrator reporting into that role. Management of a fleet using a FMC or comprehensive in-house data management system, the standard ratio is one administrator/specialist for three-hundred vehicles. If the fleet department is responsible for dispatch and telematics that ratio is reduced to one administrator/specialist for every two-hundred units. The best practice of any fleet is that only one individual is responsible for the input and management of data in the system. Flow through of all data and input into the system by a single individual ensures integrity of data in the system and uniformity. Reporting to the Fleet Maintenance Foreman is the number of technicians required to maintain the fleet in an efficient manner. Fleet standards for a mixed vehicle fleet are 35:1.

City of Brockville Existing Methodology

The fleet function is described as service department, it is not a revenue producing function for the City. Direct fleet expenses (by unit) are allocated to the applicable department within each division or partner service. Overhead expenses are recaptured (in part) by allocating the department or proportionally allocated to its internal customers.

The recent City re-organization of divisions is currently in transition for the fleet function and makes it an optimum time to rethink and refresh the goals and objectives. [City of Brockville Org Chart, Dec. 2020](#)

Fleet financial objectives are prime for re-evaluation. Is the goal to break even with operations of fleet department expenses: a) fleet administration b) in-house garage? If the financial objective is to absorb overhead and/or subsidy, is the current subsidy quantified; this information is currently unknown. The division opex budgets are not proportionate to the # of vehicles as the rationale has not been established within the scope of this project.

With recent org changes, it can be assumed the revised scope of work for the role of Supervisor Admin & Support is a good first step to solving the dilution of fleet responsibilities from the financial and administration demands of ancillary support.

The fleet administration is a void in the revised organizational changes, and has not been established or re-assigned. Best practice includes outsourcing of the fleet administration function, a cost effective opportunity for the required expertise employed by many organizations.

The fleet function appears to have evolved from a hierarchy to a tag-team, sharing administration and responsibilities that extend to decision making that is outside the scope of expertise. The consequences of shared responsibility appear to have left a void in the strategic or managerial responsibility. The newly established procurement function has assisted and acquisition responsibility will be redirected.

The fleet maintenance foreman roles and responsibilities have extended beyond best practice and should be re-evaluated for improved focus on expertise and capacity.

In addition, duplication and data input/output to support both the RTA fleet system, inventory control and VLADIM, the City’s financial program have become redundant with respect to efficacy. An efficient fleet system will significantly improve the current administrative and financial obstacles currently effecting the department.

The “parts inventory” process demands hours of administrative labour for minimal return. Yet, the minimal return directly effects CVOR compliance for MTO’s authority for on demand evidence of maintenance history.

For a comprehensive description, the document Fleet & Support Services Division, August 2019 provides granular detail of the previous staffing and respective responsibilities.

Once goals are updated, evaluate the roles, responsibilities, tasks and processes that are well documented by the “outgoing” Fleet Supervisor. Avoid bringing forward legacy practices or tasks that provide little or no value.

Score Card

	Assessment	Score	Rationale
Staffing Resources	Fleet admin omitted for the new Supervisor of Support Services role.	Good	The Support Services role appears at capacity without the additional responsibilities of fleet.
	Void in staffing for fleet administration role	N/I	City’s new org chart and newly created role of Supervisor of Transportation and Fleet Services
	Maintenance Foreman roles and responsibility	N/I	Refocus responsibility to core competency
	Technician staff ratio to fleet size & qualifications of staff	Good	In line with industry best practice

Recommendation

Recommend implementation of new fleet system, the foundation for establishing staff resource requirements.

Recommend priority remedy to the current void of fleet administration as integration of responsibilities transition to new org structure.

Recommend outsourcing be considered as a viable option to cost effective fleet administration.

Recommend the financial goals of providing in-house garage be evaluated and re-established, example is break even the financial goal or continued (quantifiable) subsidy to departments for labour rate expense. As a reminder, the division opex budgets are not proportionate to the # of vehicles.

Recommend the Maintenance Foreman role and responsibilities are evaluated and refocused on fleet responsibilities directly related to in-house garage facility, staff (3 technicians) support, preventative maintenance, repairs, annual inspections, condition reporting, and other duties within the scope of expertise.

Recommend process-map the existing fleet function(s) as an extension of this project.

Summary Score Card

Score Card	Assessment	Score	Rationale
Strategic Plan	Lifecycle “TCO” are not applied to the fleet assets	N/I	Fleet function does not support strategic initiative
Policy	A comprehensive fleet policy does not exist	N/I	Program details are not accessible for staff or service customers. Diversity of governing authorities for partner and division requirements require a comprehensive policy.
Replacement Criteria	10 years for light duty & 15 years for heavy duty are the existing replacement criteria	N/I	Lifecycle methodology is a best practice for optimal asset replacement. Replacement terms excludes fleet unit mileage/hour, operating cost and remarketing criteria.
Asset Acquisition	Retail dealer RFQ procurement model Standardized specs not developed Parts for repairs follow same procurement model	N/I	Fleet procurement has no access to manufacturer pricing. OEM repair parts may require exception procedure.
Remarketing	Remarketing (fleet defined) is not applied in replacement criteria. Salvage condition reflects liquidation or scrap value in current program.	N/I	Critical component in fleet lifecycle management. Currently, subject expert is not accessible to fleet staff.
Fixed Costs	Depreciation rate aligns with capex budget. Insurance and licensing program(s)	N/I Adequate	Depreciation rate does not reflect fleet unit usage and may reflect an artificial representation of fixed cost. Meet industry standard for process
Operating Costs	Unit level KPI data is not available and the existing fleet platform is no longer viable. Limited data integration, requires manual input to bridge deficiencies.	N/I	Antiquated system does not provide fundamental reporting, required for effective fleet administration and logic based decision making.
CVOR Program	Compliance to regulation	Good	Meet or exceeds minimum requirement
Records & Reporting	System platform is antiquated CVOR compliance records available	N/I Adequate	Reporting is not available or useable Minimum requirement met.
Safety Program Accident Reporting Risk Management	CVOR Safe Driving Awards Program Thorough training & documentation Vehicle insurance add/deletes appear current	Good Good Adequate	Emphasis on safety evident in corporate culture Mitigates risk for organization Equipment portfolio was not available for review
Staffing Resources	Void in staffing for fleet administration role Tech qualifications & ratio to fleet size	N/I Good	Dec., 2020 org changes are still in development and implementation Within industry standards for fleet size & composition

Legend: Good (meets or exceeds industry standard) Adequate (meets standard) Needs Improvement (N/I): Action required

End of Report