Request for Decision

Fleet Services - Reports Requested 2011 Budget Parking Lot

Presented To:	Finance Committee
Presented:	Monday, Mar 28, 2011
Report Date	Monday, Mar 21, 2011
Type:	Follow Up Reports to Parking Lot Items

Recommendation

For Information Only

Background

[The attached report is submitted at the request of the Finance Committee to address questions raised at the March 7th and March 9th meetings. Also attached are the Scorecard and guidelines utilized to determine the list of vehicles and equipment to be replaced as part of the capital program.]

Signed By

Report Prepared By
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Digitally Signed Mar 22, 11

Division Review
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Recommended by the Department
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CITY OF GREATER SUDBURY
Vehicle Replacement Scorecard

Vehicle Unit # _____ Assignment _____

Year/Make/Model: _____

Age:
In Service Date: _____
Total Time (Years): _____
Points: _____

Mileage:
Mileage or hours: _____
Points: _____

Type of Service:
Description _____
Points: _____

Reliablity:
Avg. WO @ Month: _____
Road calls: _____
PMs: _____
Points: _____

M&R Costs:
Total Maintenance: _____
Replacement Cost: _____
% of Repl. Cost: _____
Points: _____

Condition:
Accidents: Y N
If yes, #: _____
Paint/Body: _____
Interior: _____
Drive Train: _____
Points: _____

Total Points:

0-17	Excellent	Do not replace
18-22	Good	Re-evaluate for next year's budget
23-27	Satisfactory	Qualifies for replacement this year if budget allows
28+	Poor	Needs priority replacement

Prepared by: _____ Date: _____

Recommendation: _____

Revised June 23/10

Sudbury

Replacement Guidelines
Medium / Heavy Duty (Greater than 1 Ton)

Factor	Points	Description
Age	1	Each year of chronological age.
Miles/Hours	1	Each ~~5,000 miles/8,000 km~~ usage 10,000 miles/16,000 km
	1	Each ~~250~~ 500 hours of usage
Type of Service	1	Standard use including basic job site duties, some light duty hauling.
	2	Standard use with attachments (compressors, lights, etc.) including job site duties, standard load hauling, some towing.
	3	Above standard use including job site duties that include idling, standard load hauling, light trailer/equipment towing, leaf collection.
	4	Above standard use including job site idling and hauling above standard loads, towing equipment and heavy trailers, light snow removal.
	5	Extreme service, high job site idling and duties with attachments, heavy load hauling, heavy trailer/equipment towing, major snow removal duties, refuse collection, etc., (Examples: Sideloader, Knuckleboom, Snow removal truck).
Reliability	1	In shop one time within three month time period, no major breakdowns or road calls.
	2	In shop one time within three month time period, 1 breakdown/road call within 3 month time period.
not included	3	In shop more than twice within one month time period, no major breakdowns or road calls.
not included)	4	In shop more than once within one month time period, two or more breakdowns/road calls within same time period.
	5	In shop more than twice monthly, two or more breakdowns within one month time period.
M&R Costs	1	Maintenance costs are less than or equal to 20% of replacement costs.
	2	Maintenance are 21-40% of replacement costs.
(Accident	3	Maintenance costs are 41-60% of replacement costs.
repairs not	4	Maintenance costs are 61-80% of replacement costs.
included)	5	Maintenance costs are greater than or equal to 81% of replacement costs.
Condition	1	No visual damage or rust, good paint, good interior, no damage from add-on equipment, no body modification, good drive train.
	2	Minor imperfections in body and paint, interior fair (no rips, tears, burns), good drive train, minor body modification.
	3	Noticeable imperfections in body and paint surface, some minor rust, fair interior, weak/fair drive train, minor body modicaiton, minor damage from add-on equipment.
	4	Previous accident damage, poor paint and body condition, major rust/corrosion, poor interior, damage from add-on equipment moderate body modification evidence, one component of drive trail bad.
	5	Previous accident damage, poor paint and body condition, bad interior, drive train that is damaged or inoperative, major bodymodifications, major damage from add-on equipment and attachments.

Point Ranges		
0-17	Excellent	Do not replace
18-22	Good	Re-evaluate for next year's budget
23-27	Satisfactory	Qualifies for replacement this year if budget allows
28+	Poor	Needs priority replacement

Revised June 23/10

Scorecard 3/4

Replacement Guidelines
Sedans and Light Trucks (1 Ton and Less)

Factor	Points	Description
Age	1	Each year of chronological age.
Miles/Hours	1	Each 10,000 miles/16,000 km usage
	1	Each ~~250~~ 500 hours of usage
Type of Service	1	Standard sedans and light pickups
	2	Standard vehicles with occasional off-road usage.
	3	Any vehicle that pulls trailers, hauls heavy loads, and has continued off-road usage.
	4	Any vehicle involved in snow removal.
	5	Police, Fire, and Rescue service vehicles.
Reliability (PM work is not included)	1	In shop one time within three month time period, no major breakdowns or road calls.
	2	In shop one time within three month time period, 1 breakdown/road call within 3 month time period.
	3	In shop more than twice within one month time period, no major breakdowns or road calls.
	4	In shop more than once within one month time period, two or more breakdowns/road calls within same time period.
	5	In shop more than twice monthly, two or more breakdowns within one month time period.
M&R Costs (Accident repairs not included)	1	Maintenance costs are less than or equal to 20% of replacement costs.
	2	Maintenance are 21-40% of replacement costs.
	3	Maintenance costs are 41-60% of replacement costs.
	4	Maintenance costs are 61-80% of replacement costs.
	5	Maintenance costs are greater than or equal to 81% of replacement costs.
Condition	1	No visual damage or rust, and a good drive train.
	2	Minor imperfections in body and paint, interior fair (no rips, tears, burns), good drive train, minor body modification.
	3	Noticeable imperfections in body and paint surface, some minor rust, modicaiton, minor damage from add-on equipment, worn interior (one or more rips, tears, burns) and a weak or noisy drive train.
	4	Previous accident damage, poor paint and body condition, rust (holes), bad interior (tears, rips, cracked dash), major damage from on equipment, and one drive train component bad.
	5	Previous accident damage, poor paint, bad interior, drive train that is damaged or inoperative, major body modifications, and major damage from add-on equipment.

Point Ranges		
0-17	Excellent	Do not replace
18-22	Good	Re-evaluate for next year's budget
23-27	Satisfactory	Qualifies for replacement this year if budget allows
28+	Poor	Needs priority replacement

Revised June 23/10

Sudbury

Replacement Guidelines
Off-Road Equipment

Factor	Points	Description
Age	1	Each year of chronological age.
Miles/Hours	1	Each ~~5,000 miles/8,000 km~~ usage 10,000 miles/16,000 km
	1	Each ~~250~~ hours of usage 500
Type of Service	1	Standard duties as equipped.
	2	Standard duties when used with attachments (sickle bar, backhoes, rear bushhogs).
	3	Multiple duties based on seasons (snow, mowing, leaf).
	4	Extreme duties in harmful atmosphere (dust, salt, water).
	5	Heavy construction work including snow removal.
Reliability (PM work is not included)	1	In shop one time within three month time period, no major breakdowns or road calls.
	2	In shop one time within three month time period, 1 breakdown/road call within 3 month time period.
	3	In shop more than once within three month time period, 1 breakdown/ road call within 3 month time period.
	4	In shop more than twice within one month time period, 1 or more breakdowns/road calls within same time period.
	5	In shop more than twice monthly, two or more breakdowns within one month time period.
M&R Costs (Accident repairs not included)	1	Maintenance costs are less than or equal to 20% of replacement costs.
	2	Maintenance are 21-40% of replacement costs.
	3	Maintenance costs are 41-60% of replacement costs.
	4	Maintenance costs are 61-80% of replacement costs.
	5	Maintenance costs are greater than or equal to 81% of replacement costs.
Condition	1	Good condition, fully functional.
	2	Fair body, functional.
	3	Minor body damage, weak operating system.
	4	Severe damage, component not functional.
	5	

Point Ranges		
0-17	Excellent	Do not replace
18-22	Good	Re-evaluate for next year's budget
23-27	Satisfactory	Qualifies for replacement this year if budget allows
28+	Poor	Needs priority replacement

Revised June 23/10

2011 BUDGET PARKING LOT

Information Request March 7, 2011

Request no.4 - Report on vehicles (cars, trucks, graders), current numbers compared to four years ago.

Fleet Inventory Variances

The large discrepancy between Fleet figures and OMBI data was largely due to what was included for each. OMBI data included non-managed Fleet such as police, ambulance, fire vehicles. The inventory below provides details of the acquisition and disposal program for the City's Fleet other than Transit buses, EMS, Fire and Police since 2005. The list includes the vehicles and equipment that are purchased and maintained by Fleet Services which is broken down into eleven (11) categories. These categories are developed based on the expected life expectancy of the vehicles and equipment which is used to determine the rates to be charged to the end-users.

1) Light Duty Vehicles (cars, ½ ton pickups, mini-vans, etc...)
2) Medium Duty Vehicles (3/4 and 1 ton trucks and vans)
3) Heavy Duty Trucks (not equipped for winter control)
4) Heavy Duty Trucks (equipped for winter control)
5) Hybrid Vehicles (light duty)
6) Specialty Equipment (sweepers, flushers, vactors, sidewalk machines, etc...)
7) Garbage Trucks
8) Heavy Duty Equipment (graders, loaders, backhoes, etc...)
9) Zamboni
10) Trailers and Sign Boards
11) Retired Vehicle Pool

Category	now	2005	Variance
Light Duty Vehicles	136	190	-54
Medium Duty Vehicles	118	121	-3
Heavy Duty (non w/c)	12	25	-13
Heavy Duty (w/c)	48	71	-23
Hybrid Vehicles	35	0	35
Specialty Equipment	99	110	-11
Garbage Trucks	7	7	0
Heavy Duty Equipment	23	31	-8
Zamboni	18	18	0
Trailers & Signboards	49	55	-6
Retired Vehicles	60	60	
Totals	605	688	-83

The reduction of 83 units in the Fleet inventory since 2005 equates to a 13% reduction in vehicle and equipment assets.

The Retired Vehicle Pool is what was commonly known in previous years as 'Rent-a-Wreck'. The name was changed to dispel the misconception that the vehicles were not safe to drive. When light vehicles and pick-up trucks are replaced, the older units, if roadworthy, are kept until the next auction.

There are currently sixty (60) units in the Retired Vehicle Pool, no change from 2009. Before the summer these units will be inspected and maintained for the season. The maintenance cost for each vehicle is weighed against the leasing cost of a similar vehicle for the season. If the repair costs are excessive then the unit will be taken out of circulation and leasing a vehicle will be the most economical choice in such instance. The number of vehicles may be reduced before the summer as a result of the inspection program.

Typically these units are utilized by various departments to deliver seasonal programs. If additional units are required, they must be leased, which is a costlier option. Each year the condition of these units is assessed by Fleet Services. When it is no longer financially responsible to continue to maintain a unit, it is disposed of at auction. When vehicles and equipment get replaced annually the pool gets replenished. The Retired Vehicle Pool normally contains between fifty (50) and seventy-five (75) units in it annually.

Information Request March 9, 2011

Report no. 3 - Report on options to reduce fleet (cars and trucks) by 25%, 50% and reallocate capital dollars elsewhere.

Council requested options to reduce the capital acquisition program by 25% and 50% for light duty vehicles. There is currently $600,000.00 that has been allocated for cars, 1/2 ton pickup trucks and hybrid vehicles. The Fleet contains 43 cars, 67 ½-ton pickup trucks, 21 mini-vans, 5 SUVs, 22 hybrid cars and 13 hybrid SUVs.

25% equates to a reduction of $150,000.00

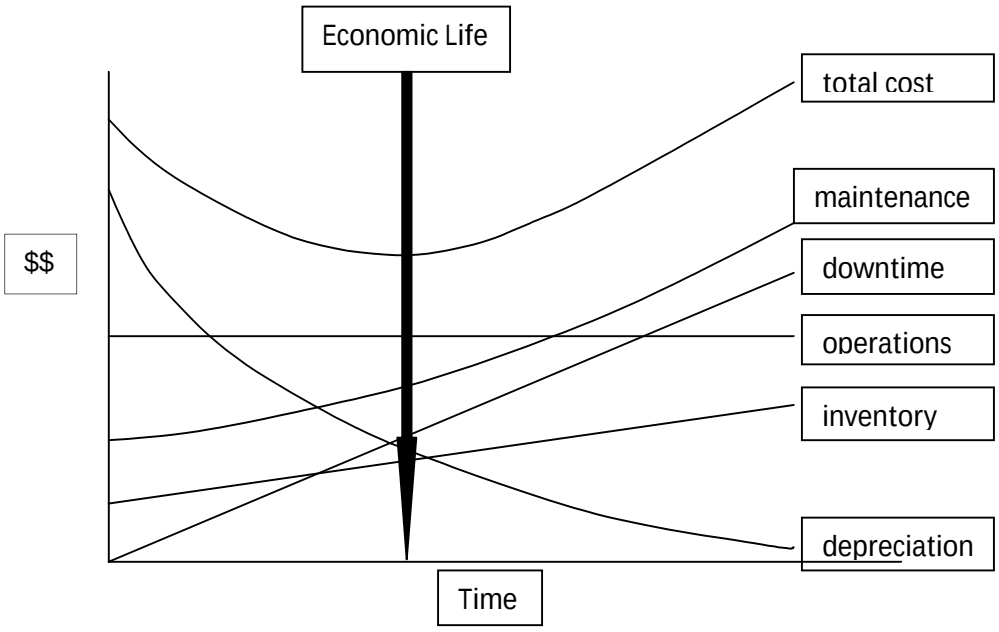
50% equates to a reduction of $300,000.00

The list at the end of this report includes the proposed capital purchases for 2011, the mileage/hours, the condition, the division where the units are assigned and the proposed disposition or reuse of the replaced unit. The last 2 columns show which units would not be replaced based on a 25% and 50% reduction to the budget.

Historical background and implications:

Since amalgamation capital funding has not been sufficient to sustain an adequate replacement schedule. In 2010, Council reduced Fleet capital by $700,000.00. This is a permanent reduction of 23% in capital for Fleet replacement.

a) To reduce the capital replacement program without reducing the number of vehicles in the fleet increases the age of the fleet. Fleet Services is expected to maintain the existing units for the various departments. This becomes a real challenge when capital is being reduced. At some point in time it is less costly to replace than to repair. The time to replace a vehicle is when the total cost is at its lowest value as shown in the Figure below[1].



b) The Fleet replacement schedule will fall further behind and unfunded needs will increase annually. There will be future spikes in required capital to replace vehicles and equipment.

c) As vehicles and equipment get older there will be more frequent breakdowns, major components start to fail, lost operating time increases and repair and maintenance costs rise.

d) A further reduction to the replacement program will mean fewer vehicles will be transferred to the Retired Vehicle Pool. This will increase the demand for leasing vehicles to meet seasonal

[1] Fleet Challenge Ontario, Best Practices Manual 2008

requirements. The number of leased vehicles has increased consistently over the past 4 years (2007: 29 --- 2008: 31 --- 2009: 42 --- 2010: 43). Leased vehicles cost twice as much as using a retired vehicle.

e) The cost of repairing and maintaining vehicles will continue to rise. The age of the fleet must be reduced to a level where there is a balance between capital and operating costs. Most municipalities are now moving towards lower lifecycle replacement programs. As a result, repairs and maintenance are well contained and residual values are higher. In 2008, au audit conducted by Fleet Challenge Ontario recommended that the average age of the Fleet be reduced from 5.5 years to 2.6 years. The 2010 OMBI report indicates that the average age of the fleet was 6.2 in 2009.

Report no. 4 – Report on life expectancy of fleet and what vehicles are scheduled to be replaced.

Life expectancy and selection process

Listed below are the criteria established for the Life Cycle Replacement plan for the city's fleet. These criteria are based on standards published by the American Public Works Association for the different categories of vehicles and equipment and historical information on city vehicles.

Light and Medium Duty Vehicles: (Cars, mini-vans, pickup trucks, 1-ton trucks, commercial vans and Hybrids)	7 years – 8 years (then 1-3 years in Retired Vehicle Pool)
Heavy Duty Trucks:	10 years
Garbage Packers:	10 years
Specialty Trucks: (Sweepers, vactors, flushers, etc….)	10 years – 12 years
Heavy Duty Equipment: (Graders, loaders, backhoes, Trackless MT, etc…)	12 years – 15 years
Zamboni & Ice resurfacing Equipment:	12 years
Trailers: (Single axle and tandem axle utility and float trailers)	15 years

Using the criteria a list of vehicles and equipment is developed for the yearly replacement program. Utilizing the Vehicle Replacement Scorecard and Guidelines (samples attached), the unit is assessed based on years in service, mileage, hours, type of service, reliability, maintenance and repair cost and condition of the unit. Fleet personnel assess the vehicles and equipment to develop recommendations on each unit.

The lists with recommendations are distributed to departments, divisions/sections with a request that they prioritize their needs for the yearly capital budget. Once the Capital envelope is established, it is allocated to the departments/divisions/sections based on their share of utilization (based on rental rates charged as a percentage of the previous year's annual budget). Considering the reported priorities, a replacement list of vehicles and equipment is then developed. Vehicles and equipment that do not get replaced are moved forward to the next year's list for consideration.

2011 FLEET CAPITAL PURCHASES							
UNIT #	DESCRIPTION	MILEAGE/HOURS	CONDITION	ASSIGNMENT	OLD UNIT	25%	50%
S-176	1988 Cat IT28B Wheel Loader	7,843 Hours	Poor	Roads Operations	Auction		
S-351	1990 Champion 710 Grader	12,890 Hours	Poor	Roads Operations	Auction		
S-632	2000 Freightliner U/Body Sander	345,244 Km.	Poor	Roads Shift Patrol	Auction		
S-200	1996 Ford Johnston Sweeper	79,415 Km./ 4226 Hours	Poor	Roads Operations	Auction		
S-206	1995 Ford Cargo Line Painter	106,341 Km/5700 Hours	Poor	Roads City Wide	Auction		
R-968	1997 Zamboni	5,800 Hours	Fair	Arenas	Auction*		
F-021	2003 Chevrolet Impala	178,852 Km.	Fair	Fire Services	Retired Pool		
F-028	2003 Ford Windstar Mini-Van	104,200 Km.	Fair	Fire Services	Retired Pool		
S-423	2003 Ford 1/2 Ton Pickup	128,866 Km.	Fair	Parks Operations	Retired Pool	Retain	Retain
S-480	2003 Ford 1/2 Ton Pickup	224,500 Km.	Fair	Parks Supervision	Retired Pool		
S-492	2003 Ford 1/2 Ton Pickup	202,360 Km.	Fair	Parks Supervision	Retired Pool		
S-504	2003 Ford 1/2 Ton Pickup	124,500 Km.	Fair	Parks Operations	Retired Pool	Retain	Retain
S-512	2003 Ford 1/2 Ton Pickup	127,600 Km.	Fair	Parks Operations	Retired Pool	Retain	Retain
S-910	2002 Ford Crown Victoria	193,800 Km.	Fair	Construction Services	Retired Pool		
S-914	1999 Chevrolet Lumina	182,000 Km.	Poor	Construction Services	Auction		
S-944	2001 Chevrolet Impala	277,850 Km.	Poor	Construction Services	Retired Pool		
S-945	1999 Chevrolet Lumina	173,900 Km.	Poor	Construction Services	Auction		
S-946	1999 Chevrolet Lumina	162,390 Km.	Poor	Building Services	Auction	Retain	Retain
S-954	2000 Ford Crown Victoria	158,500 Km.	Poor	Construction Services	Retired Pool		Retain
S-957	2000 Ford Crown Victoria	140,000. Km.	Fair	Construction Services	Retired Pool		Retain
S-969	2000 Ford Crown Victoria	105,600 Km.	Fair	Safety & Health	Retired Pool	Retain	Retain
S-970	2000 Ford Crown Victoria	221,900 Km.	Poor	Construction Services	Retired Pool		
S-993	1999 Ford Crown Victoria	187,500 Km.	Poor	Engineering	Auction		
S-006	2004 E350 Van W/WW	185,000.Km.	Poor	W/WW	Auction		
S-052	2004 E350 Van W/WW	256,200 Km.	Poor	W/WW	Auction		
S-488	2003 Ford 3/4 Ton Pickup	100,200 Km.	Fair	Parks Operations	Retired Pool	Retain	Retain
S-493	2003 Ford 3/4 Ton Pickup	108,500 Km.	Fair	Parks Operations	Retired Pool		
S-494	2003 Ford 3/4 Ton Pickup	140,000 Km.	Fair	Parks Operations	Retired Pool		Retain
S-514	2003 Ford 3/4 Ton Pickup	125,500 Km.	Fair	Parks Operations	Retired Pool		Retain

S-565	1999 Ford F250 4x4 Plow	173,100 Km.	Poor	Parks Operations	Auction		
S-585	1997 Ford F350 Dump & Crane	108,900 Km.	Poor	W/WW Bricklayer	Auction		Retain
S-451	2003 Ford 1/2 Ton Pickup/Cap	218,300 Km.	Poor	W/WW North West	Retired Pool		
S-016	1997 GMC 3500 Welding Truck	135,100 Km.	Poor	Fleet Mobile Welder	Auction	Retain	Retain
S-054	1997 GMC 3500 Dump Body	160,300 Km.	Poor	Roads Operations	Auction		Retain
S-584	1996 Ford F350 Dump Body	138,500 Km.	Poor	Roads South	Auction		Retain
S-509	2003 Ford 1/2 Ton Pickup	171,200 Km.	Fair	Fleet St.Clair	Retired Pool		
S-477	2000 Ford 1/2 Ton Pickup	181,100 Km.	Poor	Construction Services	Retired Pool		
S-938	2001 Chevrolet Tahoe	234,000 Km.	Fair	Asset Services	Retired Pool		
* The replaced unit will become the spare unit and the old spare will go to auction							