

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 (¾ 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

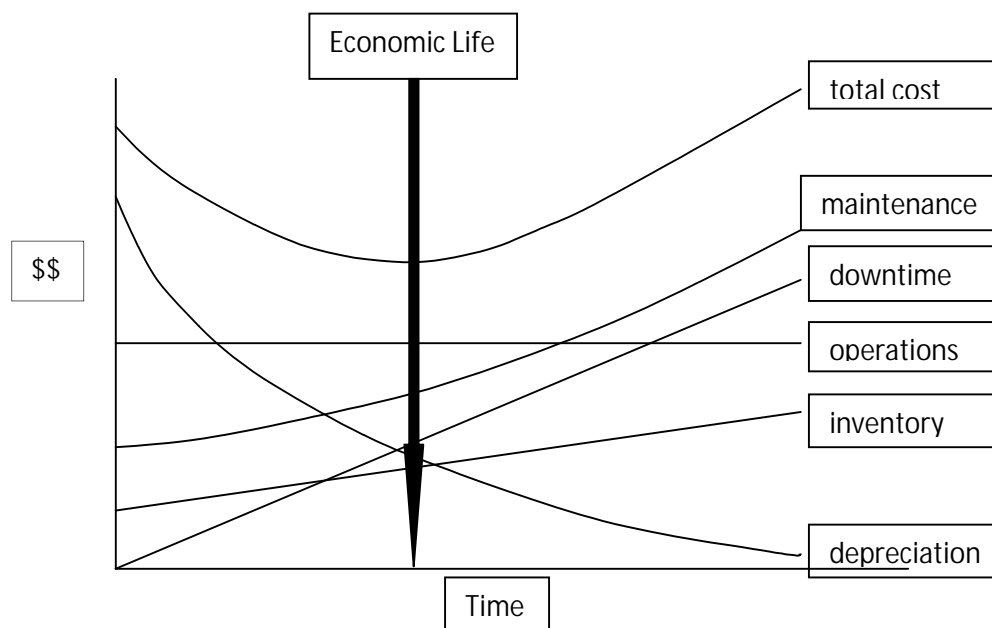
50% equates to a reduction of \$300,000.00

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 below¹.



- 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, an 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.
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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.

<u>Light and Medium Duty Vehicles:</u> (Cars, mini-vans, pickup trucks, 1-ton trucks, commercial vans and Hybrids)	7 years – 8 years (then 1-3 years in Retired Vehicle Pool)
<u>Heavy Duty Trucks:</u>	10 years
<u>Garbage Packers:</u>	10 years
<u>Specialty Trucks:</u> (Sweepers, vacuums, flushers, etc....)	10 years – 12 years
<u>Heavy Duty Equipment:</u> (Graders, loaders, backhoes, Tracked MT, etc...)	12 years – 15 years
<u>Zamboni & Ice resurfacing Equipment:</u>	12 years
<u>Trailers:</u> (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							