

# Fleet Management

Led by: Director of Fleet & Inventory

## Service Description

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

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

## Service Updates

### Key Service Results

Fleet Management enables City Services and external partners through the provision of reliable and efficient vehicles and equipment. In 2023 Fleet Management made progress toward the implementation of a new telematics system successfully deploying the new technology in 97 units during the proof of concept phase, with additional deployment activities anticipated throughout 2024.

The service continues to contribute to reducing corporate greenhouse gas emissions by implementing The City's Green Fleet Program and pursuing innovative initiatives to support environmental sustainability. Highlights include successfully testing renewable diesel (HDRD) in Waste & Recycling Service trucks and reducing the corporation's idling by 29 per cent.

These successes collectively highlight Fleet Management's ability to adapt, innovate, and deliver cost-effective and reliable vehicles and equipment to City Services and external partners while prioritizing innovation and sustainability.

### Service Challenges

Fleet Management continues to face several challenges including the recruitment of skilled trade workers, aging facilities and equipment, and procurement and supply chain constraints. Manufacturers continue to experience supply chain challenges resulting in the delayed arrival of orders including electric vehicles to support the Green Fleet Program. Incremental improvements have been noted in the light-duty vehicle category however these challenges continue to disrupt Fleet Management's ability to deliver cost-effective and reliable services to partners and City services.

In addition to these constraints, The City is in Stage 3 monitoring of its Safety Certificate by the Government of Alberta due to an increase in its Provincial Carrier Profile risk rating; an increase from mid-year reporting. Fleet Management's Training and Compliance Team is actioning a comprehensive issues management plan in collaboration with corporate partners to mitigate risk and further liability to The City.

### Trends & Potential Uncertainties

Green vehicle adoption is a key component to the success of the Green Fleet Program; however, uncertainties persist regarding charging infrastructure solutions for electric vehicles, technological advancements, and cost-effectiveness. Telematics integration will remain pivotal to offering real-time tracking and data-driven insights for enhanced operational efficiency as demonstrated by the deployment of a new Common Telematic Operating System (CTOS). Supply chain constraints will likely continue to pose uncertainties as will workforce and knowledge retention concerns, in particular for skilled trade workers. Addressing these challenges will require a comprehensive approach, leveraging innovation, and strategic planning to ensure the service remains adaptable and resilient.



# Measuring Our Performance

## Legend

— Actuals

■ Expected Future Performance

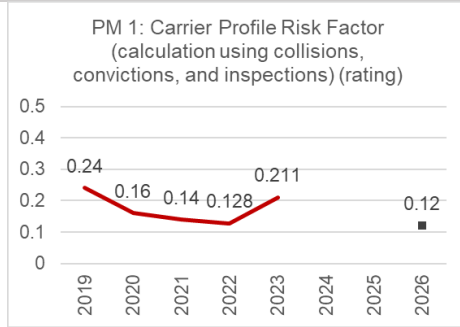
→ Progressing as planned

⊖ Not progressing as planned

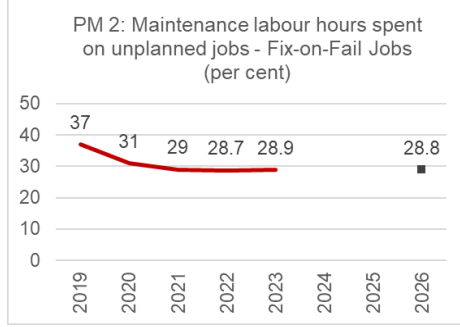
## Performance Measures

## Story behind the numbers

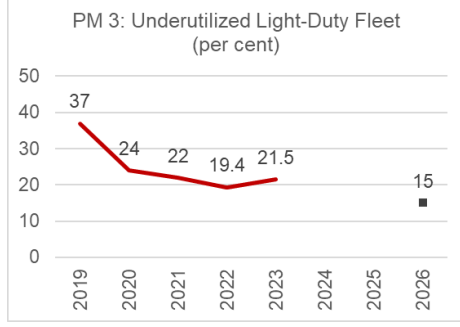
## Status



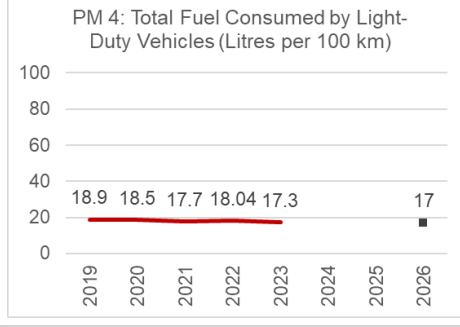
The December 2023 R-factor was 0.211. The overall volume of collisions and convictions continue to be the primary contributors to The City's higher-than-anticipated rating. The City is currently in Stage 3 monitoring of its Safety Certificate by the Government of Alberta; an increase from mid-year reporting.



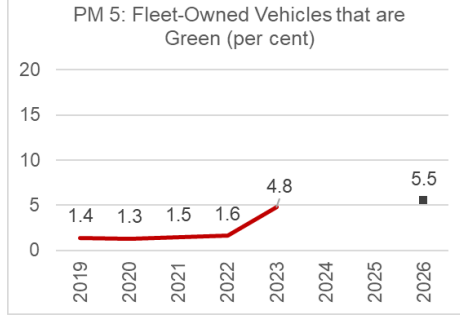
The 2023 average percentage is well below the maximum of 30 per cent. Performance is on course to achieve the 2026 expected future performance of 28.8%. Fleet Management continues to lead municipal performance in this area as outlined by the Municipal Benchmarking Network Canada.



By the end of 2023, 21.5 per cent of light-duty fleet vehicles in prime life were underutilized (i.e., driven less than 7,500 km and used fewer than 125 days). This is an improvement from the end 2020 (24 per cent) and 2021 (22 per cent), but a slight increase from 2022 (19.4 per cent). The impact of light-duty vehicles that moved over to Fleet Management from other business units (i.e., Calgary Parking Authority, Calgary Transit) following corporate realignment must still be fully realized. The expected future performance is 15 percent by the end of 2026.

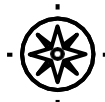


Fuel liters used per 100 kilometres is trending downward with 17.3 L/100 km used by the end of 2023. This is an improvement from 2022 (18.04 l/100 km) and is progressing as planned towards the 2026 target of 17 L/100 km. Initiatives such as The City's idling reduction initiative and green driving program support the decrease. From 2020 year-over-year idling has been steadily decreasing for corporate fleet vehicles.



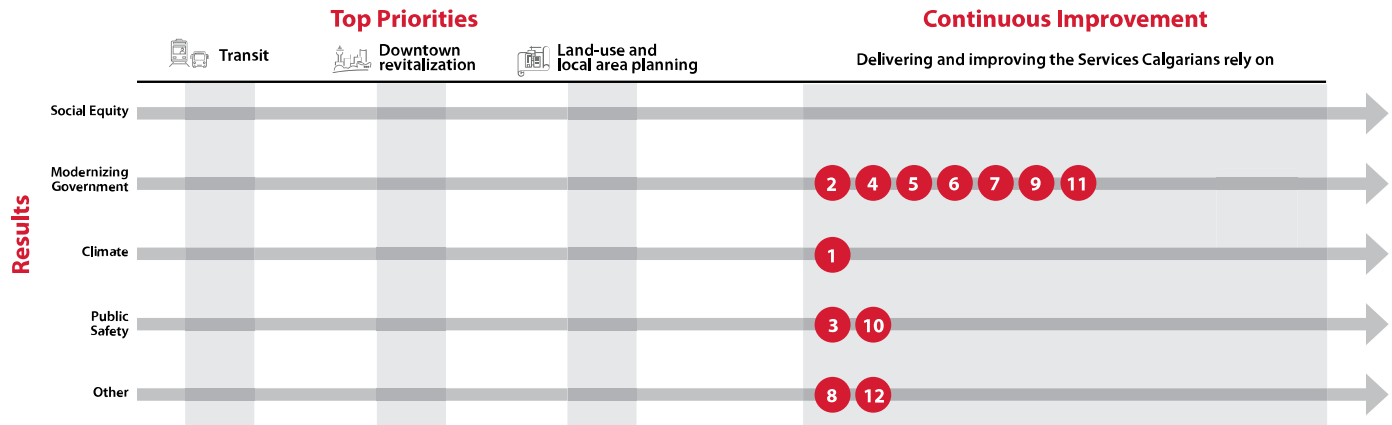
By the end of 2023, 4.8 per cent of Fleet-owned vehicles were either battery electric (43) or hybrid (69) vehicles. This is a noticeable increase from the 10 electric and 27 hybrid vehicles by the end of 2022. The primary reason for the increase in hybrid vehicles is due to realignment which saw over 50 units from Calgary Park Authority's (CPA) fleet onboarded into the municipal fleet. Fleet Management is making progress toward modernizing and greening the municipal fleet in support of the Green Fleet Program and corporate climate mitigation efforts.





# Progress on Service Delivery

## Alignment with Council Refined Priorities and Result Areas



- Legend**
- Completed
  - Progressing as planned
  - Not progressing as planned
  - Not started
  - Initiative number

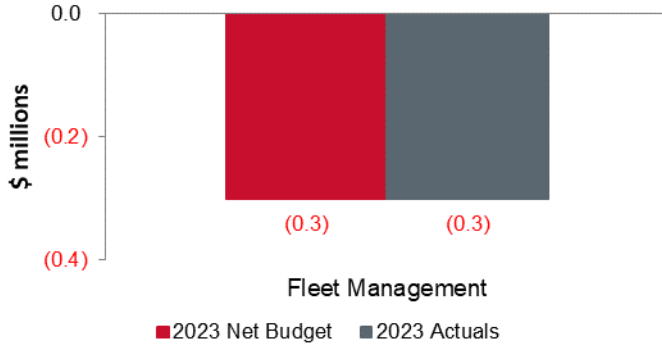
Initiative	Initiative Update	Status
1 Reduce the environmental impact of The City's fleet and contribute to achieve corporate greenhouse gas emissions reduction targets by implementing the Corporate Green Fleet Strategy.	The City continues to make progress towards implementing the Green Fleet Strategy. Notable highlights from 2023 include successfully testing renewable diesel (HDRD) on five Waste & Recycling Service trucks, completing an alternative fuel study that will inform a 10-year fuel transition plan, and reducing the corporation's idling by 29 per cent which represents a savings of over 280,000 litres of fuel. Fleet Management also submitted a grant application to Emissions Reduction Alberta (ERA) to purchase six hydrogen vehicles; the application has proceeded to the second stage of the competition.	
2 Improve safety and business continuity by investing in critical facility and equipment lifecycle upgrades.	As noted at mid-year, several upgrades will commence in the later part of the business cycle. Currently, upgrades to Manchester R are progressing as planned but with supply chain related delays for integration of the elevator. Project planning and design is ongoing for other upgrades at Manchester R, Q, and A. Some projects are being reassessed to determine move-forward plans, while others may take several years to complete (e.g., hoist replacement).	
3 Engage employees to be actively involved in maintaining a safe workplace through participation in safety governance committees, implementation of safety programs and performance improvement.	Fleet & Inventory continues to make progress in implementing its safety workplan. To foster employee engagement, initiatives such as leadership safety summits, town halls, and the establishment of the Joint Worksite Safety Committee (JWHSC), to support a positive safety culture, have been completed. The service is also collaborating with the OS department team to explore strategies for involving staff in safety improvement efforts such as updating emergency response plans, streamlining reporting, updating safety commitments, and increasing the quality of inspections & corrective actions.	
4 Reduce liability to The City and citizens by investing in telematics and critical technology infrastructure that will improve vehicle safety and driver behaviour.	Fleet Management continues to make progress on the implementation of a new corporate Common Telematic Operating System (CTOS). The new system has been deployed to 97 out of 100 planned test units during the proof-of-concept phase. Upon completion of the assessment phase and approval from the project sponsor, the new CTOS system will be deployed to the remaining corporate fleet and integration points will be developed.	
5 Improve vehicle utilization and maximize the use of City-owned vehicles and equipment by advancing Flex Fleet, The City's corporate car share program.	In 2023, Flex Fleet's 837 members completed over 4,200 trips, covering a distance of approximately 203,000 kilometres. This year also saw the electrification of nearly 41 per cent of Flex Fleet's units, a significant step towards environmental sustainability in support of The City's Green Fleet Program. As the year drew to a close, Fleet Management's focus shifted to enhancing accountability among underutilized vehicle users. To this end, several pilots will be initiated in 2024 including ongoing collaboration with services such as the Calgary Police Service.	

Initiative	Initiative Update	Status
6 Provide reliable and sustainable service delivery to customers by delivering The City's Fleet Capital Asset Management plan.	Vehicle manufacturers continue to experience supply chain challenges resulting in the delayed arrival of orders. Coupled with increasing vehicle and equipment costs, Fleet Management is currently unable to deliver cost-effective and timely service to customers. Fleet Management has engaged Procurement & Warehousing to develop risk mitigation strategies to address competition within the awarded schedule (i.e., awarding contracts to two or more vendors) as the service continues to work to reduce delays and minimize costs to customers.	
7 Improve vehicle and equipment uptime, service delivery to citizens, and reduce costs by implementing Reliability Centered Maintenance (RCM).	Incremental improvements have been realized through 2023 by standardizing maintenance plans using data gathered from Reliability Centered Maintenance (RCM) analysis. This work enables the future adoption of preventative maintenance schedules to ensure Fleet Management continues to deliver timely and cost-effective services to customers. As Fleet Management looks ahead, emphasis will be placed on maintenance planning to enable improved data collection and the implementation of RCM to improve vehicle and equipment uptime.	
8 Support critical service delivery and attract and retain a diverse workforce by implementing a workforce strategy for hiring "difficult to fill" positions.	Fleet Management continues to face significant challenges in recruiting heavy equipment technicians. As a result, the service will implement a five per cent out-of-schedule increase for all heavy equipment technician (HET) positions beginning in January 2024. The intent is to attract and retain employees for these hard-to-fill roles and help close the wage disparity between The City and the private sector. The recent HET posting, showcasing updated rates, drew a higher number of qualified applicants compared to previous instances, underscoring the success of this new approach.	
9 Partner with service owners to consolidate The City's fleet management practices to realize efficiencies and improve service quality and delivery to customers.	Fleet Management continues to work alongside Procurement & Warehousing to consolidate practices and improve service quality. Two administrative policies are approaching completion: Corporate Inventory policy and the Disposal of Surplus Assets policy. As part of this work, Fleet Management has engaged with impacted customers including Waste & Recycling, Calgary Fire Department, and Calgary Transit to create governance documents that address Fleet & Inventory's realigned structure and commitment to service quality and delivery to customers.	
10 Ensure safe operation of vehicles and equipment through operator training, testing and certifications for new and existing employees to maintain compliance.	Fleet & Inventory has successfully implemented the centralization of vehicle and equipment training functions into Training and Compliance. The recruitment of Training Officers has been completed and training requests from business units continue to be met. Ongoing meetings are taking place with business unit partners and recoveries are meeting requirements. Since March of 2023, Training and Compliance has achieved 18,968 hours of training, affecting 6,478 employees and saving the corporation 32 per cent on training charges.	
11 Support efficiency and effectiveness in service delivery by implementing a continuous improvement process framework to engage employees and customers in the implementation, testing, and evaluation of innovative solutions.	Several notable continuous improvement initiatives were completed in 2023 including the creation of Fleet & Inventory's employee knowledge hub and improvements to the Integrated Management System to ensure consistent management of occupational health and safety, environmental, quality, and business risks across operations. With the appropriate organizational structure in place, Fleet & Inventory's project management and continuous improvement framework will be developed in early 2024 to support the completion of key projects and continuous improvement initiatives.	
12 Support staff development and performance by providing opportunities for learning and development that promote safety, respect, and inclusion to support Council's strategic direction.	Fleet and Inventory successfully implemented its new employee onboarding program and accompanying leadership toolkit in May 2023. The program includes hands-on activities designed to provide flexibility and serve as a reference for new employees, and resources to support leaders with onboarding activities. Fleet & Inventory has also implemented the Learning Management System (LMS) which includes regulatory, corporately mandate, and job-specific learning activities. Fleet & Inventory finished the year off with a training completion percentage of 73 per cent.	



## Service Updates on Financial Performance

### Net Operating Budget and Actuals as of December 31, 2023



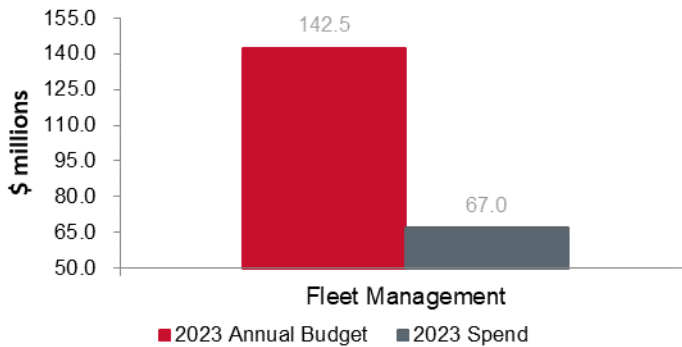
### Operating Budget Updates - 2023 net operating budget vs actuals:

Fleet Management has no operating budget variance for the reporting period.

Fleet Management is a self-supported service line and continues to work with internal client services to provide cost savings through increased preventative maintenance and asset optimization.

In 2023, Fleet Management completed a comprehensive review of its rates and adjusted these to reflect changes to the breadth and growth of its service levels. The new rates took effect on January 1, 2024.

### Capital Budget and Spend as of December 31, 2023



### Capital Budget Updates - 2023 total capital budget vs 2023 spend:

Fleet Management has spent 47.0 per cent of the 2023 approved capital budget. Year-to-date capital expenditures have been used to acquire replacement and growth fleet vehicles. Capital spend is lower than anticipated, due to supply disruptions that have caused delivery delays resulting in outstanding capital purchase commitments of around \$45.7 million.

Fleet Management's capital programs are funded from self-supported debt. We continue to work with our internal customers to optimize the composition and utilization of The City's municipal fleet of vehicles and equipment.