

# 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.

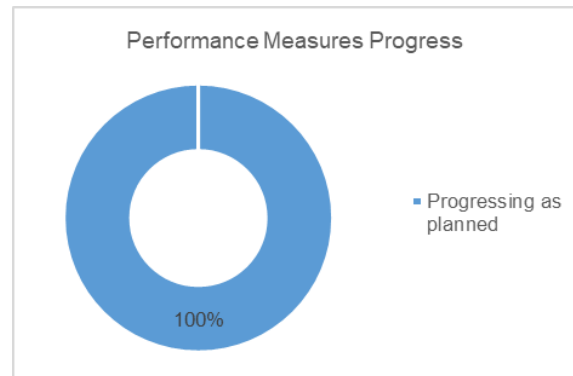
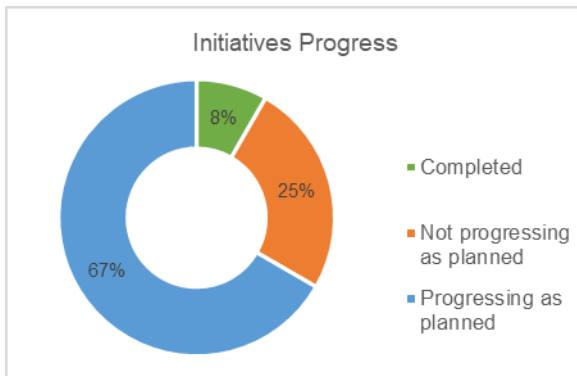
Fleet Management provides a range of vehicles and equipment from sanders to refuse trucks to snowplows and construction equipment. These vehicles and equipment enhance mobility of staff, act as mobile offices, and enable the delivery of services to Calgarians.

## Service Updates

### Key service results

Fleet Management enables City Services and external partners by providing reliable and efficient vehicles and equipment. The service is on target with its objectives for reliability, unit availability for essential services, and overall GHG reduction while facing unprecedented and unbudgeted demand due to population growth. Other limitations include challenges attracting technicians, supply chain delays and shortage of shop space. Nonetheless, the service continues to contribute to reducing corporate greenhouse gas emissions by implementing The City's Green Fleet Strategy and pursuing innovative initiatives to support environmental sustainability. A highlight includes successfully receiving approval for \$2.19 million in funding from Emission Reduction Alberta (ERA) to explore hydrogen technology for vehicles and equipment. Another success is the work toward the Common Telematic Operating System (CTOS) system that will improve safety and performance. These successes 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.

### Progress summary



### Risk(s) impacting the progress

Impacts on the ability to recruit and retain knowledge, competent and experienced staff due to a competitive labour market, staff turnover and shortages

Supply chain disruptions impact Fleet Management's ability to obtain materials, parts, vehicles & equipment in a timely or cost-effective manner, impacting service delivery

Lack of shop space to meet service demand of growing fleet of vehicles & equipment



# Measuring Our Performance

## Legend

— Actuals

■ Expected Future Performance

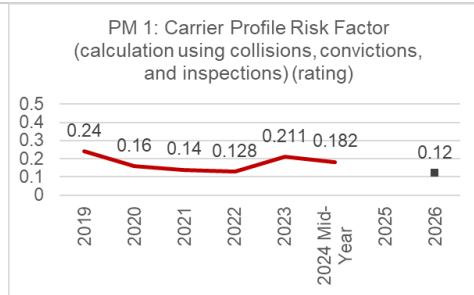
➔ Progressing as planned

⊖ Not progressing as planned

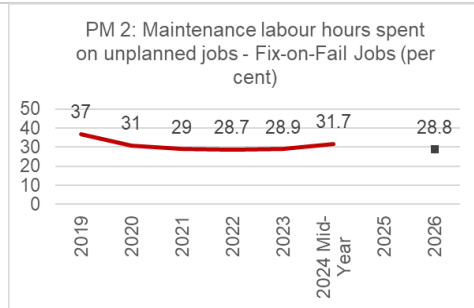
## Performance Measures

## Story behind the numbers

## Status

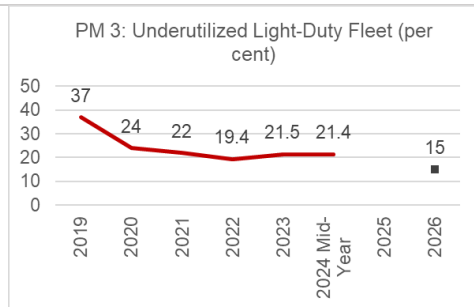


The mid-year Carrier Profile Risk Factor is 0.182, down from the January 2024 value of 0.214. The City is now in Stage 1 monitoring (down from Stage 3 in Q1 2024). This reflects the positive impact of ongoing risk management initiatives and the changes in the risk factor scoring process that were implemented to improve the carrier profile's risk monitor. The service will continue to manage risk and focus on improving driver behaviour to move out of provincial monitoring in 2024.

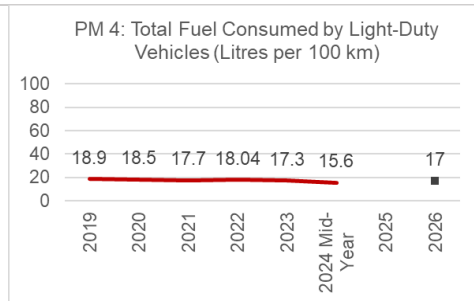


So far in 2024, 31.7 per cent of time has been spent on work for unexpected vehicle breakdowns, which is slightly higher than the target. The City's aim is to provide preventative maintenance that reduces unexpected breakdowns, allowing consistent and predictable services to be delivered to citizens.

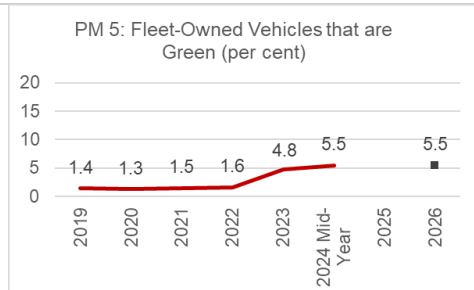
The 2024 average percentage of fix-on-fail jobs is above the targeted maximum as there continue to be delays in receiving new replacement units. A third of the fleet is beyond prime economic life, an increase from 2023, leading to more unexpected breakdowns. There have also been warranty issues with new side-load refuse trucks.



By mid-year 2024, 21.4 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 almost the same as the per cent calculated at the end of 2023 and an improvement from the previous years (24 per cent in 2020 and 22 per cent in 2021). 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 target is 15 per cent by the end of 2026.



By the end of June, the fuel liters used per 100 kilometers were trending downward, with 15.6 L/100 km used. This is an improvement from 2023 (17.3 L/100 km) and has surpassed the 2026 target of 17 L/100 km. This decrease is a result of multiple initiatives, such as The City's idling reduction program and green driving program, which have proven effective. Since 2020, year-over-year idling for corporate fleet vehicles has steadily decreased.



As of mid-year 2024, 5.5 percent of Fleet-owned vehicles are either battery electric (43) or hybrid (89), meeting the business cycle target. Compared to the end of 2023, when the value was 4.8 percent, Fleet has acquired 20 additional hybrid units. Fleet Management is making progress toward modernizing and greening the municipal fleet in support of the Green Fleet Program and corporate climate mitigation efforts.



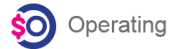


# Progress on Service Delivery












## PROGRESS STATUS






## FUNDING TYPE



Initiative 1	Impact Area: City-wide	Funding Type: 
<b>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.</b>		
UPDATE 	The City is making progress in implementing the Green Fleet Strategy. Highlights include approval for \$2.19 million in funding from Emission Reduction Alberta to explore hydrogen technology for vehicles and equipment. The service also received funding from the "Electric Vehicles for Municipalities Program" towards the purchase of 20 light-duty EVs and a hybrid refuse truck. A test of renewable diesel expanded to all diesel dispensed at Spring Gardens for the summer. Other testing has included an electric street sweeper, an electric delivery truck and an autonomous mower.	
Initiative 2	Impact Area: Not applicable	Funding Type: 
<b>Improve safety and business continuity by investing in critical facility and equipment lifecycle upgrades.</b>		
UPDATE 	Several upgrades will commence in the later part of the business cycle. After supply chain-related delays in integrating the elevator in Building R, work is expected to be completed in early Q3 2024. Exterior light upgrades to improve safety and visibility in the high-traffic areas around buildings recently started. Project planning and design are 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., a hoist replacement solution will be tested prior to complete rollout).	
Initiative 3	Impact Area: Not applicable	Funding Type: 
<b>Engage employees to be actively involved in maintaining a safe workplace through participation in safety governance committees, implementation of safety programs and performance improvement.</b>		
UPDATE 	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 sustained. 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.	
Initiative 4	Impact Area: Not applicable	Funding Type: 
<b>Reduce liability to The City and citizens by investing in telematics and critical technology infrastructure that will improve vehicle safety and driver behaviour.</b>		
UPDATE 	Fleet Management continues to make progress on the implementation of a new corporate Common Telematic Operating System (CTOS) which will improve safety and performance. The Telematics modernization project is scheduled to successfully complete the Proof-of-Concept (POC) phase at the end of Q2 2024. Following the guidance of the Project Sponsor, the implementation team will create an aggressive roll-out plan to facilitate the transition from legacy CFOS systems. The improved CTOS system will allow for greater insights into vehicle operator behaviours and overall service delivery.	
Initiative 5	Impact Area: Not applicable	Funding Type: 
<b>Improve vehicle utilization and maximize the use of City-owned vehicles and equipment by advancing Flex Fleet, The City's corporate car share program.</b>		
UPDATE 	Flex Fleet currently has 875 active members with the program completing over 2,546 trips covering 124,109 kilometers. This 26% increase in utilization has been primarily achieved through a streamlined application process that provides access to users while maintaining training and safety expectations. Additional electric chargers were installed at Manchester Water Centre, Manchester Building R, and Manchester Building Q, enhancing environmental sustainability	

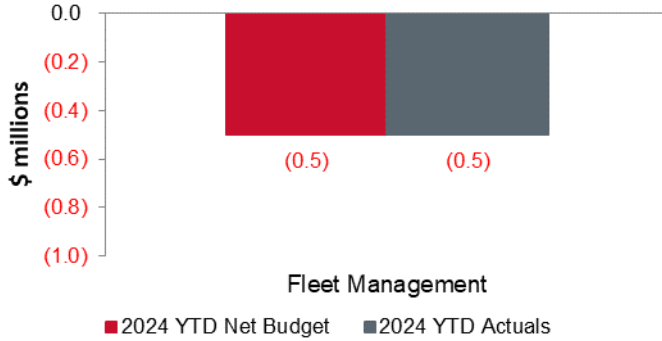
	in support of The City's Green Fleet Program. Fleet Management will also enhance accountability among underutilized vehicle users.	
<b>Initiative 6</b>	<b>Impact Area:</b> Not applicable	<b>Funding Type:</b> 
<b>Provide reliable and sustainable service delivery to customers by delivering The City's Fleet Capital Asset Management plan.</b>		
UPDATE 	Vehicle manufacturers continue to experience supply chain challenges resulting in the delayed arrival of orders. Coupled with increasing costs, inflationary pressures, and unplanned service growth increases, the service is currently unable to deliver cost-effective and timely service. Fleet Management continues to engage with Procurement & Warehousing to develop risk mitigation strategies as the service works to reduce delays and minimize costs to customers.	
<b>Initiative 7</b>	<b>Impact Area:</b> Not applicable	<b>Funding Type:</b> 
<b>Improve vehicle and equipment uptime, service delivery to citizens, and reduce costs by implementing Reliability Centered Maintenance (RCM).</b>		
UPDATE 	The program is still being developed by the engineering team, and Engineering, Maintenance and Customer Service are still working through implementation challenges with the usage-based maintenance program, oil changes and scheduling. These efforts to improve the reliability and uptime of vehicle and equipment units will be crucial as factors like supply chain and unplanned growth continue to cause challenges growing the fleet or replacing units at their end-of-life.	
<b>Initiative 8</b>	<b>Impact Area:</b> Not applicable	<b>Funding Type:</b> 
<b>Support critical service delivery and attract and retain a diverse workforce by implementing a workforce strategy for hiring "difficult to fill" positions.</b>		
UPDATE 	Fleet Management continues to face challenges in recruiting heavy equipment technicians (HET) . The service implemented a five percent out-of-schedule increase for all HET positions beginning in January 2024. The intent was to attract and retain employees for these hard-to-fill roles and help close the wage disparity between The City and the private sector. Recent HET postings, showcasing updated rates, drew a higher number of qualified applicants compared to previous instances. Since the implementation of the pay increase, one-third of vacant positions have been filled.	
<b>Initiative 9</b>	<b>Impact Area:</b> Not applicable	<b>Funding Type:</b> 
<b>Partner with service owners to consolidate The City's fleet management practices to realize efficiencies and improve service quality and delivery to customers.</b>		
UPDATE 	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. Work on these policies has allowed interested parties to delve deep into service governance. Although the timeline for implementation of the policies has extended beyond the original target of Q1 2024, the ongoing work is vital to see through the realigned structure and commitment to service quality and delivery to customers.	
<b>Initiative 10</b>	<b>Impact Area:</b> City-wide	<b>Funding Type:</b> 
<b>Ensure safe operation of vehicles and equipment through operator training, testing and certifications for new and existing employees to maintain compliance.</b>		
UPDATE 	Fleet & Inventory successfully implemented the centralization of vehicle and equipment training functions into Training and Compliance in 2023. 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.	
<b>Initiative 11</b>	<b>Impact Area:</b> Not applicable	<b>Funding Type:</b> 
<b>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.</b>		
UPDATE	Continuous improvement is embedded in the service's practices in conformance with our three ISO registrations. An external re-registration audit was conducted in Q2 to ensure consistent management of occupational health and safety,	

	environmental, quality, and business risks across the service. The service recently completed the recruitment of a Team Lead, Project Management to support project management and advance continuous improvement efforts.	
<b>Initiative 12</b>	<b>Impact Area:</b> <b>Not applicable</b>	<b>Funding Type:</b> 
<b>Support staff development and performance by providing opportunities for learning and development that promote safety, respect, and inclusion to support Council's strategic direction.</b>		
UPDATE 	Fleet & Inventory continues to make progress on its position-based training program. The training program utilizes the Learning Management System (LMS), which to date includes 48 learning activities across regulatory, corporately mandated, and job-specific categories. Fleet & Inventory is at a 75% completion rate for all training requirements.	



## Service Updates on Financial Performance

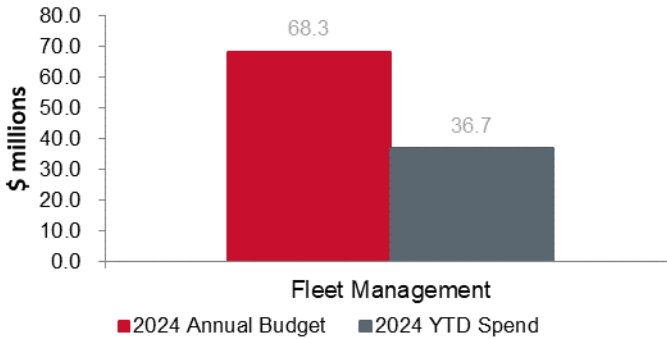
### Net Operating Budget and Actuals as of June 30, 2024



### Operating Budget Updates - 2024 YTD 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 customers to provide cost savings through increased preventative maintenance and asset optimization. In last fiscal year, Fleet Management completed a comprehensive review of its rates and adjusted its rates 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 June 30, 2024



### Capital Budget Updates - 2024 total capital budget vs 2024 YTD spend:

Fleet Management has spent 53.8 per cent of the 2024 approved capital budget. Year-to-date capital expenditures have been used to acquire replacement and growth fleet vehicles. Capital spending is on track to meet the budget. Fleet Management has outstanding capital purchase commitments of approximately \$44 million, with \$33 million (or 47.4 per cent of 2024 capital) for vehicle purchases expected to be delivered in 2024. If the suppliers meet their delivery commitments without supply chain issues, we expect to exceed the one hundred per cent target for 2024 capital spend in acquisition of new vehicles and equipment. Population growth is leading to a greater demand for City services, which increases the number of vehicles required by Fleet Management customers. The majority of Fleet Management's capital programs is 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.