

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

Highlights

Fleet Management enables City Services and external partners through the provision of reliable and efficient vehicles and equipment. The service is contributing to The City's climate mitigation efforts by implementing The City's Green Fleet Strategy and pursuing innovative initiatives to support environmental sustainability.

Highlights include piloting hydrogenation-derived renewable diesel (HDRD) and attracting close to 700 staff to The City's car sharing program, Flex Fleet. Fleet Management is also implementing a comprehensive Safety Workplan to promote a safe and healthy work environment and foster employee engagement through initiatives such as leadership safety summits and health and safety committees.

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 safety, sustainability and innovation.

Challenges

Fleet Management is facing several challenges that have disrupted its ability to deliver cost-effective and reliable services to partners and City services.

These challenges include the recruitment and retention of skilled trade workers, rising costs and inflation, demand for new technologies, procurement delays and supply chain constraints. Manufacturers also continue to experience supply chain challenges resulting in the delayed arrival of vehicle and equipment orders including electric vehicles to support the Green Fleet Strategy.

In addition to these constraints, The City is currently in stage two monitoring of its Safety Certificate by the Government of Alberta due to an elevated Provincial Carrier Profile risk rating. To mitigate further liability and risk to The City, Fleet Management's Training and Compliance Team have prepared a comprehensive issues management plan in collaboration with corporate partners to mitigate risk.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

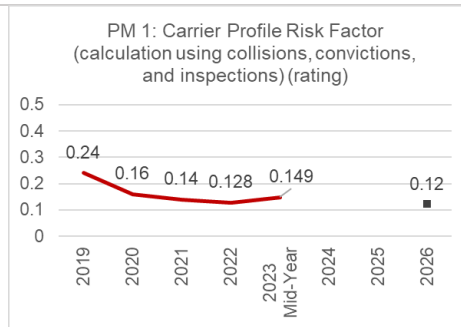
→ Progressing as planned

⊖ Not progressing as planned

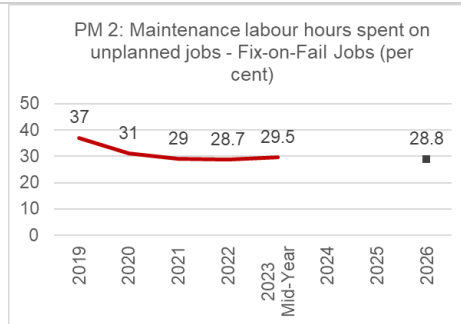
Performance Measures

Story behind the numbers

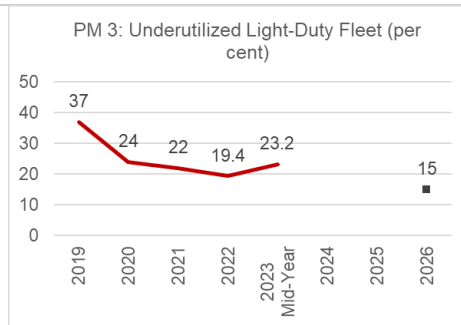
Status



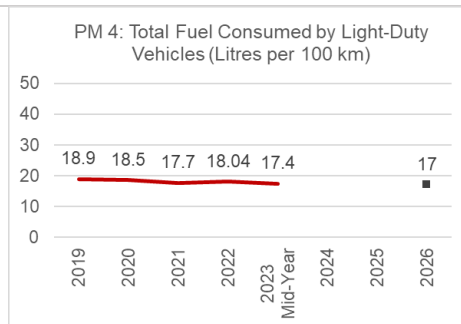
The City's year-to-date average Carrier Profile Risk Factor is 0.149. The risk factor for The City's industry group increased in June 2023, putting The City in Stage 2 risk monitoring. The overall volume of collisions and convictions remain the primary contributors. The City is making progress to reduce its Carrier Profile Risk Rating through diligent issues management and risk mitigation.



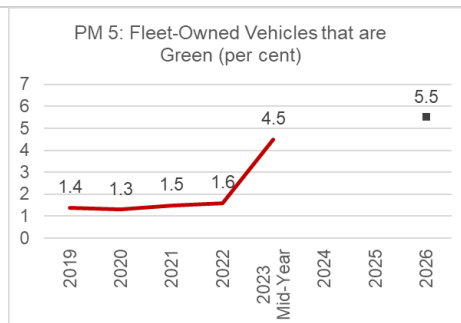
For the first six months of 2023 an average of 29.5 per cent of labour hours were spent on unplanned jobs - thereby achieving the expected future performance of 30 per cent or less. Over the last three years Fleet Management has nationally led the municipal performance in this area as outlined by the Municipal Benchmarking Network Canada.



By May 2023 (the latest available data at the time of reporting), 23.2 per cent of all light-duty fleet vehicles are under-utilized in terms of either distance driven or days used. This is a slight increase from December 2022 (19.4 per cent). The seasonal utilization of some units may be better accounted for with annual reporting and may positively influence the utilization percentage in the latter part of 2023. Through realignment we are getting more visibility into the entire corporate fleet which will help us drive our utilization. This increase visibility may be causing the short-term increase in this measure.



Fuel litres used per 100 km is trending down with 17.4 L/100 km by end June 2023. This is lower than the 18.04 L/100 km at the end 2022 and is progressing as planned towards the target of 17 L/100km by the end 2026. Initiatives such as The City's idling reduction initiative support the decrease. Since 2020 year-over-year idling has been reduced for Fleet-owned vehicles with an estimated total fuel savings of 464,000 litres since 2021.



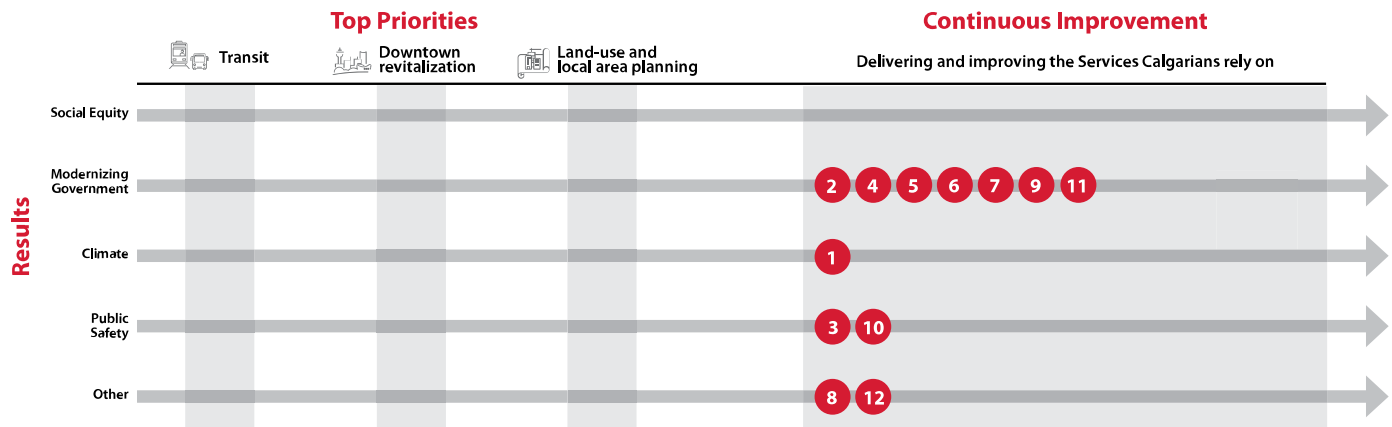
By the end of June 2023 4.5 per cent of Fleet-owned vehicles were either battery electric (32) or hybrid (67) vehicles. Despite ongoing procurement delays and supply chain challenges, Fleet Management is making progress toward modernizing and greening the municipal fleet in support of Corporate climate mitigation efforts.





Progress on Service Delivery

Alignment with Council Refined Priorities and Result Areas



Legend Completed Progressing as planned Not progressing as planned Initiative number

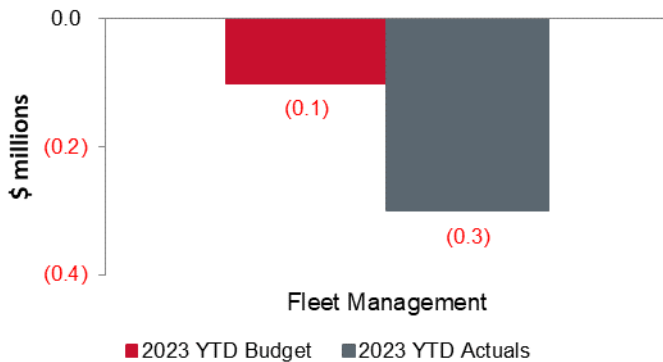
Initiative	Initiative Update	Status
1 Reduce the environmental impact of The City's fleet and contribute to achieve corporate greenhouse gas emissions reduction targets by implementing the Corporate Green Fleet Strategy.	The City is making consistent strides in its endeavor to modernize the municipal fleet and align with the Climate Strategy and Council's vision of a climate-resilient city. The City is exploring several initiatives aimed at diminishing fuel consumption and decreasing greenhouse gas emissions. Notable highlights include updating idling targets for 2023 to 2030, conducting a study to identify top-scoring alternative fuels for future pilot projects, initiating a pilot program for hydrogenation-derived renewable diesel (HDRD), and increasing the number of vehicles in Flex Fleet.	
2 Improve safety and business continuity by investing in critical facility and equipment lifecycle upgrades.	The delivery of several critical facility upgrades will commence in the latter part of the business cycle including the installation of an emergency generator for Manchester Q, facility upgrades to Manchester Bldg Q, and the creation of additional storage at Shepard Maintenance Parts Warehouse. The lifecycleing of equipment (i.e. hoist replacement) has been submitted for procurement and will proceed once a buyer is assigned.	
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 Management has made notable progress in implementing its safety work plan. To foster employee engagement, initiatives such as leadership safety summits, townhalls and the establishment of health and safety committees, to support a positive safety culture, have been completed. The service is also collaborating with the OS department to explore strategies for involving staff in safety improvement efforts such as updating emergency response plans, streamlining reporting, enhancing 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 is making significant strides in various projects focused on enhancing data and system capabilities. One of the key initiatives is the implementation of a new Corporate Common Telematics Operating System (CTOS). A contract has been awarded, and discussions with interested parties for a pilot program are underway. Fleet Management is also working collaboratively with Information Technology to improve data integrity by implementing data entry automation and integrating fleet management information systems to automate communication between disparate systems.	
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.	Flex Fleet has attracted close to 700 staff to The City's car sharing program. Together, users have successfully completed over 2,007 trips, covering an impressive distance of close to 94,000 kilometers. Highlights include deploying cutting-edge Ford Lighting trucks for a Waste & Recycling pilot; transitioning to a usage-based cost model; and showcasing electric vehicle technology at this year's Mayor's Expo. With an average trip distance of 49 km and an approximate duration of five hours, Flex Fleet delivers unparalleled service to users in a convenient and reliable manner.	

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 all orders. Coupled with rising costs, inflation, procurement challenges, and demand for new technologies, Fleet Management is currently unable to deliver cost-effective and timely service to its customers. Risk management strategies are in place to adjust business continuity plans and to partner with vendors to explore options to reduce delays.	
7 Improve vehicle and equipment uptime, service delivery to citizens, and reduce costs by implementing Reliability Centered Maintenance (RCM).	Labour shortages, aging assets and a reliance on outsourcing is making it difficult to meet availability of critical and essential fleet. Fleet Management continues to focus on preventative maintenance and standardization to maintain a high level of uptime and reliability while reducing costs and unscheduled breakdowns.	
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 is facing challenges recruiting heavy equipment technicians. This is affecting the service line's ability to deliver reliable and cost-effective services as more work is being outsourced to the private sector, which in turn increases costs and delivery times for customers. The recruitment challenges are largely attributed to wage disparities between The City and the private sector. Discussions with The City's total compensation team continue to find solutions.	
9 Partner with service owners to consolidate The City's fleet management practices to realize efficiencies and improve service quality and delivery to customers.	Alongside the Procurement & Warehousing service line, Fleet Management is working to consolidate practices and improve service quality. Two notable examples include the review and update of two administrative policies: Corporate Inventory policy and Disposal of Surplus Assets policy. Fleet & Inventory has also released its first customer satisfaction survey as a new business unit (post realignment) to gather input from a wide range of customers who have used Fleet & Inventory services in the last 12 months. Information gathered will support the continuous improvement of services and programs.	
10 Ensure safe operation of vehicles and equipment through operator training, testing and certifications for new and existing employees to maintain compliance.	As a result of the realignment, Fleet & Inventory has assumed vehicle and equipment training for the City with the exception of Calgary Police Service, Calgary Fire Department and Transit. This centralization has resulted in a substantial amount of training requests, however with the addition of nine Training Officers, Fleet & Inventory has met its targets including training 2,587 new and returning seasonal employees, resulting in a total of 30,000 employee training hours. Training demands remain high, however the training team continues to offer a high level of service excellence to BUs.	
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.	The recruitment processes for the Team Lead, Project Management and Business Improvement Strategist has concluded. These positions will support the implementation of Fleet Management's continuous improvement framework throughout the business cycle, and collaborate with the OS department team to coordinate departmental continuous improvement efforts on behalf of the business unit.	
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. 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 commenced the implemented of a Learning Management System (LMS) which includes regulatory, corporately mandate and job specific learning activities. Fleet & Inventory is trending towards finishing the month of June with a training completion percentage of 61 per cent.	



Service Updates on Financial Performance

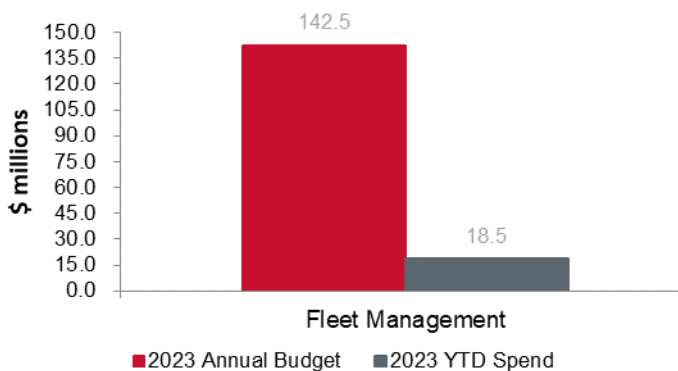
Net Operating Budget and Actuals as of June 30, 2023



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

Fleet Management has a favourable year-to-date operating variance of \$0.2 million. The main reason that has contributed to this variance are slightly higher recoveries. Fleet Management is a self-supported service line that enables City Services and external partners by providing reliable and efficient vehicles and equipment that maximize safety, environmental sustainability and minimize lifecycle costs. The service will continue to prioritize preventative maintenance and asset optimization to minimize the total cost of ownership of The City's fleet.

Capital Budget and Spend as of June 30, 2023



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

Fleet Management has spent 13 per cent of the 2023 approved capital budget. Year-to-date capital expenditures have been used to support key annual investment programs (i.e. vehicle and equipment replacement and growth) and the replacement of critical equipment and lifecycle upgrades to support essential services.

Fleet Management's capital spend is lower than anticipated largely due to global supply chain constraints and procurement delays that have caused delivery delays resulting in outstanding capital purchase commitments of approximately \$70M. The majority of Fleet Management's capital programs are funded from self-supported debt, excluding The City's Green Fleet Strategy. Fleet Management will continue to work with City Services and external partners to optimize the composition and utilization of The City's fleet vehicles and equipment and pursue innovative initiatives to support environmental sustainability.