



Fleet Management 10-Year Capital Infrastructure Needs Assessment

March 2026

1. Service Overview

Fleet Management plays a critical role in enabling City services and external partners by delivering reliable, efficient, and cost-effective vehicle and equipment solutions. With a strong focus on safety, environmental sustainability and lifecycle cost optimization, Fleet Management provides a comprehensive range of services, including driver training, vehicle and equipment maintenance, fabrication and repair, asset management, fuel management and green fleet initiatives.

Fleet Management stewards over 4,100 vehicles and equipment that support frontline operations in contributing to a vibrant and thriving city. This includes approximately 1,200 light fleet vehicles, 1,100 medium and heavy fleet vehicles and 1,400 motorized and specialized equipment. Fleet Management has 240 shop stationary equipment (overhead cranes, hoists, manufacturing shop and safety equipment) and operates 65 maintenance bays, 10 commissioning, 10 equipment and nine body shop bays.

As a strategic enabler, Fleet Management ensures seamless service continuity for both municipal operations and external service providers, such as Alberta Health Services. By offering innovative, fit-for-purpose fleet solutions, Fleet Management supports essential City functions, including waste collection, snow removal, water services, parks maintenance and emergency response.

Aligned with City Council's commitment to sustainability, Fleet Management is advancing environmentally responsible transportation through its Green Fleet Strategy. This initiative is designed to reduce greenhouse gas (GHG) emissions by transitioning to electric, hybrid and alternative-fuel vehicles, reinforcing Calgary's position as a leader in environmental stewardship while contributing to The City's long-term climate objectives.

Additionally, Fleet Management is investing in technology and data-driven strategies to enhance operational efficiency and decision-making. By leveraging telematics, analytics and automation, the service is optimizing fleet utilization, improving service delivery, strengthening safety protocols and ensuring operational resilience.

Through innovation and strategic investment, Fleet Management is committed to delivering high-performance fleet solutions that drive sustainability, efficiency and reliability across City operations.

2. Strategic Alignment

Fleet Management's capital infrastructure needs are strategically aligned with several key Council and Corporate initiatives, supporting Calgary's long-term goals for sustainability, operational efficiency and service reliability. Below is a brief overview of the primary strategies that influence and are supported by these investments:

1. Green Fleet Strategy

Fleet Management stewards the corporation's Green Fleet Strategy, which focuses on reducing greenhouse gas (GHG) emissions through fleet modernization, capital investments and changing operator behaviours (i.e. idling reduction). Capital investments in electric, hybrid and alternative-fuel vehicles directly support this strategy, helping transition City operations to more environmentally sustainable transportation solutions. Investments in charging infrastructure and fleet optimization technologies further reinforce these commitments.

2. Calgary Climate Strategy – Pathways to 2050

The Calgary Climate Strategy – Pathways to 2050 outlines The City's long-term climate goals, including emissions reduction, climate resilience and sustainable operations. Fleet Management's investments in green technology, low-emission vehicles and enhanced fuel management systems support The City's transition to a cleaner, more energy-efficient fleet, contributing to broader climate action objectives.

3. Council's Strategic Direction 2023 – 2026

Fleet Management aligns with Council's Strategic Direction 2023 – 2026, which prioritizes sustainability, financial responsibility and enhanced service delivery. By investing in lifecycle management, infrastructure upgrades, workforce development and advanced fleet technology, Fleet Management ensures operational excellence and cost efficiency, directly supporting Council's mandate to optimize City services while advancing environmental leadership.

Fleet Management's investments directly advance key strategic priorities, ensuring Calgary's fleet remains innovative, cost-effective and aligned with environmental and service sustainability objectives.

3. Service Risks

Fleet Management's capital infrastructure needs plan is designed to address critical risks, close operational gaps and support service enhancements that will drive efficiency, sustainability and resilience.

Service risks

1. Aging facilities and infrastructure

- Aging maintenance facilities and outdated infrastructure limit Fleet Management's ability to provide cost-effective and reliable service. Deferred maintenance will lead to increased downtime and higher lifecycle costs.
- The capital infrastructure needs assessment prioritizes the replacement and growth of vehicles and equipment using a lifecycle management approach, ensuring long-term reliability and operational efficiency.

2. Workforce challenges in key roles

- Recruiting and retaining skilled staff, particularly for specialized roles like Heavy Equipment Technicians, remains a challenge in a competitive labor market. High turnover rates impact Fleet Management's ability to respond to growing demands, modernize operations, and transition to environmentally friendly fleet technologies.
- To mitigate these risks, Fleet Management is investing in succession planning, structured career dialogues, strategic hiring practices, apprenticeship programs, breaking barriers to attracting talent from underrepresented groups and mentorship training to ensure workforce stability and skill development.

3. Funding limitations affecting fleet modernization

- Constraints in both operating and capital budgets limit Fleet Management's ability to proactively adapt to emerging service needs. Inadequate funding can lead to suboptimal lifecycle management, increasing maintenance costs and reducing fleet reliability.
- By working closely with frontline Services, Fleet Management is refining lifecycle planning for vehicle and equipment replacements, maximizing asset efficiency while optimizing available resources.

4. Economic uncertainty and supply chain disruptions

- External economic factors, including supply chain disruptions and tariffs, impact Fleet Management's ability to procure vehicles and equipment efficiently. These challenges increase costs and can delay the availability of critical fleet units.
- Fleet Management is collaborating with vendors to navigate tariff-related challenges while actively exploring alternative suppliers to secure timely and cost-effective procurement solutions.

Planned Service Enhancements

5. Infrastructure upgrades for sustainable operations

- Investments in upgraded maintenance facilities will enhance Fleet Management’s ability to deliver efficient, cost-effective and reliable services, reducing operational delays and improving service capacity.
- Fleet Management’s aging facilities no longer meet building code requirements, with critical infrastructure — such as bulk fluid storage, hoist systems, shop floors, drainage systems and HVAC — at the end of its lifecycle. Without capital investment, maintenance bays may not be available to service the existing Corporate Fleet, increasing Fleet Management’s reliance on outsourced maintenance and increasing operational costs for frontline services (e.g., Mobility, Water Service, Waste & Recycling).
- These investments will also support improved workplaces for Fleet Management’s workforce, specifically for specialized roles (e.g., Heavy Equipment Technicians) in a competitive labour market.

6. Strategic procurement and lifecycle management

- A structured approach to lifecycle management will ensure cost-effective fleet replacements and proactive maintenance strategies, mitigating risks associated with budget limitations and procurement challenges.
- Capital funding will assist Fleet Management navigate through economic volatility due to current macroeconomic conditions (e.g., inflations, cost fluctuations, tariffs, procurement delays) and address unforeseen challenges brought on by service increases (e.g., population increase).

7. Expansion of green fleet initiatives

- Fleet Management will accelerate the adoption of electric, hybrid and alternative-fuel vehicles, reducing greenhouse gas emissions and reinforcing Calgary’s leadership in environmental sustainability.

8. Advanced fleet technology and automation

- Capital funding will support telematics, data analytics and automated fleet management solutions, improving asset utilization, reducing downtime and optimizing service delivery.

Through these targeted investments, Fleet Management is positioning itself to deliver more efficient, sustainable and resilient services, enabling both City operations and external partners to maintain continuity and reliability.

4. Service Objectives

Customer commitments:

- Fleet Management will enable City Services and external partners by providing reliable and efficient vehicles, equipment and training to maximize safety, sustainability and minimize lifecycle costs.
- Fleet Management will maintain competitive pricing and actively engage with customers to enhance their understanding of the key factors affecting vehicle and equipment lifecycle costs.
- Fleet Management commits to integrating greener technologies into the Corporate Fleet*, actively supporting the Corporation's efforts to reduce greenhouse gas emissions and enhance environmental sustainability.
- Fleet Management commits to working with customers to ensure all parties understand roles and responsibilities as it relates to the Fleet Management policy and applicable procedures.

*Excludes Calgary Transit buses and Light Rail Vehicles (LRVs), Calgary Fire Department apparatus and Calgary Police Service vehicles.

Customer Levels of Service (CLOS) & asset performance

Fleet Management is working toward establishing specific Customer Levels of Service. In the interim, the following performance measures are used to ensure alignment with customer commitments and operational outcomes.

Reliability

- **Initiative:** Enhancing preventative maintenance to reduce vehicle and equipment breakdowns.
- **Performance measures:** Maintenance labour hours spent on unplanned jobs – Fix on Fail (per cent). Target (2026) 28.8 per cent; as of 2025 Sept 30: 33.6 per cent.
- **Asset condition:** Fleet reliability and service efficiency are influenced by delays in unit and parts procurement, extended use of assets beyond their useful life, limited maintenance space, workforce shortages and aging infrastructure.
- **Impact:** Fleet Management prioritizes reliability, recognizing that unexpected breakdowns disrupt essential services for Calgarians. Preventative maintenance initiatives minimize service interruptions and ensure dependable frontline operations.

Cost

- **Initiative:** Ensuring rates remain comparable with other cities while mitigating the impact of economic volatility, including but not limited to tariffs and escalating costs, to maintain service affordability.

- **Performance Measure:** Underutilized light-duty fleet (per cent). Target (2026) 15 per cent; Year-End (2024) 20.8 per cent.
- **Impact:** Escalating service costs impact Fleet Management's ability to deliver cost-effective solutions to customers. As a cost-recovery service, these increases are passed on to the respective service areas. While external factors such as inflation and tariffs remain beyond The City's control, Fleet Management is committed to mitigating cost pressures by continuously evaluating rate structures, optimizing acquisition processes and implementing strategic measures to manage expenses and minimize financial impacts on customers.

Safety & business continuity

- Fleet Management serves as the steward of The City of Calgary's Commercial Fleet, and acts as the primary liaison with the Government of Alberta for the Carrier Profile, the provincial on-road safety performance record for commercial National Safety Code Vehicles. The rating is reflective of collisions, convictions, Commercial Vehicle Safety Alliance (CVSA) inspections and administrative penalties incurred by City of Calgary operators.
- The team is responsible for promoting safe operator practices, coordinating vehicle inspections and delivering training to ensure compliance and safe operation of vehicles.
- **Initiatives:**
 - Improve safety and business continuity by investing in critical facility and equipment lifecycle upgrades.
 - Reduce liability to The City and Calgarians by investing in telematics (e.g. GPS, wireless communication) and critical technology infrastructure that will improve vehicle safety and driver behaviour.
- **Performance Measure:** Carrier Profile Risk Factor (rating based on collisions, convictions, administrative penalties and inspections). Target (2026) 0.12; 2025, Sept 30: 0.176

Impact: Significant effort has been made to reduce the Carrier Profile Risk Rating and improve on-road safety of City operators through successful collision appeals and City-wide education campaigns on safe driving, vehicle maintenance and inspections. Fleet Management continues to engage with business units through the Vehicle Safety Governance Committee to implement initiatives to improve on-road safety performance.

Environment

- **Initiative:** Reduce the environmental impact of The City's Corporate Fleet and contribute to achieving corporate greenhouse gas emissions reduction targets by implementing the Corporate Green Fleet Strategy.

- **Performance measure:**

- Fleet owned vehicles that are green (per cent). Target (2026) 5.5 per cent; 2025 Sept 30: 7.5 per cent.
- Total Fuel Consumed by Light-Duty Vehicles. Target (2026) 17 litres per 100 kilometres; 2025 Sept 30: 15.6 litres per 100 kilometres.
- Idling Reduction. Corporate Target (2030) 60 per cent reduction from 2019 baseline; Corporate Target (2024) 38 per cent; Year-End (2024) 29 per cent.

Impact: As the steward of the Green Fleet Strategy, Fleet Management will contribute to corporate greenhouse gas emissions reduction efforts by implementing sustainable fleet practices and pursuing innovative initiatives to support environmental sustainability.

Asset Condition Targets

Fleet Management is a self-supported business unit, employing a recovery model to maintain a net-zero budget. Using debt-funded capital to acquire vehicle and equipment units, Fleet Management pays down this debt through lease rates set over the useful life of the assets.

Every budget cycle (four years), Fleet Management generates a replacement plan based on the units that will be coming due for replacement in the corresponding cycle. A similar process is used to determine fleet growth requirements, tracked as a separate funding line.

Due to changing economic conditions (e.g., supply chain disruptions, tariffs) Fleet Management is experiencing challenges and delays acquiring replacement and growth units. Units that cannot be replaced within their designated useful life are classified as extended life assets, which may result in significantly higher operating and maintenance costs.

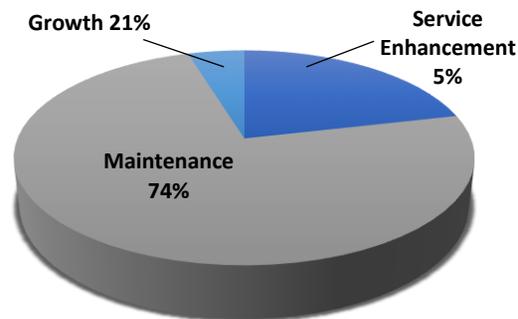
5. Previously Approved and Capital Infrastructure Needs

Table 1: Previously Approved and Capital Infrastructure Needs (\$ millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031-2035	Total
Previously approved	41	32	48	67	65	84	102	59	-	-	-	-	498
Capital Infrastructure Needs	-	-	-	-	-	-	-	171	157	137	134	822	1,421
Total	41	32	48	67	65	84	102	230	157	137	134	821	1,919

A listing of previously approved investments has been provided in **Appendix A** for 2026+. A listing of capital infrastructure needs has been provided as **Appendix B**.

Figure 1: Summary of Capital Infrastructure Needs by Investment Driver



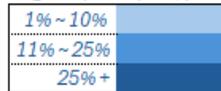
Summary of Operating Cost of Capital by Proposed Capital Investments

Operating costs are the responsibility of the business unit that leases vehicles and equipment from Fleet Management; therefore, they are not included in this section. For growth vehicle and equipment units, additional lease costs and maintenance are incorporated into the operating budget of the requesting business unit.

Appendix A: Previously Approved Capital

The values presented reflect planned investments in the last year of the approved 4-year business cycle, as well as pre-approved budget for the 2027-2030 business cycle. These values have been rounded to the nearest million for presentation purposes.

Legend (% of capital \$ per opportunity item)



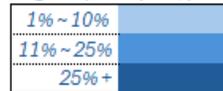
Appendix A: Previously Approved Capital
(\$millions)

	Total 2026-2035+	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035+
Maintenance - Primary Driver											
Vehicle and Equipment Growth & Replacements	138										
Service Enhancement - Primary Driver											
Fleet Management Programs	23										
Total Previously Approved Capital - Fleet Management	161										

Appendix B: Capital Infrastructure Needs

The values presented reflect identified capital needs and have been rounded to the nearest million for presentation purposes. These capital needs have not received approved budget and will be considered for future business cycles.

Legend (% of capital \$ per opportunity item)



Appendix B: Capital Infrastructure Needs (\$millions)	Priority (H / M / L)	Total 2027-2035+	2027	2028	2029	2030	2031	2032	2033	2034	2035+
Maintenance - Primary Driver											
Facility & Equipment Lifecycle	M	49									
Fuel Infrastructure and System Upgrades	H	24									
Vehicle and Equipment Replacements	H	975									
Service Enhancement - Primary Driver											
Green Fleet Strategy	L	47									
Technology Improvements	M	20									
Growth - Primary Driver											
Vehicle and Equipment Growth	H	304									
Total Capital Infrastructure Needs - Fleet Management		1,419									