

Branch — Fleet Services

Introduction

The City of Edmonton's Fleet Services is one of the largest integrated municipal fleet operations in Canada. Fleet Services ensures that over 5,000 City vehicles, transit buses and essential City operations equipment are well maintained, safe, and reliable for use on a daily basis. Managing a fleet and associated infrastructure that is valued at over \$600 million, Fleet Services is the City's experts in vehicle and equipment procurement, maintenance, fleet engineering, fabrication services, fuel management and fleet safety.

Recognized by industry peers for Outstanding Achievement in Public Service Fleet Management and Excellence in Public Fleet Safety – Fleet Services' staff are knowledgeable, proficient and proud of the work they do. Besides taking care of the City's vehicles, Fleet Services also serves two external clients, EPCOR and Alberta Health Services.

Fleet Services provides municipal maintenance and repairs, custom fabrication and seasonal maintenance on a complex and wide variety of vehicles and equipment from fire trucks to ice resurfacing machines. The Branch also undertakes custom fabrication of equipment such as sanders and dump trucks, as well as various City projects from the Churchill Square Christmas-tree holder to fencing at municipal cemeteries. Fleet Services is responsible for preventative maintenance, mid-life refurbishment, repairs and daily cleaning of City of Edmonton buses.

Working with City departments and branches to meet their service needs, Fleet Services incorporates new technology and processes that enhance operations, creates long-term plans for future growth, builds upon client relationships and provides performance and budget monitoring. The Branch ensures all the City's fleet and equipment needs are addressed through capital planning, engineering, procurement, client and vendor relationships, training, fuel management, and project and process performance.



“We continue to develop innovative solutions to complex mechanical, fabrication and engineering services for the City and external clients. In 2014, the City of Edmonton was recognized as one of North American’s 100 Best Fleets, with a ranking in the Top 20.” - Steve Rapanos, Branch Manager of Fleet Services

Branch — Fleet Services

Approved 2015 Budget – Branch Summary

(\$000)	2013 Actual *	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Revenue & Transfers					
External Maintenance Revenue	8,673	7,878	8,719	841	10.7
External Fuel Revenue	2,539	2,827	2,792	(35)	(1.3)
Total Revenue & Transfers	\$11,212	\$10,705	\$11,511	\$806	7.5
Expenditure & Transfers					
Personnel	65,921	68,350	69,373	1,023	1.5
Materials, Goods, and Supplies	34,237	33,749	37,642	3,893	11.5
Fuel	42,181	41,984	43,120	1,136	2.7
External Services	10,484	10,223	10,857	634	6.2
Intra-municipal Charges	9,483	2,169	2,632	463	21.3
Utilities & Other Charges	24,123	5,476	5,665	189	3.5
Transfer to Reserves	-	22,705	21,747	(958)	(4.2)
Subtotal	186,428	184,656	191,036	6,380	3.5
Intra-municipal Maintenance Recoveries	(136,981)	(133,694)	(138,142)	4,448	3.3
Intra-municipal Fuel Recoveries	(40,667)	(40,257)	(41,383)	1,126	2.8
Total Expenditure & Transfers	\$8,780	\$10,705	\$11,511	\$806	7.5
Net Income / (Loss)	\$2,432	-	-	-	-
Full-time Equivalents	734.0	742.0	749.0	7.0	

* Effective January 1, 2015, Fleet Services will transition from a municipal enterprise model to a cost recovery model. Key changes include the following:

- Fleet is no longer charged for shared service / corporate overhead costs and will no longer recover these costs from internal customers. Budgets for all affected branches have been restated to reflect this change.
- Non-cash items are no longer reflected in Fleet's budgets (e.g. amortization, gain/loss on disposal). Budgets related to non-cash items have been re-classified.

The 2015 approved budget reflects Fleet Services as a cost recovery operation. The 2014 budget has also been restated for comparative purposes.

Fleet Services - 2015 Breakdown of Budget by Service

(\$000)	2014 Budget	2015 Budget	\$ Change '14-'15	% Change '14-'15
Service				
Fuel	41,984	43,120	1,136	2.7
Maintenance	105,339	110,586	5,247	5.0
Reserve Contribution	22,705	21,747	(958)	(4.2)
Charges to Capital Budget	14,628	15,583	955	6.5
2015 Budget	\$ 184,656	\$ 191,036	\$ 6,380	3.5

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Budget Changes for 2015

(\$000)

Revenue & Transfers - Changes

External Maintenance Revenue \$841

\$841 is an increase in external maintenance activity.

External Fuel Revenue \$(35)

\$(35) is a reduction in fuel volumes for external users. All fuel recoveries are offset in fuel expenditures.

Expenditures & Transfers - Changes

Personnel \$1,023

\$690 of the increase is related to the additional personnel required to perform work previously outsourced; this is offset by contract work savings of \$(1,310) (2% Innovation Initiative). The remainder is due to movement toward job rate and changes in benefits.

Material, Goods & Supplies \$3,893

Increased parts costs of \$2,775 is due to parts utilization as a result of an aging bus fleet, increasing usage of the fleet, and US dollar exchange impacts. \$588 relates to the continued implementation of the bus fleet mid-life refurbishment program, with an offsetting savings of \$(270) related to mid-life program efficiencies (2% Innovation Initiative). The remainder is due to municipal fleet growth, maintenance activity and inflation.

Fuel \$1,136

The fuel budget is set at a blended price per liter of over an estimated volume of 92 million kilometers. The increase is primarily related to higher fuel volume.

External Services \$634

\$857 of this increase is due to municipal fleet growth, \$963 relates to Transit annualization and service changes, and \$199 relates to inflation. This increase is partially offset by savings of \$(1,310) due to in-sourcing of municipal and transit work (2% Innovation Initiative).

Intra-municipal Services \$463

\$271 is related to the increase in the snow removal budget. The remainder is due to increases for Building Maintenance and Accommodation.

Utilities & Other Charges \$189

\$300 is due to the natural gas pricing increases. This is partially offset by drainage cost decrease.

Transfer to Reserves \$(958)

The decrease is due to a decrease in reserve contributions (2% Innovation Initiative), and Utilities transitioning to self-funding future vehicle purchases.

Intra-municipal Maintenance Recoveries \$4,448

\$2,775 maintenance recovery increase is related to cost and volume increases for fleet parts. Increased maintenance activity, municipal fleet growth and inflation accounts for the remainder of the increase.

Intra-municipal Fuel Recoveries \$1,126

The increase in fuel recoveries from internal customers is mainly attributable to the volume of fuel.

Full-time Equivalents - Changes

7.0 FTE related to insourcing of Heavy Duty Mechanics (2% Innovation Initiative).

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Approved 2015 Budget – Program Summary (\$000)

Program Name - Fleet Operations

[Link to 10-Year Strategic Goals](#)



Results to be Achieved

Fleet Operations is responsible for ensuring the City's fleet and equipment needs are addressed through capital planning, engineering, procurement, client and vendor relationships, training, fuel management and project and process performance. Fleet Operations is also responsible for Fleet Safety and certification of all City drivers.

Cost Drivers

The main cost drivers for Fleet Operations are: increase in fuel prices, kilometers travelled, vendor contracts, change in technology, legislative requirements and increased client operations and service levels.

Service Standards

Fleet Operations works to achieve service standards defined in client Service Level Agreements and contracts, establish and monitor preventative maintenance plans, inspect components, investigate in-service failures, mitigate risks, maintain facilities, provide training, manage Fleet Safety and ensure the City adheres to all government regulations regarding fleet vehicles and equipment, fuel dispensing sites and maintenance facilities.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ 11,212	\$ 11,657	\$ 10,705	\$ 11,511
Expenditure & Transfers	84,437	86,355	80,795	82,739
Subtotal	(73,225)	(74,698)	(70,090)	(71,228)
Intra-municipal Recoveries	75,657	74,698	70,090	71,228
Net Operating Requirement	2,432	\$0	\$0	\$0
Management		5.0	5.0	5.0
Professional/Technical/Union Exempt		29.0	29.0	29.0
Union		64.0	64.0	70.0
Temporary		4.0	4.0	4.0
Full - Time Equivalents		102.0	102.0	108.0

2014 Services

In 2014 Fleet Operations managed the procurement of over 340 units excluding growth, EPS and EPCOR units. Fleet Operations also:

- Recovered warrantable costs of up to \$1.6M internally and externally by year end
- Delivered over 1600 personal days of training to fleet staff by year end
- Implemented a Central Coordination Centre to optimize fleet efficiencies with the EPCOR fleet
- Managed the purchase and distribution of over 24 million litres of fuel for the City fleet (YTD 2014)
- Managed a fleet of over 5000 vehicles that have travelled almost 53 million kilometers (YTD 2014)

Changes in Services for 2015

In 2015 Fleet Operations developed guidelines based on a pilot to reduce fuel and limit idle time in 10 municipal vehicles by Q2. In addition Fleet Operations will:

- Work with City Departments for the acquisition and implementation of growth and replacement units
- Develop and implement an active recruitment and engagement strategies to attract and retain employees
- Continue to work on fleet engineered analysis, investigations and studies to increase planned work

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Approved 2015 Budget – Program Summary (\$000)

Program Name - Municipal Fleet Maintenance

Link to 10-Year Strategic Goals



Results to be Achieved

Municipal Fleet Maintenance is responsible for the preventative maintenance, repairs, custom fabrication and seasonal maintenance on all City vehicles and equipment in facilities across the City. Municipal Fleet Maintenance is also responsible for the maintenance, inspections and repairs for two external clients, EPCOR and Alberta Health Services.

Cost Drivers

The main cost drivers for Municipal Fleet Maintenance are: Increase in fuel prices, cost of parts and materials as well as increased use of vehicles and equipment, competitive labour and vendor market, change in client operations and service levels as well as the size and complexity of the fleet.

Service Standards

Vehicles and equipment are maintained in compliance with legislated safety programs, the manufacturer's maintenance recommendations. Maintenance programs are supplemented with historical repair records to build preventative maintenance packages for each unit. The program provides a full range of fleet services that include road and emergency services, preventative maintenance, fabrication technologies and accident repairs.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ -	\$ -	\$ -	\$ -
Expenditure & Transfers	47,455	46,389	47,152	47,468
Subtotal	(47,455)	(46,389)	(47,152)	(47,468)
Intra-municipal Recoveries	47,455	46,389	47,152	47,468
Net Operating Requirement	\$0	\$0	\$0	\$0
Management		-	-	-
Professional/Technical/Union Exempt		6.0	6.0	6.0
Union		251.0	255.0	259.0
Temporary		6.0	6.0	6.0
Full - Time Equivalents		263.0	267.0	271.0

2014 Services

In 2014, Municipal Fleet Maintenance:

- Maintained over 105 different vehicle and equipment types
- Completed seasonal maintenance on equipment including sanders, mowers, and sidewalk plows
- Began implementation of the Municipal Optimization project to enhance process efficiencies
- Implemented the tire services agreement to improve tire services for the City and external client vehicles
- Signed a five year contract with EPCOR and two year extension with AHS for maintenance of their fleets
- Maintained overtime to 4.4% of wages, and increased planned work to 48% from 46%

Changes in Services for 2015

Plans for 2015 include:

- Implementing the municipal optimization process recommendations across facilities by January 2015
- Continuing to implement efficiencies in facilities to reduce vehicle downtime
- Forecasting and develop long-term shop and facility capabilities based on projected client needs

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Approved 2015 Budget – Program Summary (\$000)

Program Name - Transit Fleet Maintenance

[Link to 10-Year Strategic Goals](#)



Results to be Achieved

Transit Fleet Maintenance is responsible for preventative maintenance, repairs, fueling and daily cleaning of all City of Edmonton buses. Every day, Transit Fleet Maintenance ensures that the bus fleet is safe, reliable and clean for citizens on their daily commute and transportation needs.

Cost Drivers

The main cost drivers for Transit Fleet Maintenance are: Increase in fuel prices, parts and material costs, service level growth, fleet usage, competitive labour market, and change in technology and parts complexity.

Service Standards

Buses are maintained in compliance with legislated safety programs, manufacturer's warranty and scheduled maintenance recommendations. Maintenance programs are supplemented with historical repair records to build preventative maintenance packages for each unit. Provides a full range of services that include road and emergency services at an average response time of 30 minutes, body work, repairs, cleaning, fueling and servicing as well as Bus Mid-Life Refurbishment Strategy.

Resources (\$000)	2013 Actual	2013 Budget	2014 Budget	2015 Budget
Revenue & Transfers	\$ -	\$ -	\$ -	\$ -
Expenditure & Transfers	54,536	53,255	56,709	60,830
Subtotal	(54,536)	(53,255)	(56,709)	(60,830)
Intra-municipal Recoveries	54,536	53,255	56,709	60,830
Net Operating Requirement	\$0	\$0	\$0	\$0
Management		-	-	-
Professional/Technical/Union Exempt		8.0	8.0	8.0
Union		355.0	359.0	356.0
Temporary		6.0	6.0	6.0
Full - Time Equivalents		369.0	373.0	370.0

2014 Services

In 2014, Transit Fleet Maintenance:

- Met book-out and availability targets with 99% availability
- Completed 51 body and 47 mechanical bus YTD, through the Bus Mid-Life Refurbishment Strategy
- Successfully piloted two Compressed Natural Gas buses for use and performance with ETS
- Supported Edmonton Transit's Smart Bus program to enhance use of new technology on 304 buses
- Maintained overtime to 3.9% of wages, down from 5.9% in 2013
- Supported ETS and Edmonton Festivals with buses including Heritage Festival and Eskimos games
- Prepared and made available 742 buses for the Fall book-out

Changes in Services for 2015

In 2015, Transit Fleet Maintenance will:

- Implement recommendations from the Comprehensive Transit Review
- Support the use and testing of alternative propulsions and technology in the bus fleet
- Complete 51 refurbishments as part of the Bus Mid-Life Refurbishment Strategy
- Meet demand growth through increased efficiencies and maintain overtime within 4% of wages
- Implement maintenance and management of replacement and growth buses to meet ETS service

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Branch Performance Measures

Measure Type	Key Outcome (from Mandate)	Performance Measure	Target	Actual (year & result)
Effectiveness	The City has the fleet required to deliver approved programs and services (Municipal Fleet Maintenance)	% Municipal Fleet Available For Use	85%	88% (2013)* 85.5% (2012)
	The City has the fleet required to deliver approved programs and services (Transit Fleet Maintenance)	% of Transit Book Out Met	100%	99.3% (2013)** 99.3% (2012)
	Fleet Services is a safe and engaged workplace (Fleet Operations)	Lost Time Frequency Rate	2.13	2.13 (2013)^ 2.63 (2012)
Efficiency	Preventative maintenance and repairs are planned and managed to minimize lifecycle impacts (Municipal and Transit Fleet Maintenance)	% of Planned Work	60%	51.6% (2013)^ [^] 43.9% (2012)
	The Corporate fleet is managed in an efficient and sustainable manner (Fleet Operations)	Fleet Maintenance Cost (\$/KM)	Baseline year	\$1.57 (2013)
	The Corporate fleet is managed in an efficient and sustainable manner (Fleet Operations)	Overtime as a percentage of wage	4.0%	4.8% (2013)^ ^{^^} 5.5% (2012)

* Municipal fleet available for use measures the percentage of time vehicles and equipment are available for use to meet service demands.

** Book out for Transit buses equates to the number of buses required by ETS to meet daily service needs.

^ Fleet Services was a recipient of the OH&S Mayor's Gold Award for five years of continuous improvement in the lost time frequency rate.

^^ % of Planned Work measures the amount of maintenance that is scheduled and preventative in nature. Planned maintenance is more cost effective and reduces downtime of vehicles and equipment so services needs can be met.

^^^ Overtime controls and increases in planned maintenance have realized improvement each year to reduce cost and complete required work.