

Branch — Fleet Services

Introduction

Fleet Services is an important partner to City of Edmonton departments that deliver public programs and services to citizens. The branch ensures that vehicles and equipment are meeting client needs by being well maintained, equipped, and available for use on a daily basis. Fleet Services bases its ability to maintain effective relationships with clients through collaboration and two-way service level agreements.

Managing a fleet and associated infrastructure valued in excess of \$560 million, branch personnel are the City's experts in vehicle and equipment procurement, vehicle and equipment maintenance, fleet engineering, fabrication services, fuel management, and fleet administration.

Staff are very knowledgeable, proficient, and proud of the work they do. They develop innovative solutions to complex mechanical, fabrication, and engineering challenges, which helped Fleet Services be recognized as one of North America's 100 Best Fleet in 2011.

In 2011 Fleet Services...

- Replaced 1,000 tires on Edmonton Police Service cars, making them ready for service
- Serviced 100 mowing equipment units so the grass in parks like Hawrelak Park were ready for events like the Heritage Festival
- Maintained 120 snow plows that were used to clear the streets during a week when we received record snowfall last winter
- Purchased the first all-electric vehicle in Alberta with a commitment to research other potential uses of the technology in the City

And...

- Kept 956 buses in service and on the road
- As part of our sustainable fleet plan, increased the number of Hybrids in our fleet to improve fuel economy and reduce greenhouse gas emissions
- Was recognized for having the first large scale implementation of a comprehensive Fleet Management Information system in all of Canada
- Met fall bus book-out so buses are available for students going back to school and increased ridership
- Provided Fleet Safety and driver training programs for City employees, increasing safety and updating drivers on how to reduce fuel consumption



Our mission is to operate a comprehensive fleet management organization with a focus on client satisfaction, operational excellence and value to the City of Edmonton and its citizens.

Municipal Fleet Services

Keeping the City Moving – The Municipal Fleet

Edmonton's vast urban footprint and the needs of the City to maintain roads, infrastructure and the environment, to provide public transportation and citizen-centered services, while keeping Mother Nature at bay are extensive. The vehicles and equipment that Fleet Services maintains must ensure that people:

- get to where they need to go via Edmonton Transit and DATS,
- receive emergency services from the Edmonton Police Service, Fire Rescue Services or Alberta Health Services ambulances,
- enjoy their neighbourhoods by having their garbage picked up, walking on tree-trimmed boulevards, driving on renewed or snow-cleared roads, and watching their kids play soccer or baseball on mowed sports fields.

With Edmonton continuing to grow, so does the demand for fleet-related vehicles and equipment.

The City's Fleet is diverse in size, technology and purpose. The Fleet includes everything from light duty and heavy duty trucks (EPCOR aerials, Waste trucks), to small and large buses and DATS vehicles, to mowers, sweepers and more, often requiring specialized engineering and fabrication. Fleet safety is provided to operators through training and inspections, according to provincial legislation, with tips on how to operate vehicles with the most fuel economy.

Fleet Services operates as a municipal enterprise and is responsible for the procurement, management, fleet safety, and maintenance of 4,617 fleet-related vehicles and equipment for the City of Edmonton, Edmonton Police Service, Edmonton Public Library, and external clients such as EPCOR, and Alberta Health Services. The allocation of Fleet Services' costs to all user departments is intended to ensure the self-sufficiency of the Municipal Enterprise and to provide an understanding of the costs of providing a municipal service to the City. The costs of managing and maintaining the fleet are allocated to user departments based on vehicle and equipment use. Table on the following page provides a breakdown of costs allocated to client departments for the 2012 budget.

The fleet industry has seen significant increases in technology and sophistication of vehicles and equipment. What was a single part in a vehicle in the past, such as a muffler, is now an entire system designed to reduce emissions to our environment. These changes in technology have increased costs, as the systems are more expensive than the one part in the previous vehicle. Fleet Services continues to work with our user departments on strategies to improve fleet performance in providing reliable services to the citizens of Edmonton.



Municipal Fleet Services

Fleet Services Recoveries Budget 2012

(Sorted by Total Recoveries - Largest to Smallest)

Tax Levy Departments	# Vehicles	Types of Vehicles *	Recoveries			Total Recoveries
			Fuel	Maintenance (Variable)	Replacement (Fixed)	
Transportation - Transit buses	998	Bus	24,533	49,577	-	74,110
Transportation - Systems	536	Trucks, Equipment, Trailers	3,753	12,952	10,061	26,766
Community Services - Fire Rescue	140	Fire Pumpers, Ariels	662	3,856	3,992	8,510
Community Services - Parks	369	Trucks, Equipment, Trailers	1,031	3,387	2,797	7,216
Transportation - DATS	101	Bus	1,075	3,232	20	4,327
Community Services - Community Facilities Services	255	Equipment or Trailers	148	1,172	895	2,215
Infrastructure Services - Building & Facility Mtce	119	Light Trucks	376	742	753	1,871
Transportation - Transit auxiliary	88	Trucks, Equipment, Trailers, Cars	229	491	512	1,231
Community Services - Community Standards	39	Cars or Light Trucks	170	215	329	713
Infrastructure Services - Land Design & Construction	35	Trucks, Equipment, Trailers	103	281	190	573
Corporate Services - Materials Management	1	Equipment or Light Trucks	22	44	65	130
Sustainable Development	7	Equipment or Light Trucks	2	15	40	57
Community Services - Neighbourhoods & Community Development	8	Light Trucks or Trailers	12	7	12	31
Emergency Preparedness	1	Light Truck	5	1	10	16
Corporate Services - Clerks	1	Light Truck	3	4	5	13
Subtotal	2,698		32,123	75,974	19,683	127,779
Utilities	# Vehicles	Types of Vehicles	Fuel	Maintenance	Replacement	Total Recoveries
Infrastructure Services - Waste Management	281	Trucks, Equipment, Trailers	2,209	7,791	2,071	12,072
Infrastructure Services - Drainage	190	Trucks, Equipment, Trailers	1,390	2,145	1,346	4,881
Subtotal	471		3,599	9,936	3,418	16,953
Subtotal of Clients under City control	3,169		35,722	85,910	23,100	144,732
Internal Clients not under City control	# Vehicles	Types of Vehicles	Fuel	Maintenance	Replacement	Total Recoveries
Edmonton Police Service	714	Trucks, Equipment, Trailers, Cars	2,393	3,902	-	6,295
Edmonton Public Library	7	Vans	42	15	-	57
Vehicle for Hire Commission	2	Car, Truck	2	4	13	19
Subtotal of Internal Clients not under City control	723		2,438	3,921	13	6,372
External Clients	# Vehicles	Types of Vehicles	Fuel	Maintenance	Replacement	Total Recoveries
EPCOR	643	Trucks, Equipment, Trailers, Cars	2,552	6,421	-	8,973
Alberta Health Services	82	Light Trucks	634	886	-	1,521
Subtotal	725		3,186	7,308	-	10,494
Subtotal of Internal Clients not under City control	1,448		5,624	11,229	13	16,866
Total Capital Recoveries						13,004
Total	4,617		41,346	97,139	23,113	174,602

* Number of vehicles current as of Sept 20, 2011

Branch — Fleet Services

Opportunities and Challenges

The following are significant immediate and medium-term opportunities and challenges facing Fleet Services.

Fleet Services is committed to providing the most cost effective maintenance to a growing and increasingly technically sophisticated fleet. The citizens of Edmonton expect to have services that they can rely on and client departments require an increasingly sophisticated fleet to provide first class services.

As part of the overall transformation, Fleet Services has invested in its staff, leadership and a fleet based management information system as an ongoing commitment to meet or exceed client expectations. This supports the outcome of having the corporate fleet managed in an efficient and sustainable manner.

Fleet Services and Materials Management are working in partnership to improve the parts management process. This initiative will ensure that the right part is available when needed and at the best possible price.

This ongoing collaborative approach will ensure proactive management of resources to ensure that fleet management processes and services are delivered efficiently and effectively.

In 2010, Fleet Services introduced a multi-faceted approach to reducing green house gas emissions through a Sustainable Fleet Management Action Plan (2011-2018). Fleet Services is investigating the use of alternative fuels and hybrid electric technology in the fleet. This is also in part as a result of forecasted potential budgetary implications of ever increasing fuel prices to look for ways to reduce costs.

In 2011, Fleet Services scheduled the purchase of hybrid vehicles for various partner departments, which will include the first all-electric Ford Transit Connect cargo van in Alberta, and hybrid electric vehicles for the Edmonton Police Service.

Based on the Fleet Services 2007 Audit Recommendation #5, Fleet Services continues to work with client departments to redefine service level targets such as equipment service turnaround times, service overdue rates, and spare inventory ratios.

Fleet Services has recently implemented a new fleet management information system. Using this management information system, the branch

continues to engage in two way service level discussions as Fleet Services updates and improves processes to meet or exceed client expectations.

Service and Budget Review

In ongoing efforts to maximize fleet optimization, a Vehicle Acquisition Analysis was performed to identify whether current acquisition practices are efficient and cost effective. The analysis identified improvement opportunities could yield \$6.1 million in savings over eight years. This initiative will require a capital investment of \$1.4 million.

The analysis provided two major recommendations: improved life cycle management, and the creation of a motor pool. The improved life cycle management will maximize costs by ensuring that appropriate units are retained longer while other units are replaced sooner. Secondly, to reduce the City's dependence on rental vehicles, the creation of an internal motor pool to centrally manage low usage City-owned vehicles was recommended. This in turn ensures that the City has the fleet it requires to deliver approved programs and services.

Branch — Fleet Services

Approved 2012 Budget – Branch Summary (\$000)

	2010 Actual	2011 Budget	\$ Change '11-'12	2012 Budget	% Change '11-'12
Revenue & Transfers					
External Maintenance Revenue	\$ 8,087	\$ 10,379	\$ (3,071)	\$ 7,308	(29.6)
External Fuel Revenue	2,409	2,460	726	3,186	29.5
Grants	250	-	-	-	-
Fleet Services Fuel Recoveries	28,132	30,791	7,376	38,167	24.0
Fleet Services Maintenance Recoveries	102,797	108,009	17,932	125,941	16.6
Transfer from Reserves	-	-	-	-	0.0
Total Revenue & Transfers	141,676	151,639	22,963	174,602	15.1
Expenditure & Transfers					
Personnel	54,370	59,234	4,571	63,805	7.7
Materials, Goods & Supplies	22,715	19,565	4,754	24,319	24.3
Fuel	30,541	33,251	8,102	41,353	24.4
External Services	25,207	26,002	807	26,809	3.1
Intra-municipal Services	7,219	7,226	1,516	8,742	21.0
Utilities & Other Charges	2,634	5,794	302	6,096	5.2
Transfer to Reserves/Amortization	2,172	670	2,808	3,478	419.1
Total Expenditure & Transfers	144,858	151,742	22,860	174,602	14.7
Net Income (Loss)	\$ (3,182)	\$ (103)	\$ 103	\$ 0	(100.0)
Full-time Equivalents	641.0	672.0	35.0	707.0	

Budget Changes for 2012 (\$000)

Revenue & Transfers - Changes

External Revenue (\$3,071)

The decrease of \$2,450 is attributed to the removal of leasing revenue which was a result of selling the City owned units to AHS (\$2,300) and EPCOR (\$150). Remainder is due to a EPCOR usage reduction

External Fuel Revenue \$726

Price and volume difference for EPCOR and AHS

Fleet Services Fuel Recoveries \$7,376

Increases in fuel projected prices and municipal fuel volume accounted for \$6,921 of the recovery change (\$944 volume, \$5,329 price, \$648 Transit annualization and adjustments), \$454 additional transit service.

Fleet Services Recoveries \$17,932

City fleet parts cost increased the recovery by \$1,635. Annualization and adjustments of Transit service increase recoveries by \$1,295. Operating impacts of Transit capital projects, Municipal vehicle growth and the addition of snow removal units increased recoveries by \$8,525. The Shared Service Allocation increased recoveries by \$1,516. The remainder of the recovery increase was related to inflationary increases.

Branch — Fleet Services

Expenditures & Transfers - Changes

Personnel \$4,571

Movement within the salary ranges, changes in benefits, and the last year of a 3-year LAPP contribution increase account for a change of \$701. Annualization and adjustments of Transit service increased costs by \$1,197. Operating impacts of Transit capital and Municipal vehicle growth increased costs by \$2,311. The deferral of bus replacement and refurbishment capital programs increased the recoveries by \$800. The balancing decrease in personnel was related to the Service and Budget Review service reductions of Parks Operations and Transportation.

Material, Goods & Supplies \$4,755

Inflation and aging of the City fleet increased parts cost by \$1,635. Annualization and adjustments of Transit service increase costs by \$745. Operating impacts of Municipal vehicle growth and the addition of snow removal units increased costs by \$2,933. The deferral of bus replacement and refurbishment capital programs increased the material costs by \$200. The balancing decrease in material costs were related to the Service and Budget Review service reductions of Parks Operations and Transportation.

Fuel \$8,102

Increases in fuel projected prices and municipal fuel volume accounted for \$7,647K of the recovery change (\$944K volume, \$5,329K price, \$1,102K Transit annualization, service adjustments and \$726K for AHS and EPCOR)

External Services \$807

An increase of \$350 was added for hazard disposal budget shortfall to align with historical actual costs. Operating impacts of Municipal vehicle growth increased external vendor work costs by \$201. The remainder is primarily due to additional debt financing costs.

Intra-municipal Services \$1,516

The increase is due to a Shared Service and Interdepartmental billing allocation adjustment

Utilities & Other Charges \$302

The increase is primarily due to inflation on Power and Natural gas.

Transfer to Reserves \$2,808

The increase is due to growth and new replacement which has increased replacement fund contributions.

Full-time Equivalent - Changes 35

The increase of 35.0 FTEs are mechanic and serviceman positions required to maintain service levels related to increase requirements in Transit capital, approved additional Transit service and Municipal vehicle growth.