



2012-2016 Business Plan Summary

Program	Corporate, Operational & Council Services
Service grouping	Corporate Services
Service	Fleet Management
Type	Internal Service

Owner: Mike Bushby, Division Manager, Fleet Services and Departmental Resources, Planning, Environmental & Engineering Services

Strategic Priority

Good government

Purpose

Fleet Services provides fleet maintenance and asset management for over 1,400 pieces of equipment for City of London Departments and various other specialized clients including Animal Control, Tourism London, Dearness Services, Joint Water Boards, Library, Police and Fire Services (fuel only).

The fleet vehicles and equipment range from light hand held equipment (weed eaters, chain saws and pumps) to tractor trailers, complex hydro-excavation units and off road construction units.

Equipment is deployed to 29 City of London Divisions and is used as a fundamental asset to provide their services to Londoners. The main fleet services include;

- Planning and Replacement of Vehicles and Equipment,
- Maintenance, repair, licensing, and inspection of light, medium and Heavy equipment both on road and off road
- Fuel management
- Fleet management (life cycles, condition, rates, recovery, costs, salvage , and replacement)

Key processes

Fleet Asset Management and Administration

Development and management of the Fleet Capital and Operating budgets of over \$14 million.

Management of the Fleet Replacement Reserve funds averaging \$4-\$5 million annually.

Ensure the effective management of vehicle and equipment life cycles to ensure a sustainable fleet model.

Financial & Staffing

In \$000s	2010 Actual	2011 Revised Budget
Operating budget		
Expenditure:	9,670	9,562
Non-tax revenue:	184	0
Net (tax supported):	9,486	9,562
Capital budget	2010 Revised Budget	2011 Revised Budget
Expenditure:	3,973	5,084
Non-tax revenue:	9	
Net (tax supported):	3,964	5,084
Staffing FTEs:	51.0	51.0
Percentage of expenditures budget (all rate sources):	1.34	1.33
Annual per household cost of net budget (\$):	57.20	56.94

Development of "right fit" equipment specifications and efficient scheduling of replacements.

Ensuring full cost recovery from its clients, clients include all internal departments sewer, water, parks and rec, transportation, solid waste, and also some services to fire, police, libraries, animal control and tourism.

Fleet administrative and technical support services for vehicle procurement.

Development and review of analytical fleet data to monitor vehicle and equipment condition and performance, expenses, life cycles, replacement values, and salvage.

Fleet Greening - research and implement strategies to move towards a green foot print.

Outsourced
percentage
2%

Fleet Maintenance Services

Provide vehicle and equipment maintenance functions servicing all 1,400 pieces of equipment

40 Licensed Technicians perform mechanical work on two shifts from three major shops locations AJ Tyler, Exeter Road and Adelaide Operation centres

Provide Welding, Fabrication and Auto Body Services

Outsourced
percentage
20%

Fuel Management

Manage three Fuel dispensing stations for approximately \$2.5 million dollars of annual fuel consumption

Manage Capital upgrades to fuelling stations

Manage fuel reserve fund

Manage fuel key lock system for fuel usage called Petro-Vend

Evaluate and implement alternative fuel initiatives (Biodiesel)

Outsourced
percentage
10%

Regulatory/Policy landscape

Service	Delivery method
Discretionary	Legislative

New council direction, new regulations, legislative changes

Environmental Stewardship - emission reduction strategies, alternative fuels, best practices

TSSA - legislative authority for fuel stations and handling. Regulations for in ground tanks, vessels and dispensing equipment

CVOR - Commercial Vehicle Operators Registration - City of London Fleet is consider an operator of a commercial Fleet. Inspections, licensing, accidents, failures all are recorded, rated and audited

MOE - Fleet is the certificate holder and responsible for waste generation certificates and storage vessels

Current state of this service

Fleet Services faces many challenges including;

Pressures for environmental conservation and alternative product use.

The Fleet business continues to undergo technological advancements which has put pressure on technician training, recruitment and development. Resources have been necessary to address competency and technological development that is necessary for technicians.

Fleet relies heavily on our Senior Asset Management Technologist to establish data and accounting reports and information. Succession planning needs to be established as she is approaching retirement.

Managing fleet assets is a very complex business which relies heavily on significant data collection, systems, support and analysis. Additional coordinating and analytical positions are required to ensure our key asset management indicators are being closely reviewed. (Life cycles, condition ratings, replacement costs, salvage values, taxes, incentives, warranties, right fit replacements).

The Fleet Services division underwent a Fleet challenge Fleet review in 2010 joining other municipalities like Hamilton, Brampton, Mississauga and Ottawa. Key performance data was evaluated and it was determined the London Fleet was a very well managed asset.

State of our fleet assets are valued at over \$45 million and the average age is approx. 4.7 years old.

The Fleet continues to have a "right fit program" and currently supports over 25 hybrid units. The right fit program is to provide the best suited unit for the jobs we perform.

An initial identified challenge for 2011 and an emerging issue for the service area as the 2012 budget is developed will be to address financial constraints/targets below known labour cost increases in the operating budget which may limit service delivery in various areas.

Recent enhancements to economy, efficiency and effectiveness

Delayed staff hiring and recruitments.

Evaluated green technologies vs right sizing to reduce up front cost. Established a green capital fund which provide support for internal renters to make environmental choices which often have additional upfront costs.

Developed a fuel reserve fund which has provided some protection to our user program and internal rental rates from volatile fuel market fluctuations.

Promoting workplace culture by establishing work team committees called fleet Operations teams.

Hired two Coordinator positions, one committed to technician training and development. The second position to support planning and procurement of Fleet vehicles and equipment. Both positions were previously mechanics and have valuable experience to help us make decisions .

Future direction of this service

Initiatives, improvements and required service changes to Fleet Services being considered to enhance service delivery include:

Bio diesel and other fuel alternatives

Changing legislation to fuel management

Volatility to fuel pricing

Economic impact to greening the fleet

Driver competency and training

Idling reduction plans

Expectation of the public for the Municipality to provide units that are reliable, safe and able to perform the public works services as efficiently and effectively as we can.

Financial constraints introduced in the 2011 Budget and anticipated to continue into the future starting with the 2012 Budget will impact operating and capital service delivery. Budgets will need to be reviewed to identify cost containment, efficiencies and possible revenue opportunities. Services will be impacted by measures required to meet the fiscal constraints.

The Service Area will need to implement a strategy in order to achieve minor service efficiencies to address the need for cost containment.

Objectives next 4 years

Establish a succession planning model to replace Asset Management Technologist

Hire or Train an incumbent to work side by side with Senior Technologist. Develop a work plan to transfer knowledge of the fleet system. Hiring or training a competent skilled fleet technical analyst will ensure accurate and vital data is used in fleet management decisions.

Expected completion year	Division responsible
2012	Departmental Resources & Fleet Services

Actions

Economic support to fund learner position

Outcomes and measures

Experienced Fleet Asset Technologist upon retirement of existing person.

Management Training

Continued training and development of management personnel including full life cycle analysis, green technologies, public procurement, and accounting. Good Leadership promotes better performance of our service.

Expected completion year	Division responsible
2012	Departmental Resources & Fleet Services

Actions

Set programs for training and establish development plan

Outcomes and measures

Training program established that is coordinated with development plan for management personnel

Car Share programs

Introduce car sharing options to promote vehicle reduction and enhance utilizations and conservation

Expected completion year | Division responsible

2012 | Departmental Resources & Fleet Services

Actions

Cooperation from user groups. Work plan to ensure basic needs are maintained

Outcomes and measures

Increased utilization of units

Replace Wash Bay at A.J. Tyler (AJT) Operations Centre

Decommission old AJT wash bay, build new wash facility as per the master plan

Expected completion year | Division responsible

2012 | Facilities

Actions

Planning, Design, Tender process, Build

Outcomes and measures

Efficient and environmentally friendly wash bay for fleet units. Protection of fleet assets, positive city professional image.

Install new auto wash bay for EROC

Install new wash facility primarily for the sanitation fleet. Currently units are shuttled off site for heavy washes, only minimal wash capacity at site.

Expected completion year | Division responsible

2013 | Facilities

Actions

Capital money allotted for project

Outcomes and measures

Protection of assets, positive vehicle image, reduce down time and expense of shuttling to off site wash facility.

Emerging issues and challenges

Economy

Fuel Price volatility, competitive rate structure

Environmental

Emission reduction strategies, alternative fuels, economic vs. environmental benefit

Regulation

Commercial vehicle registration maintaining satisfactory rating, MTO

Other

Fleet relies heavily on our Senior Asset Management Technologist to establish data and accounting reports and information. Succession planning needs to be established as she is approaching retirement.

Economy

An initial identified challenge for 2011 and an emerging issue for the service area as the 2012 budget is developed will be to address financial constraints/targets below known labour cost increases in the operating budget which may limit service delivery in various areas.

2012 - 2016 Service changes with financial impact (+/-)

Statistics and performance measures

A Activity measures

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Total Number of vehicles - OMBI performance comparator measure					371
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	373	373	373	373	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	373	373	373	373	

Comments

of vehicle are expected to remain constant given the balancing of growth and reduction and sharing strategies.

B Efficiency measures

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Operating Cost per KM (Light Municipal Equipment)					0.26
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	0.27	0.27	0.27	0.27	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	0.27	0.27	0.27	0.27	

Comments

Ontario median \$0.28

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Operating Cost per KM (Medium Municipal Equipment)					0.55
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	0.58	0.58	0.58	0.58	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	0.58	0.58	0.58	0.58	

Comments

Ontario Median \$0.55

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Operating Cost per KM (Heavy Municipal Equipment)					1.37
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	1.40	1.40	1.40	1.40	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	1.40	1.40	1.40	1.40	

Comments

Ontario Median \$1.42

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Door rate \$				89.00	79.69
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	86.60				
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	

Comments

Ontario Median 2010 \$85.50

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Service Request Rate %				65.41	63.26
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	44.36				
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	

Comments

Ontario Median 63.16%

C Effectiveness/Quality/Satisfaction measures

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast		
2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast		

Comments