How does this service contribute to the results identified in the City of London Strategic Plan?

| A Strong Economy | Fleet Services owns and manages over 1250 vehicle and equipment assets and relies on the local economy for many products and services as it conducts its business. Fuel, parts, mechanical services and of course the vehicles and equipment purchases themselves are all examples of how our business helps build the economy. Fleet Services also contributes to our economy indirectly by providing safe reliable and technologically effective vehicles and equipment to our customers as they maintain and repair our valuable infrastructure assets to both sustain and assist economic growth. |
| A Green and Growing City | Fleet Services supports and initiates green initiatives as a fleet operator. Specific initiatives are covered in our green fleet plan which targets key environmental and climate change mitigation plans like emission controls, biodiesel fuel and ethanol blended fuels, idling controls, hybrid vehicles and in 2014 introducing our first 100% electric vehicle producing “0” emissions. |

Fleet (Management) Services’ primary function is to provide a full range of vehicle and equipment services for internal municipal programs and offer some (or coordinate with) external services to agencies, boards and commissions.

Fleet vehicles and equipment are one of the critical building blocks our internal service providers use to accomplish their work. Our Fleet model is committed to partner with the users to provide a reliable and technologically effective and efficient fleet. Equally important providing a fleet asset model that meets financial targets, flexibility for changing business plans, and a sustainable and affordable municipal asset.
Name the main activities done to provide this service:

<table>
<thead>
<tr>
<th>Name the Activities Done To Provide This Service</th>
<th>How Much Did We Do? (optional)</th>
<th>Is The City Mandated To Provide This Service?</th>
<th>Can The Level Of Service Be Changed?</th>
</tr>
</thead>
</table>
| 1. Fleet Administration, Utilization and Asset Management | • Completed the PWC Audit process and reported back on 18 recommendations  
• Continued participation in the Corporate Asset Management State of the infrastructure process  
• Established rental rates that meet financial targets  
• Supported green projects | No | Yes |
| 2. Fleet Planning – Acquisitions and Disposal | • Replacement of over $5 million in fleet assets that had reach optimum life  
• Introduced specifications and conditions that examine full cost of ownership  
• Brand standardization to maximize efficiencies and manage cost  
• Provided opportunities to suppliers to introduce green and right fit choices | No | Yes |
| 3. Fleet Maintenance, Repairs and Analysis | • Repairs, Service and Inspection of over 1,250 fleet and equipment assets  
• Licensing  
• Reduction in operating costs | Yes, MTO and Commercial Vehicle Operator regulations | Yes, but increases risk |
| 4. Fuel Supply, Storage, and Dispensing Equipment | • Handled 2.5 million litres of fuel  
• Annual cost $3 million  
• Over 800,000 litres of Biodiesel  
• All light vehicles using ethanol blended fuel E10  
• Buying consortium with local partners to maximize best prices | Only if there is a significant change to fleet utilization |  |
**Fleet (Management) Services** has a primary role to provide a full range of vehicle and equipment services for internal municipal programs. These services include acquiring, remarketing and disposing of the fleet assets, maintaining and servicing a fleet of over 1,250 units, licensing and inspecting all vehicles and equipment. Fleet Services operates in a highly regulated Commercial Vehicle Fleet environment. The program includes off season equipment preparation and tear downs and providing fuel services inclusive of managing the fuel storage and dispensing facilities. In addition Municipal Fleet Services provides a variety of services to a broader group of clients including Libraries, Animal Control, Tourism London, Fire and Police.

Fleet vehicles and equipment are one of the critical building blocks supporting the services provided to Londoners. Our Fleet model is committed to partner with the service areas to provide a reliable, environmentally friendly and technologically effective solution to their transportation and equipment needs.

Our **Fleet Maintenance Teams** provide 16 hour daily coverage to ensure vehicles and equipment are inspected, repaired and serviced in a manner that optimizes the asset operational time and reduces any downtime of our operational crews. The maintenance team also manages four major fuel storage and dispensing facilities with 2.5 million litres of fuel dispensed annually.

Our **Fleet Planning and Utilization Teams** support our Fleet sustainability activities by ensuring we are maximizing our asset value. The team achieves this by managing optimum life cycles, implementing vehicle and equipment analysis/modelling, developing annual and ten year capital replacement budget forecasts, managing the vehicle and equipment reserve fund projects and procuring and disposing of fleet assets in a transparent and knowledgeable manner.

Our **Fleet Asset Management Team** works closely with Finance and provides a model that meets financial targets, creates flexibility for changing business plans, and supports a planned and sustainable approach to managing the Fleet. This model is aligned with best practices in Corporate Asset Management including evaluating levels of service, asset condition and managing risk.

**What is the current state of this service?**

- Fleet Services strives to provide a planned and proactive approach to fleet maintenance services to ensure reliability and performance.
- Focus on Fleet maintenance cost containment
- Maximize synergies with other service areas, agencies, boards and commissions (Police Fire, Libraries, Tourism, Animal Control)
- Managing fuel costs
- Introduced a fleet utilization model that provides more accountability for vehicle and equipment utilization
Engaging service contracts in areas that make sense and are cost effective (e.g. tires, body work and paint, exhaust work, custom hydraulic work)
Environmentally responsible practices like recycled water wash facility, waste oil recycling
Fleet Administration and Planning continues to promote and manage the Fleet Assets in terms of sustainability both in terms of optimum life cycles, full cost of ownership, and managing vehicle and equipment reserve fund model
Technologically advanced equipment and vehicles, maximizing end user participation to acquire the best fit transportation and equipment solution for their purpose
Allowing vendors the flexibility to introduce value added options into the bidding process to maximize disposal proceeds and introduce environmental technologies.
Introduced the first Plug in Electric Vehicle (EV) into the City’s Fleet
Partnered with other divisions to introduce three public EV charging stations as an investment in alternative sustainable energy solutions and provide growth, education and opportunities in emerging technologies
Continued development of the Green Fleet Plan that aligns with best practices of top Canadian Fleets and Fleet Challenge Ontario
Introduced a pilot program of on-board vehicle tracking that provides comprehensive data regarding equipment performance, driver behaviours, location, route optimization, and utilization
 Introduced Co-Op partnership agreement with Fanshawe College and Local 107 for Apprenticing Truck and Coach Technicians

What has been done to manage the budget?

The service area has been actively managing its budget by implementing management lead initiatives aimed at creating efficiencies, avoiding costs and generating revenue. These include the following:

Efficiencies / Costs Avoided

- Reduce Capital Vehicle and Equipment Reserve contribution by 500k in 2013
- Reduced Capital contributions to reserve by an additional 145k in 2014
- Reduction in purchased service spending by 75K since 2013
- Reduction in fleet size by 13 units
- Reduced labour costs by lowering skilled trade staffing compliment by 1(one) FTE and introduced a Small Engine Mechanic position for specialization for small engine repairs
What is the future direction of this service?

What future initiatives can be contained within the maintain existing service level budget?

2015 Budget

- Implement new “At Your Service” customer service targets
- Continue Operating Cost reduction strategy (focus on controllable cost) excluding fuel.
- Further examine synergies and providing services to agencies such as EMS and London Hydro
- Investigate expanding the natural gas fuel program beyond just arena facilities to the heavy truck fleet in particular Solid Waste collection vehicles
- Continue to evaluate cost effective vs environmental benefit of biodiesel fuels and ethanol blended fuels
- Discuss potential synergies with EMS and London Hydro around fleet maintenance and fuelling services we can offer within existing facilities
- Expand and enhance anti-idling policy and introduce driver performance training and feedback from data collected by the on-board tracking systems. Introduce "smart" anti-idling technologies to provide a hard control to excessive idling vehicles.
- Work closely with Corporate Asset Management next phases in particular asset condition surveys and Level of service aspects
- Continue to reduce our carbon footprint by using Biodiesel fuels and ethanol blended fuels
- Expand and enhance anti-idling and driver behaviour plan
- Expand our program of On Board vehicle navigation and vehicle tracking devices
- Continue and enhance fleet utilization model (using best practice model) that provides more accountability for vehicle and equipment utilization
- Upgrade to AJT west shop for legislative compliance, maximize shop bays, eliminate redundant lube bay, upgrade lighting and doors to maximize energy savings and increase productivity
- Continue to partner with Fleet Challenge Ontario to achieve an E3 Fleet Rating (Energy, Environment, Excellence)

2016-2018 Forecast

- Continue to implement Fleet best practices and continuous improvement philosophy
- Implement improved safety measures in shop facilities including mandatory personal protective equipment (PPE)
- Initiate succession planning for senior fleet positions
- Continue to support development programs for skilled trades
• Continue to explore alternative fuel sources. In particular look at expanding our current use of natural gas (CNG)
• Evaluation of fleet staffing levels and facilities based on growth and operational changes
• Consultant 5 year review of vehicle and equipment reserve fund and rental rate system
• Growth of emerging technologies that maximize environmental benefit
• Reduce carbon footprint associated with operating a large fleet
• Continue to Benchmark against other municipalities and participate in OMBI Fleet Expert Panels to refine measures
• Ensuring optimization and rationalization of internal vehicles and equipment
• Sustainable planned approach to managing the fleet assets

What service adjustments do you plan to make?

2015 Budget

• A request has been submitted for the Two-Way Portable Radio Replacements as part of the Additional Investment Business Case: Infrastructure Gap.

Key Performance Indicators

How Much?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total Number “Off Road” Equipment (OMBI Measure 230)</td>
<td>158 units Actual</td>
<td>158 units Actual</td>
<td>158 units</td>
<td>158 units</td>
<td>158 units</td>
<td>158 units</td>
<td>158 units</td>
</tr>
<tr>
<td>2. Total Number of Municipal Vehicles (OMBI Measure 240)</td>
<td>534 units</td>
<td>521 units</td>
<td>520 units Forecasted</td>
<td>518 units</td>
<td>518 units</td>
<td>516 units</td>
<td>516 units</td>
</tr>
</tbody>
</table>
### How Well?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Operating Cost per Equipment Hour - All Off Road Equipment (OMBI Measure 330)</td>
<td>$24.26</td>
<td>$23.22</td>
<td>$23.00</td>
<td>$23.00</td>
<td>$24.00</td>
<td>$24.00</td>
<td>$25.00</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Forecasted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Operating Costs per vehicle KM – Fuel included (OMBI measure 326)</td>
<td>$0.86</td>
<td>$0.89</td>
<td>$0.90</td>
<td>$0.92</td>
<td>$0.94</td>
<td>$0.96</td>
<td>$0.98</td>
</tr>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Is Anyone Better Off?

<table>
<thead>
<tr>
<th>Description of measure</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. # of Service Calls for Breakdowns</td>
<td>300</td>
<td>300</td>
<td>295</td>
<td>290</td>
<td>285</td>
<td>280</td>
<td>275</td>
</tr>
</tbody>
</table>

Note: Measure demonstrates field support. Target is to reduce need for Service calls and towing charges. Fewer equipment failures, improved reliability, proactive preventative maintenance.