

# Fleet Services

## Public Works



# Background

- Right Sizing Task Force.
- Fleet Policy C-172 PW 016
  - Vehicle replacement is based on age (schedule B)
- Standard Operating Procedures (SOP's)
- All data and financial information is 2014 actual.

# What are we doing now?

- Manage the City's Commercial Vehicle Operations Registry
- Staff include 8 Coach and Truck Technicians + 1 Chief, 1 Admin Assistant, 1 Parts/Inventory Clerk, 1 Supervisor, 1 Manager
- Maintain and license 352 pieces of equipment
- Manage 14 Fuel sites
- Purchase replacement equipment
- Dispose of retired assets
- Arrange rentals/leases where required.

# Commercial Vehicle Operators Registry

- CVOR 090-965-052
- Trucks - gross weight > 4,500 KG
- buses with seating capacity of >9
- 106 trucks, 10 buses travel **2,158,000 KM**
- Current Rating-Satisfactory unaudited  
7.2%

# Rentals and Leasing

- Criteria: KM's, type of use, condition assessment rating.
- standing arrangements in place for cars \$643/month and graders \$9000/month.
- Requires Director Approval, operating department

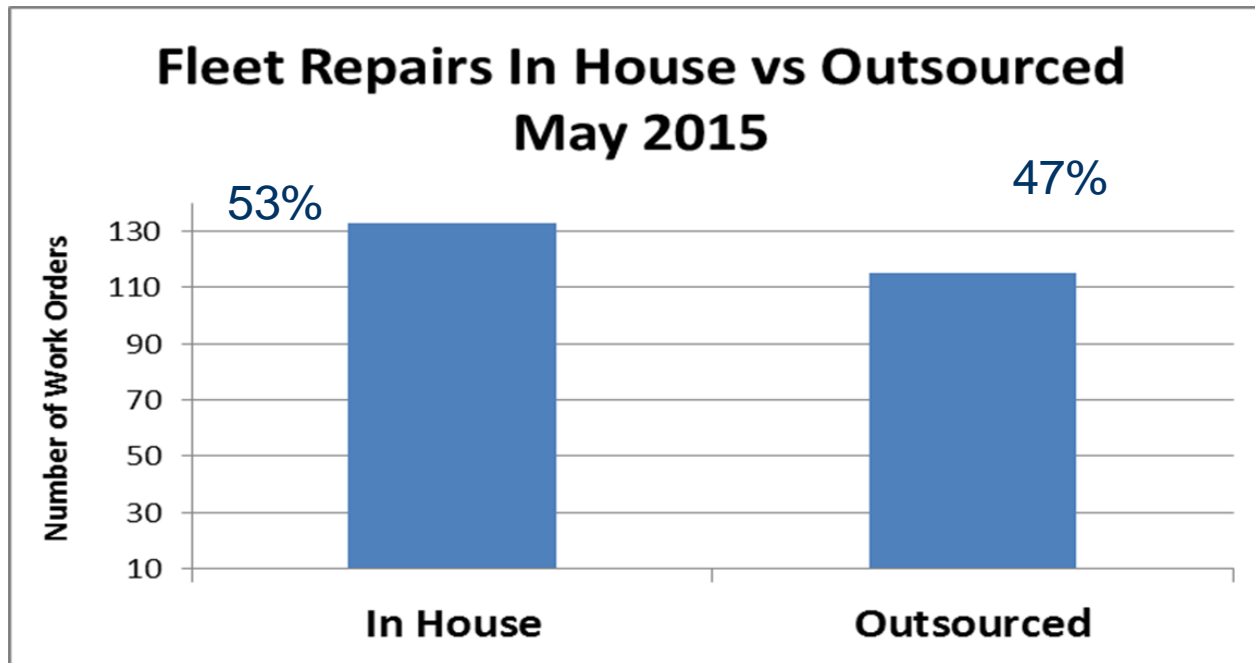
# Licensed Service Technicians

- Currently hold 310T and 310S License
- Licenses renew every 3 years per Trades Qualification and Apprenticeship Act 1998.
- 9 Truck and Coach Technicians
  - 3 in Coboconk
  - 6 in Lindsay

# What we own – 71 of 352 Pieces of Equipment scheduled to retire in 2016

- 1 Arial Truck
- 13 Backhoes
- 7 Chippers
- 10 buses,
- 1 Trolley
- 32 Trailers
- 12 Graders
- 9 Generators
- 11 ice Machines
- 60 Plow Trucks
- 1 Landfill Roll off Truck
- 20 Vans
- 3 Street Sweepers
- 33 Tractors
- 18 medium Duty Trucks
- 9 Steamers
- 18 Loaders
- 20 Small cars
- 60 Pickups
- 3 ATV's
- 2 Rollers
- 7 Sidewalk Machines
- 1 Vacuum Truck
- 1 Water Truck

# What are we doing now – Repair and Maintenance 268 work orders/month



**In house cost per hour is \$76 per hour**

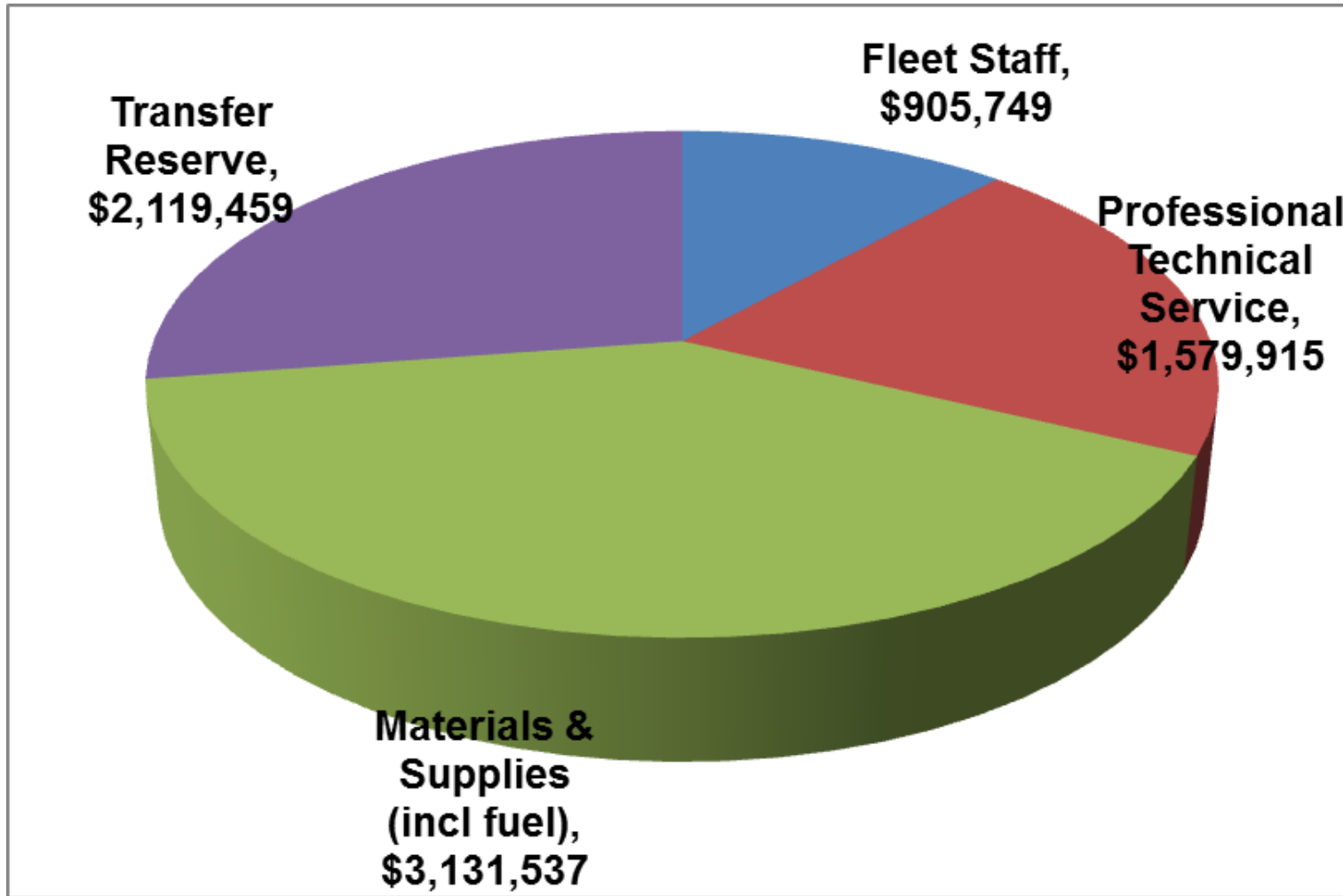
**Contracted Costs range from \$80 - \$135 per hour**



# Procurement

- Work within City Fleet Management Policy C-172 PW 016
- Equipment replacement based on scheduled lifecycles and condition assessment
- Total cost of ownership approach
- Disposal of asset completed through acceptable trade or auction

# What is it costing?



# Assumptions made in analysis

- Black Belt Project Fleet Repair and Maintenance Process
  - Variation exists in how repair and maintenance is accessed by staff.
  - Opportunity to standardize criteria and decision making to lower costs of repair and maintenance and overtime.
  - On going data collection used for decision making (repairs, KM's, Hours)

# Improvements:

1. Improve process for Fleet Repair and Maintenance requests
2. Reduce outsourced work
  - Parts on hand
  - Central Decision Making and Planning
3. Reduce overtime cost
  - Standardize mechanic call out criteria
4. Data collection to aid in decision making

# Option 1 – Improve Process

## Benefits

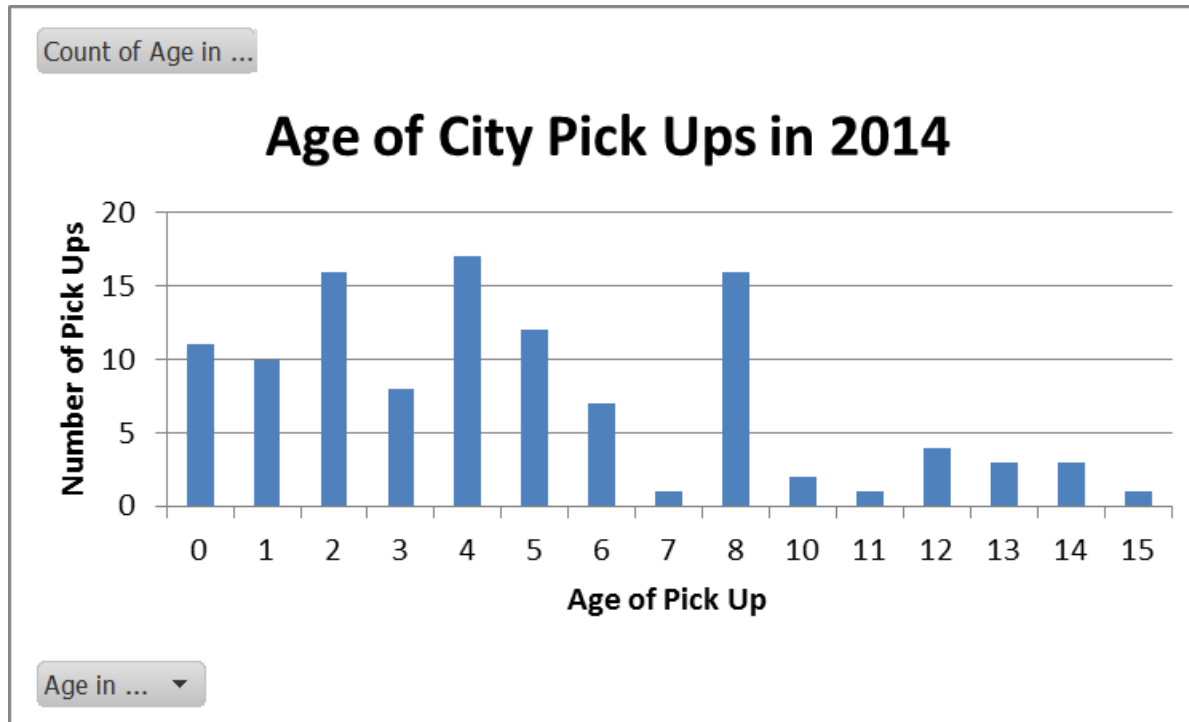
- Total targeted savings of \$65,000 for 2016
  - \$60K in reduced costs to outsource
  - \$5K in reduced costs of overtime
- Standardize decision making
- On going data collection on use of vehicles.
- Compliance to Preventative Maintenance.

# Option 1 - Costs

- Staff time to develop and implement standard operating procedures.
- Improve process to allocate contracts.
- On going data collection requires commitment and compliance by supervisors.

# Option 2 – Status Quo

- aging equipment gets replaced through fleet policy based on age.



# Factors in cost of repairs – Age? Hours of Use?

Consider amending  
Fleet Policy?

Regression Statistics								
Multiple R	0.566132							
R Square	0.320506	Accounts for 32% of Maintenance Costs for Pick Ups						
Adjusted R Square	0.304703							
Standard Error	4750.838							
Observations	89							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	2	9.16E+08	4.58E+08	20.28234	0.00	Indicates a good model		
Residual	86	1.94E+09	22570458					
Total	88	2.86E+09						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	3053.061	1132.223	2.696519	0.01	802.276177	5303.846	802.2762	5303.846
Hours Of Use 2014	5.282298	0.843947	6.259039	0.00	3.60458674	6.96001	3.604587	6.96001
Age in 2014	71.47753	158.0634	0.452208	0.65	-242.74205	385.6971	-242.742	385.6971
<b>Hours of Use is a factor. Age is not a factor for Pick Ups</b>								



# Is Type of Vehicle a Factor In Repair Costs? How much?

Regression Statistics								
Multiple R	0.526459							
R Square	0.277159	only accounts for 25% of maint costs						
Adjusted R Square	0.257105	75% is due to something else						
Standard Error	13553.9							
Observations	162							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	4	1.11E+10	2.78E+09	20.19398	0.00			
Residual	158	2.9E+10	1.84E+08			Good model		
Total	162	4.02E+10						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	36125.61	4576.619	7.893514	0.00	27086.36	45164.85	27086.36	45164.85
Age as of 2014	-276.531	195.1327	-1.41714	0.16	-661.936	108.8739	-661.936	108.8739
Pick Up	-28381.2	4355.887	-6.5156	0.00	-36984.5	-19777.9	-36984.5	-19777.9
Loaders	-13902.3	4509.486	-3.08289	0.00	-22808.9	-4995.6	-22808.9	-4995.6
Graders	0	0	65535	#NUM!	0	0	0	0
Age of vehicle is not a factor. Type of vehicle is a factor								

# Option 2 - Benefits

- No change to manage

## Option 2 - Risks

- Increased cost to replace fleet if only age is a factor.
- Increased cost of repairs if hours of use not known and managed.
- Safety to staff and the public.

## Option 2 - Costs

- No operational savings.
- \$7.6 million in capital costs.

## Implementation Plan –Repair and Maintenance Process Improvement

Description	Improve Action	Owner	Due Date	Status
PM Schedule	KPI – adherence to PM schedule. KPI – adherence to vehicle mileage reports	Todd	Nov. 1	IP
Pre Trip Inspections	Daily pre-trip inspections done by operator, audited by supervisor/Fleet	Todd	Nov. 1	IP
Request for Service	Initial diagnostic information collection	Tom	9/15	Done
Parts Suppliers	Increase # of standing agreements to 50	Todd/ Karen	Jan. 1	IP
Encroach on Outsourced Work	Encroach on out sourced work – increase in house to 55%	Todd/ Tom	Oct. 1	IP
Vehicle Cleanliness	KPI – vehicle cleanliness rating	Tom	Nov. 15	IP
SOP's	Service Request, Winter Call Out, Reporting KM's and Hours	Todd	9/15	Done

## Implementation Plan

Description	Improve Action	Owner	Due Date	Status
Amend Financial	Move fuel to its own G/L for tracking for 2016 Budget	Todd/ Leanne	Nov. 1	IP
Present to SMT	Call to action for support to implement new process	Todd/ Denise	10/14	Done
Communication Plan	Communicate and Train Supervisors on New SOP's and reporting process, raise awareness of compliance KPI's	Todd/ Bryan	10/15	IP
Install Visibility Board	Report KPI performance quarterly and call for action if performance is not meeting target.	Todd/ Bryan	Quarterly	On going

# Conclusion

- On going data collection is required for use in effective decision making.
- Compliance to PM Schedule and regular monitoring of compliance.
- Consider future revisions to the Fleet Policy to include condition assessment
  - Council Direction?

# Fleet Services

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