



**STAFF REPORT
ACTION REQUIRED**

Impact of Delays in Filling Vacant Positions in the Fleet Services Division

Date:	March 19, 2014
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	All
Reference Number:	P:\2014\Internal Services\Fleet\GM14002Fleet (AFS19192)

SUMMARY

In 2013, Fleet Services mitigated service impacts to its clients caused by delays in filling vacant positions by using overtime and external service contracts as short-term measures. However, Fleet Service's main clients have reported that continued delays to fill vacant positions such as fleet technicians could affect key public services such as salting roads, street sweeping and waste collection. In the first 2 months of 2014, Fleet Services has hired eight technicians to address the shortage in staffing.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. The Government Management Committee receive this report for information.

Financial Impact

There are no financial implications arising from this report. Additional overtime and commercial maintenance costs incurred in 2013 have been offset by additional savings in salaries and benefits, due to delays in filling positions.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The Government Management Committee, in its consideration of item GM28.8, Follow-up Report on the Impact of Delays in Filling Vacant Positions, requested the Chief Corporate Officer, in consultation with all divisions that utilize Fleet Services, report to the April 2014 Government Management Committee meeting on the impacts including

delayed services, service reductions, leased or rented vehicles and equipment and any other impacts on the divisions from the vacant positions in Fleet Services.

The Committee's decisions are available at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.GM28.8>

ISSUE BACKGROUND

At the Government Management Committee meeting of September 9, 2013, the Committee considered a number of presentations focussing on service levels. Presentations were made from divisions that normally report through the Government Management Committee. During its consideration of this item, the committee requested a report to Committee on the impact that delays in filling staff positions have had on divisions reporting to the Government Management Committee.

At the Government Management Committee meeting of January 6, 2014, the Committee considered a report from Deputy City Manager, Cluster A, and the Deputy City Manager and Chief Financial Officer on Impact of Delays of Filling Vacant Positions for divisions reporting to the Committee. During its consideration of this item, the Committee requested a further report on the effect of the following on divisions reporting to Government Management Committee.

- the impact of staff deferrals;
- strategies to get to full staff complement;
- budgeted financial savings from gapping;
- capital projects that were impacted in 2013 from vacancies; and
- capital projects that will be impacted in 2014 from vacancies

At the Government Management Committee meeting of February 24, 2014, the Committee considered a report from Deputy City Manager, Cluster A, and the Deputy City Manager and Chief Financial Officer, Follow-up Report on the Impact of Delays in Filling Vacant Positions. During its consideration of this item, the Committee requested that the Chief Corporate Officer, in consultation with all divisions that utilize Fleet Services, report to the April 7, 2014 Government Management Committee meeting on the impacts, including delayed services, service reductions, leased or rented vehicles and equipment and any other impacts, on the divisions from the vacant positions in Fleet Services.

COMMENTS

Following the direction from Government Management Committee noted above, Fleet Services requested feedback from its clients on any perceived impacts to service caused by delays in filling vacant positions at Fleet Services.

Fleet Services has a staffing complement of 174 positions. Fleet Service's annual gapping target is set at 3.5% of the total salaries and benefits budget. On an annual basis, this equates to approximately 7 vacant FTEs that needs to be maintain to meet the gapping target. Table 1 below provides data on Fleet Service's approved positions and vacancies.

Table 1: Fleet Vacancies

Fleet Services	Approved Positions	Vacancies					
		June 30, 2013		December 31, 2013		February 28, 2014	
		Pos.	%	Pos.	%	Pos.	%
Administrative	77	5	6.5%	4	5.2%	7	9.1%
Technicians	97	14	14.4%	16	16.5%	8	8.2%
Total	174	19	10.9%	20	11.5%	15	8.6%

The information provided below summarizes the information received up until the date of this report, with additional commentary provided by Fleet Services.

Delayed Services

Feedback from clients has indicated that there is a need for Fleet Services to improve on turnaround times with respect to the maintenance and repair of vehicles and equipment. Although some of the comments received could not be attributed exclusively to the delay in filling vacant positions, the level of service to our clients has been affected by the additional vacancies. Fleet Services anticipates that the eight new technicians hired in 2014 will reduce the pressures, especially during periods of peak demand.

Facilities and Real Estate Services, Corporate Finance and Toronto Public Library provided examples of delayed services. Upon investigation, most of the issues were related to time required to obtain parts, external vendor workload and administrative capacity, rather than Fleet Technician vacancies.

Solid Waste Management Services has experienced delayed services. Technological changes in the design and operations of garbage trucks have resulted in the division holding onto "spare" garbage trucks. Fleet Services acknowledges that the 2010 truck engines with additional pollution control equipment have created challenges for fleet technicians. Specifically, diesel particulate filters (DPFs) and the associated equipment require more frequent service. In addition, due to the significant number of moving components on the mechanical arm that lifts the bins on the automated waste collection trucks, the frequency and duration of maintenance services has increased.

Transportation Services indicated that the reduction in the number of technicians has been noticed in the timely maintenance of their street sweeping, salting and leaf collection units particularly during seasonal changeovers. Fleet Services has used overtime during these periods, to mitigate the increased demand.

Parks, Forestry and Recreation also experienced delays in the turnaround time on their units. Specific examples were provided for heavy-duty equipment such as loaders and backhoes as well as customized utility vans. The complexity of specialized vehicles and equipment has increased significantly over the years. This has resulted in increased labour time required to perform diagnostic work and maintenance. In many instances in 2013, the units were required to be hauled to an authorized dealership for service, as our garages were not equipped with the necessary diagnostic tools. Fleet Services has since begun taking steps to address the issue, in effort to ensure that the proper tools (software and shop equipment) are in place at the garages.

Service Reductions

The unplanned vacancies have led to service delays on scheduled preventative maintenance on vehicles. The demand for service during peak periods such as snowstorms and seasonal changeovers has led Fleet Services to adjust the scheduling of preventative maintenance services. During peak periods, Fleet Services will extend the preventative maintenance schedules of units such as routine oil and filter changes. Warranty conditions are still met and there are no maintenance impacts of deferring the jobs. However, we recognize that there are operational impacts to our clients in situations where we are requesting the vehicle be brought in at a later date. Implementing two shifts (morning and afternoon) at the four main garages (Disco, Finch, Ellesmere and Booth) was a key strategy to increase available service hours, reduce overtime and reduce vehicle downtime for the client. However, as noted above by Fleet's clients, the time required to service vehicles is sometimes an issue.

Leased or Rented Vehicles and Equipment

The Vehicle Rental Program at Fleet Services is set up for short-term rentals (typically less than one year) to meet seasonal demands such as Spring Clean-up/planting operations by Parks, Forestry and Recreation. The number of leased or rented vehicles managed by Fleet Services on behalf of its clients has been declining since 2011. There is no indication that the number of leased or rented vehicles and equipment is associated with delays in filling vacant positions at Fleet Services.

Other Impacts

On the administrative side, meeting service needs with existing staff resources within Fleet Services has resulted in deferred vacation, training, increased overtime, and earned lieu time.

Carrying eight vacant Technician positions required Fleet Services to use overtime and external service contracts as short-term measures to maintain existing service levels. Delays in filling these positions are attributable to a number of factors inherent in the City's hiring process, which requires following several sequential and often time-consuming steps. The time of filling these positions was further prolonged by hiring manager constraints and the shortage of Human Resources staff in relation to a rising workload. As a result, staff overtime increased in 2013 by 1,880 hours (1,362 paid hours, 518 accrued lieu time) resulting in an increase of \$71,755 over the previous year. 105 staff had 2013 vacation carry over that totalled 853 days, an average of eight days per employee.

Table 2: Fleet 2012 & 2013 Earned Overtime Hours

YEAR	PAID O.T. HOURS	EARNED LIEU HOURS	TOTAL HOURS
2013	3,935	2,208	6,143
2012	2,573	1,690	4,263
Net Change	1,362	518	1,880

In addition, spending on external service contracts rose by \$382,644 over the same period as shown in Table 3 below.

Table 3: Net Savings from Vacant Positions in Fleet Services for 2013

	Financial Impact
Additional Salary and Benefits savings over 2012 level	(\$540,180)
Increase in Contracted Services	\$382,644
Overtime paid	\$71,755
Accrued lieu time	\$27,000
Net Impact	(\$58,781)

Overall, the net savings from delaying the filling of positions at Fleet Services are approximately \$59,000 for all of 2013. However, based on feedback received from Fleet's largest clients such as Solid Waste Management Services, Transportation Services and Parks, Forestry and Recreation Services, these savings may have been somewhat offset by delays in servicing their vehicles and equipment.

Additional Factors

Service delivery and turnaround time challenges have been exacerbated by the additional vacancies, but they cannot be attributed to this factor alone. Over the last ten years, industries have noted significant changes in the follow areas:

- Increased complexity of vehicles and equipment
- Increased requirement for skills updating and training

In additional to the above, municipal fleet operations such as the City of Toronto's require technicians to possess two licenses due to the diverse range of vehicles and equipment. City of Toronto Fleet Services Division maintains a portfolio of 204 types of vehicles and equipment. This is on average six times greater than that of most dealerships. Most technicians in the industry possess only one license, making the transition to the municipal environment more complex. For example, all eight technicians recently hired had only one license.

Due to a shortage of internal resources with the required specialized expertise, Fleet Services has engaged an external consultant to evaluate selected facets of the Division. This will enable Fleet Services to apply a best practice approach to address factors that impact our clients' ability to maintain service levels to the public.

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SIGNATURE

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