

Appendix A - Review of Maintenance Service Delivery Options

Evaluation of Options

Issue	Option 1 Improve the Current Model	Option 2 Contract out all preventative maintenance and repairs the for entire City of Toronto Fleet managed in-house utilizing City contracts	Option 3 (Recommended Option) Contract out all preventative maintenance and repairs of Non-Specialized Class 1-2 vehicles, managed in-house utilizing City contracts	Option 4 Contract out all preventative maintenance and repairs of Non-Specialized Class 1-2 vehicles managed by an external Fleet Maintenance Management service provider
<p>Inadequate Maintenance Facilities</p> <ul style="list-style-type: none"> - Currently a shortage of 30 + 11 bays (Ellesmere) - State of Good Repair of current shops rate Fair to Poor - Long lead time to improve 	<p>This issue could only very minimally addressed in the short term under the current model by utilizing more staggered shifts, which would also result in increased cost to maintain supervision and parts during the extended shifts.. Many of the active bays and parts storage areas are not adequately sized. New expanded facilities would require a significant lead time.</p>	<p>By contracting out all preventative maintenance and repairs for the entire fleet, a very small footprint of facilities for triage would be required and could work effectively in a scaled back version of the current facilities. Without need for internal capacity, system would be completely scalable to meet demand.</p>	<p>By contracting out all preventative maintenance and repairs for Non-Specialized Class 1-2 vehicles, there should be adequate space in the current facilities to manage Heavy Duty Vehicle and Equipment Repairs. With a reduced need for internal capacity, system would be more scalable to meet demand. Opportunities to close poorly-rated facilities may be available.</p>	<p>By contracting out all preventative maintenance and repairs for Non-Specialized Class 1-2 vehicles, there should be adequate space in the current facilities to manage Heavy Duty Vehicle and Equipment Repairs. With a reduced need for internal capacity, system would be more scalable to meet demand. Opportunities to close poorly-rated facilities may be available.</p>
<p>Diversity of Current Vehicle Inventory</p> <ul style="list-style-type: none"> - Increased need for training - Increased investment in tools - Generalists vs Specialists - Lower productivity of generalists require more staff - Increased parts on hand needed 	<p>A significant immediate investment in training, and tools would be required. With the current fleet maintained in-house, there would be limited opportunity to specialize as all vehicles would need to be serviced in most locations. An increase in the complement of 17 mechanics would be required. Fleet would move forward with new parts supplier RFP as planned.</p>	<p>By contracting out all preventative maintenance and repairs for the entire fleet, staff would only need to be well versed in common issues and problems to the extent of being able to communicate with the contractors. Limited parts would be needed in-house</p> <p>There is very limited capacity for Heavy Duty and specialized vehicle maintenance and repair in the GTA. Some vehicle types would have no local service options, or only very costly options. For this reason, it is not currently feasible to manage the City's diverse fleet through a completely outsourced model.</p>	<p>By contracting out all preventative maintenance and repairs for Non-Specialized Class 1-2 vehicles, mechanics can become more focused on the City's Heavy Duty and specialized vehicles. Requirements for tools and training would also be reduced.</p> <p>Training of in-house staff to manage contracts for the diverse set of vehicles and vendors would be required.</p> <p>Fleet would move forward with new parts supplier RFP, with reduced vehicle diversity and contract value.</p>	<p>By contracting out all preventative maintenance and repairs for Non-Specialized Class 1-2 vehicles, mechanics can become more focused on the City's Heavy Duty and specialized vehicles. Requirements for tools and training would be reduced.</p> <p>The City could rely on the expertise of the external Fleet Maintenance Management service provider to manage contracts and FSD would focus on managing the single contractor.</p> <p>Fleet would move forward with new parts supplier RFP, with reduced vehicle diversity and contract value.</p>

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Lowest total cost of ownership	A minimum of 5 years is required to get the facilities, tools and equipment to the required state. In the interim, Assets not adequately maintained and retained longer than their optimum age create additional pressures on existing resources. This equates to less time spent on PM work and increased time devoted to fix on fail maintenance, resulting in increased spare assets or reduced vehicle availability, and increased pressures on SOGR backlog	By contracting out all preventative maintenance and repairs for the entire fleet, the facilities and resources would be available to handle the repair volumes for equipment that has local service providers available, but would be extremely costly and not currently feasible for heavy equipment. Continued attention to replacement planning and reserve funding is required to achieve long term savings.	By contracting out all preventative maintenance and repairs for Non-Specialized Class 1-2 vehicles, capacity is made available to allow the Fleet Services Division to focus on remaining Heavy Duty and specialized vehicles. This would reduce vehicle downtime and improve PM compliance, resulting in more reliable equipment. Continued attention to replacement planning and reserve funding is required to achieve long term savings.	By contracting out all preventative maintenance and repairs for Non-Specialized Class 1-2 vehicles, capacity is made available to allow the Fleet Services Division to focus on remaining Heavy Duty and specialized vehicles. This would reduce vehicle downtime, and improved PM compliance resulting in more reliable equipment. Continued attention to replacement planning and reserve funding is required to achieve long term savings.
Fleet Management Information System	System enhancements required to fully implement the reporting, data management, asset management capabilities of the current FMIS.	System enhancements required to fully implement the reporting, data management, asset management capabilities of the current FMIS. Enhancements would be required to manage contracts in-house more effectively	System enhancements required to fully implement the reporting, data management, asset management capabilities of the current FMIS. Enhancements would be required to manage contracts in-house more effectively	System enhancements required to fully implement the reporting, data management, asset management capabilities of the current FMIS. To ensure effective fleet management, the FWSD FMIS and the service provider's FMIS would be run in parallel, which would present data and reporting challenges and may compromise fleet management ability. Data warehouse and integration would be required. Through this model the City would relinquish access to critical fleet management data required for operations.

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Oversized fleet and Service level impacts	Extensive downtime requires clients to have more than normal spare vehicles, or risk service level impacts. As service improves from increased capacity, fleet availability would increase, allowing for reduced fleet inventory and reduced costs for Divisions, or improved service levels.	By improving responsiveness, fleet availability would increase for reduced fleet inventory and reduced costs for Divisions, or improved service levels.	By improving responsiveness, fleet availability would increase allowing for reduced fleet inventory and reduced costs for Divisions, or improved service levels.	By improving responsiveness, fleet availability would increase allowing for reduced fleet inventory and reduced costs for Divisions, or improved service levels.
Insufficient Contract Management <ul style="list-style-type: none"> - There is currently insufficient complement dedicated to contract management - Fleet Service Division processes a significant number of invoices on a monthly basis 	To ensure value for money and adherence to the TPS By-Law, additional contract management resources are required to provide adequate oversight on parts and service contracts	To ensure value for money and adherence to the TPS By-Law, additional contract management resources would be required to provide adequate oversight on parts and service contracts. Increased finance would be required to handle the higher invoice volumes.	To ensure value for money and adherence to the TPS By-Law, additional contract management resources are be required to provide adequate oversight on parts and service contracts. Increased finance staff would be required to handle the higher invoice volumes.	To ensure value for money and adherence to the TPS By-Law, additional contract management resources are be required to provide adequate oversight on parts and service contracts. A decrease in finance staff could be facilitated, due to reduced invoice volumes. External providers typically favour large national accounts for service provision. This is effective but fleet management data limitations exist and extra effort/cost may be required to obtain the required data necessary for effective fleet management.

Analysis of Option Impacts on Organization & Costs

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Facilities	Infrastructure improvement of 30 new vehicle repair bays would be required	Closure of most Maintenance Facilities. (Triage repairs still required)	Closure of 2 facilities, upon full implementation, with potential for more as efficiencies are developed.	Closure of 2 facilities, upon full implementation, with potential more as efficiencies are developed
Complement	Increase in complement of: 17 maintenance mechanics 1 PDI mechanic 2 maintenance management 2 fuel maintenance and logistic staff 3 contract management staff 2 customer relationship staff 1 manager contracts 1 Fleet Management Specialist	Decrease in complement of: 76 maintenance mechanics & support persons (ASA, L/H) 3 maintenance supervisors 2 maintenance coordinators Increase complement of: 1 PDI mechanic 2 fuel maintenance and logistic staff 12 Contract Coordinators 1 manager contracts 2 customer relationship staff 1 Fleet Management Specialist	Decrease in complement of: 15 maintenance mechanics Increase complement of: 1 PDI mechanic 2 fuel maintenance and logistic staff 2 customer relationship staff 6 Contract Coordinators 1 manager contracts 1 Fleet Management Specialist	Decrease in complement of: 15 maintenance mechanics 2 Finance and Admin staff Increase complement of: 1 PDI mechanic 2 fuel maintenance and logistic staff 3 contract management staff 1 manager contracts 1 IT Staff 1 Fleet Management Specialist 2 customer relationship staff
Labour Relations	Significant hiring. Challenges due to shortages of skilled trades in the market.	Reductions will be managed through utilization of vacant positions and natural attrition.	Reductions will be managed through utilization of vacant positions and natural attrition.	Reductions will be managed through utilization of vacant positions and natural attrition.
Vehicle Availability & Reliability and Maintenance Turnaround time	Improved vehicle turnaround time will reduce divisional loss of use impacts such as increased overtime, lack of resources resulting in project delays, staff under-utilization	Improved vehicle turnaround time will reduce divisional loss of use impacts such as increased overtime, lack of resources resulting in project delays, staff under-utilization	Improved vehicle turnaround time will reduce divisional loss of use impacts such as increased overtime, lack of resources resulting in project delays, staff and equipment under-utilization	Improved vehicle turnaround time will reduce divisional loss of use impacts such as increased overtime, lack of resources resulting in project delays, staff and equipment under-utilization
Customer Service Improvements	Similar practices as in the past with some enhancements.	Single contact number for maintenance requirements, fuel, and licensing. Single coordinating team managing contracts will help reduce contract costs and increase oversight and compliance. Better management and support of PM compliance. Optimized use of City of Toronto procurement practices.	Single contact number for class 1&2 maintenance requirements, fuel, and licensing. Single coordinating team managing contract will help reduce contract costs and oversight and better management of PM compliance. Optimized use of City of Toronto procurement practices.	Single contact number for class 1&2 maintenance through a private maintenance management contact centre and vendor network. Alternate contact for all other classes. Less control over vendor selection and fairness. Limited support of repair validity and PM compliance.

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Fleet Size Optimization	Improved vehicle turnaround times could reduce fleet inventory by 2% over time.	Improved vehicle turnaround times could reduce fleet inventory by 2% or greater, over time.	Improved vehicle turnaround times could reduce fleet inventory by 2% or greater, over time.	Improved vehicle turnaround times could reduce fleet inventory by 2% or greater, over time.
One time up-front cost	\$22,8M	\$12.5M	\$ No upfront impact	\$1M
Potential Cost Savings to the City after 5 years	\$0.2M	Not Applicable. This option cannot be costed due to the lack of availability of Local Contractor Capacity for the City's specialized equipment.	\$3.7M	\$3.5M