

Fleet Services' Report of the City of Toronto's Fleet Availability and Utilization Rates

Date: November 15, 2021

To: General Government and Licensing Committee

From: General Manager, Fleet Services Division

Wards: All

SUMMARY

The purpose of this report is to provide an update to the General Government and Licensing Committee (GGLC) on Fleet Services' actions of reducing vehicle and equipment downtime and minimizing the number of underutilized vehicles as requested by the GGLC in the Fleet Services Division Overview on October 7, 2019 (Item 2019. GL8.1).

RECOMMENDATIONS

The General Manager, Fleet Services recommends that:

1. The General Government and Licensing committee receive this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

DECISION HISTORY

On October 7, 2019, in consideration of Fleet Services Division Overview, the GGLC requested the General Manager, Fleet Services, to report annually on the City of Toronto's fleet availability and utilization rates.

[Agenda Item History - 2019.GL8.1 \(toronto.ca\)](#)

On May 14 and 15, 2019, City Council adopted the Auditor General's recommendations in the Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention focusing on vehicle service downtime and how it affects the City's daily operations.

[Agenda Item History - 2019.AU2.2 \(toronto.ca\)](#)

On May 14 and 15, 2019, City Council adopted the Auditor General's recommendations in the Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention Stronger Corporate Oversight Needed for Underutilized Vehicles addressing vehicle utilization and whether the City's fleet is being effectively utilized.

[Agenda Item History - 2019.AU2.3 \(toronto.ca\)](#)

COMMENTS

As part of effective fleet management, the availability and utilization of vehicles and equipment are key performance metrics that are established to ensure City of Toronto staff have access to the fleet for delivering services to the public in the most cost effective manner possible. The Auditor General's Office (AGO) recommended that City Council request Fleet Services to take necessary actions to improve fleet availability and utilization rates as part of the Fleet Services Operational Review in 2019.

Fleet Availability

Fleet availability is a critical factor in keeping City vehicles on the road on a day to day basis. Table 1 indicates 2020 fleet availability rates by asset category.

Table 1: Fleet Availability and Target

Asset Category	2020 Actual Availability	Target
Light Duty (Sedans, Minivans, SUVs and Pickup Trucks)	91%	95%
Medium Duty (Sweepers or Cube Vans)	86%	92%
Heavy Duty (Garbage Trucks or Aerial Trucks)	78%	85%
Off-Road (Loaders or Backhoes)	93%	88%
Other (Utility Cars or Trailers)	94%	90%

The following are key contributors and the action plan to improve fleet availability:

Key Contributors	Action Plan
Preventive maintenance effectiveness	Improving current preventive/non-preventive maintenance ratio (63/37) to meet 70/30 target including advanced planning and communication with client divisions, agencies and corporations. Enhancing current process by implementing standard operational procedures through training and application upgrades.
State of Good Repair (SOGR) backlog	Working with client divisions to assess and recommend different funding models to address the current replacement backlog of \$39.2M.
Operator negligence	Average vehicle downtime due to operator error is 9 days per occurrence with 5% of total jobs dedicated to operator error incidents. Working with client divisions, agencies and corporations to emphasize the importance of operator training.
Vendor network capacity	Increasing external service capacity by approximately Thirty percent (30%)

As recommended in the *Fleet Services Operational Review - Phase One: Lengthy Downtime Requires Immediate Attention* (Item 2019.AU2.2), Fleet Services has been working on developing and rolling out the following initiatives:

1. Implemented the direct manufacturer procurement of vehicles and in process of implementing the direct manufacturer service agreements with Original Equipment Manufacturers (OEM):

- Stellantis N.V. (formerly Fiat Chrysler Automobiles) network to perform preventive maintenance and repair services through an Authorized Dealer Network on Class 1 to 5 vehicles for ten (10) years including the option period, commencing on September 1, 2020 to August 31, 2030 adopted by City Council on July 28, 2020.
- Goodyear Canada Inc. and Michelin North America (Canada) Incorporated for the standardization of tire purchases across the City-wide fleet, for ten (10) years including the option period, commencing on November 1, 2020 to October 31, 2030 adopted by City Council on September 30, 2020.

This leading asset management practice will improve overall operational efficiency by reducing vehicle downtime and optimizing cost, safety and return on investment.

2. Reducing and Eliminating Parts Delays by improving the fill rates by the parts supplier when entering and negotiating into a contract with Genuine Parts Company operating as NAPA Integrated Business Solutions. The contract agreement includes but

not be limited to the provisions such as consistent calculation of fill rate, part inventory's periodical review and monitor, deliverables' enforcement and penalty clause to encourage contract compliance.

3. Improving Internal Maintenance Services with the following actions:

- Continued focus on filling vacant positions with a priority on mechanics.
- Optimizing work management process including but not limit to providing training to Fleet Services staff and being able to automatically track fleet availability within Fleet Management Information System to expedite service time.
- Working with client Divisions to remove vehicles beyond useful life (SOGR backlog) that require excessive repair and negatively affecting service delivery.
- Enhancing Dashboards and KPIs to effectively monitor, identify and strategize on improving Fleet availability based on data driven decision making process.

Fleet Utilization

Vehicle utilization is a measurement of fleet management to optimize the usage of City's fleet assets. The report of *Fleet Services Operational Review, Phase One: Stronger Corporate Oversight Needed for Underutilized Vehicles* (Item 2019.AU2.3) identified managing areas for Fleet Services to improve in order to decrease the underutilization rate for light duty vehicles such as sedans, minivans, SUVs and pickup trucks that are less specialized and more easily shareable.

Fleet Services has developed and implemented an Underutilization Reporting, Action and Follow-up policy to identify underutilized vehicles with user divisions, agencies and corporations every year. In Table 2, 2020 utilization rate for Class 1 and Class 2 vehicles were calculated by using threshold of 5,000 km or 125 engine hours recommended by the Auditor General. Telematics solution brings data in terms of frequency of accessing vehicle and supplementing the current threshold for underutilized vehicles.

Table 2: Underutilized Class 1 and Class 2 City Owned Light Duty Vehicles, 2020

Divisions, Agencies, Corporations	Underutilized Vehicles	Specialized Vehicles *	Total Vehicles	% Vehicles Underutilized
Economic Development & Culture	2	2	6	33%
Engineering & Construction Services	4	2	56	7%
Corporate Real Estate Management	28	13	103	27%
Fleet Services	15	9	31	48%
Municipal Licensing & Standards	17	2	235	7%

Divisions, Agencies, Corporations	Underutilized Vehicles	Specialized Vehicles *	Total Vehicles	% Vehicles Underutilized
Parks, Forestry & Recreation	99	54	349	28%
Purchasing & Materials Management	3	0	3	100%
Solid Waste Management	19	13	152	13%
Technology Services	2	1	2	100%
Toronto Building	8	0	28	29%
Toronto Community Housing	43	18	183	23%
Toronto Public Library	6	4	27	22%
Toronto Water	69	30	376	18%
Transportation Services	72	17	339	21%
Total	387	165	1890	20%

* Specialized vehicle is a vehicle with custom-built specifications such as a standard pickup truck equipped with a hydraulic tailgate loader, special traffic lights and strobe lamps to meet operational needs. Total of 165 specialized vehicles are included in 387 underutilized vehicles.

As requested by City Council, Fleet Services has coordinated with City Divisions, Agencies and Corporations to reduce numbers of underutilized light duty vehicles with the following initiatives:

- Assessing, removing and redeploying underutilized vehicles to ensure the most cost-effective fleet options used across the City. This initiative will result in reduction of costs with renting vehicles from external vendors.
- Expanding the Car Share program by assessing the viability of City wide implementation on City-owned vehicles where operationally feasible will result in improvement of fleet utilization rate.
- Expanding the telematics solution, Fleet Services will track the vehicle using frequency, location and movement behaviour. Telematics solution would bring additional dimension of data analytics including new insights to improve overall efficiency, cost savings, and maximizing the full potential of fleet assets.

Fleet Services will continue to improve fleet availability and utilization while working with City Divisions and Agencies to meet their operational needs and service delivery targets.

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ATTACHMENTS
