

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

Date: May/08/2023

To: General Government Committee

From: General Manager, Fleet Services Division

Wards: All

SUMMARY

The purpose of this report is to provide an update to the General Government Committee (GGC) on Fleet Services' actions of reducing vehicle and equipment downtime and minimizing the number of underutilized vehicles as requested by City Council on December 15, 2021 ([Item - 2021.GL27.22](#)).

RECOMMENDATIONS

The General Manager, Fleet Services recommends that:

1. The General Government Committee receives this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report. The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

On December 15, 2021, City Council request the General Manager, Fleet Services, in consultation with applicable City divisions, to make fleet utilization related data available on the City of Toronto's open data portal.

[Agenda Item History - 2021.GL27.22 \(toronto.ca\)](#)

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

The availability and utilization of vehicles and equipment are key performance metrics that measure effective fleet management. Fleet Services uses data generated by the process of monitoring these metrics to make improvements to processes and practices that drive availability and utilization. Fleet Services measures availability and utilization to ensure City of Toronto staff have access to the necessary vehicles and equipment to deliver efficient, cost-effective services. Fleet Services also provides updates to City Council on the progress made towards improvements, on an annual basis, through this report.

Fleet Services is employing new strategies in 2023 to increase vehicle and equipment availability, and to right-size the fleet through taking underutilized vehicles out of service. The impact of these strategies is not reflected in this report, but underscores Fleet Services' commitment to moving these metrics in a positive direction through taking a focused and centre led approach.

Fleet Availability

Fleet availability is an indicator that measures the percentage of time that fleet assets are available for use. This metric covers all units including those that are spare (i.e., units that are available if a regularly utilized unit is taken out of service). Table 1 indicates fleet availability rates as of the end of 2022 by asset category.

Table 1: 2022 Fleet Availability and Target

Asset Category	2022 Actual Availability	Target
Light Duty (Sedans, Minivans, SUVs, and Pickup Trucks)	91%	95%
Medium Duty (Sidewalk Sweepers or Cube Vans)	83%	92%
Heavy Duty (Waste Collection Trucks or Aerial Trucks)	76%	85%
Off-Road (Loaders or Backhoes)	84%	88%
Other (Utility Cars or Trailers)	94%	90%

Availability data in 2021 is fairly consistent with 2022 results. Fleet Services recognizes the need to take a multi-prong approach to increasing availability. The availability metric as a measure of performance of Fleet Services' maintenance program is impacted by 6 key factors. Explored below are details about the impact of each factor, and how Fleet Services is taking strategic action to improve availability by addressing these areas:

1. Hiring and retaining key roles within the division

The hiring and retention of highly skilled and motivated staff, particularly Truck and Coach Technicians, is key to ensuring the maintenance program is successful. Despite a very competitive market, Fleet has had record number of hires in all functions in the division. Working with union partners, Fleet Services continues to focus on the systemic issues that impact the ability to attract and retain skilled trades persons, including rates of pay and the development of a new apprenticeship program and co-op placements for high school students.

2. Ensuring parts are available

Ensuring parts are available to perform necessary maintenance and repairs increases the rate of availability. Working with our contract partners, Fleet Services has significantly increased the availability of parts to support our internal operations through the course of 2022. Fill rates (parts issued to mechanic within 1 hour of request) improved from 61% in 2021 to 91% as of February 2023.

3. Leveraging data to drive operational performance

Leveraging data in driving performance in key areas of the division is a focus of Fleet Services. Enabled by telematics, Fleet Services have expanded the use of data to drive operational performance in fleet operations, improving our ability to be effective asset managers. Fleet Services is also supporting our clients to leverage data that supports continuous improvement, including metrics related to asset utilization, preventative maintenance compliance and operator error.

4. Implementing data-driven and targeted training programs

Using data provided by telematics and other data sources, the Fleet Safety Team is developing training and working specifically with divisions where there are higher rates of 'operator error' to prevent vehicles and equipment from being taken out of operations due to damage caused by the operator.

5. Increasing vendor capacity and centralized vendor management

For light duty fleet maintenance, Fleet Services has recently implemented direct manufacturer service agreements with Original Equipment Manufacturers (OEM) such as Stellantis N.V. (formerly Fiat Chrysler Automobiles) and Ford Canada. This leading asset management practice will improve overall operational efficiency by reducing vehicle downtime and optimizing cost, safety, and return on investment. In addition, Fleet Services has centralized the management of contracted services for the light-duty fleet to streamline maintenance management practices and reduce vehicle downtime.

6. SOGR Backlog Reduction

As of 2022, the SOGR backlog is \$28.7M, and it is projected to increase to \$ 55.7M in 2023. Fleet Services collaborates with Client Divisions to enhance capital reserve contributions while exploring opportunities to optimize the size and configuration of the City's fleet. Fleet Services has removed assets from the fleet that are underutilized or past due for replacement with no request for a replacement from divisions.

As described above, in addition to addressing these key factors in 2022, Fleet Services is taking a new approach to improving fleet availability in 2023 and will closely monitor progress as impacts are made to processes and practices related to increased availability.

Fleet Utilization

Fleet utilization measures how often a vehicle is used. If usage is under a specific threshold, the vehicle is considered to be 'underutilized' and subject to Fleet Services 'underutilization policy' which outlines that vehicles that are not in regular use will be removed from the fleet. This is consistent with Fleet Services' centre led approach to effective financial stewardship, and ensures the fleet is the right size to meet operational needs of Client Divisions, Corporations and Agencies.

Table 2 shows the number of underutilized light-duty vehicles in the past twelve (12) months, calculated based on a threshold of 5,000 km or 125 engine hours and an average usage frequency of three (3) days per week where telematics data is available.

Table 2: Underutilized Light Duty City Owned Vehicles, as of March 2023

Divisions, Agencies, Corporations	Underutilized Vehicles (A)	Specialized Vehicles* (B)	Total Underutilized Vehicles (A+B=C)	Total Vehicles (D)	% Vehicles Underutilized (C/D)
Parks, Forestry & Recreation	23	33	56	329	17%
Toronto Water	31	19	50	369	14%
Transportation Services	33	15	48	326	15%
Toronto Community Housing	22	16	38	182	21%
Municipal Licensing & Standards	16	2	18	211	9%
Solid Waste Management	7	7	14	149	10%
Corporate Real Estate Management	6	5	11	122	9%
Fleet Services	5**	5	10	25	40%
Economic Development & Culture	0	3	3	6	50%
Purchasing & Materials Management	3	0	3	3	100%
Technology Services	1	1	2	3	67%
Shelter, Support & Housing Admin	0	2	2	14	14%
Toronto Building	2	0	2	24	8%
Office of Emergency	1	0	1	5	20%
Policy, Planning, Finance & Admin	1	0	1	1	100%
Total	151	108	259	1861	14%

* 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.

** These vehicles are pool vehicles that will be made available for shared use.

Fleet Services has installed telematics devices in those vehicles that were considered underutilized and is now using integrated telematics data to incorporate an additional layer of data analytics that includes usage frequency and patterns, providing new and valuable insights. As of March 2023, nearly 2000 assets owned by the City of Toronto are equipped with telematic devices. Fleet Services makes monthly vehicle utilization reports available on the City of Toronto intranet, which client divisions can access, empowering them to make well-informed business decisions at a divisional level.

Fleet Services has also enhanced vehicle utilization policy and procedures, which have been implemented and communicated to all City of Toronto Divisions, Agencies, and Corporations. Fleet Services has worked in close collaboration with all City of Toronto Divisions, Agencies, and Corporations to optimize the overall size of the City's fleet, using a centre led approach. This means Fleet Services has acted on the enhanced vehicle utilization policy and procedures by removing underutilized vehicles from the fleet.

To this end, by March 2023, Fleet Services has conducted thorough assessments and downsized the Fleet by a total of 143 assets. This strategic initiative resulted in optimizing the total cost of ownership and reducing the average \$411K annual maintenance cost. It is expected that this amount will increase further in 2023. These funds are allocated to asset replacement plan to reduce the SOGR backlog and improve Fleet availability.

To further reduce the number of underutilized vehicles, Fleet Services is examining the feasibility of vehicle sharing programs to address operational needs where an individually assigned vehicle is not necessary or required. In collaboration with contract partners, Fleet Services will explore providing short-term 'car share' rental opportunities. To enable efficient sharing for the city-owned vehicles, keyless devices have been installed and pilots planned for 2023 to explore key management capabilities and car sharing scheduling software to pair with keyless device hardware. Furthermore, Fleet Services is currently conducting pilots to introduce bicycle and e-bicycle sharing within teams where bicycles meet operational needs, to assess if short trips or even vehicles could be replaced with micro mobility options.

Summary

Fleet Services will continue to further improve the availability and utilization of the City's fleet while addressing specific operational needs and service delivery targets of Divisions, Agencies, and Corporations. By leveraging cutting-edge technologies, best practices in fleet management, as well as new strategies and a centre led approach in 2023, Fleet Services strives for ongoing improvement in the efficiency and effectiveness of the City's fleet operations.

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SIGNATURE

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ATTACHMENTS
