TORONTO

REPORT FOR ACTION

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

Date: March 11, 2024
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 October 17, 2019 (Item - 2019.GL8.1), with the latest annual update provided on May 30, 2023 (Item - 2023.GG4.28).

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.

DECISION HISTORY

On May 30, 2023, the General Manager, Fleet Services, provided GGC with a status update and progress on the City of Toronto's fleet availability and utilization rates.

Agenda Item History - 2023.GG4.28 (toronto.ca)

On December 15, 2021, GGC motioned that City Council request the General Manager, Fleet Services, in consultation with applicable City divisions, 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 the Fleet Services Division Overview item, 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 City vehicles and equipment are key performance metrics that measure effective fleet management. Fleet Services monitors these metrics to make data-informed improvements to processes and practices that drive availability and utilization, while continuing to ensure that City of Toronto staff have access to the necessary vehicles and equipment to deliver efficient and cost-effective services.

Fleet Services has made significant improvements to increase fleet availability. By leveraging data and working with key stakeholders, Fleet Services has taken clear and defined actions to address underlying issues impacting fleet availability, improving fleet availability across all asset categories.

Additionally, Fleet Services has made significant strides in right sizing the City's fleet. As of February 2024, Fleet Services retrieved 229 assets, 193 of which have either been sold or are in the process of being sold, generating $2.46 million in revenue thus far. This revenue is allocated to client asset replacement plans to reduce their State of Good Repair backlog. This process has resulted in savings of $565,000 in maintenance costs and a reduction of 689,232 kg of GHG emissions annually.

Fleet Services continues to collaborate with the Technology Services Division to make fleet utilization and availability data accessible on the City's Open Data Portal (Agenda Item History - 2021.GL27.22). This demonstrates Fleet Services' commitment to transparency and accountability, and encourages innovation by enabling City of Toronto residents, businesses, and researchers to use this data for various

purposes, including conducting research and analysis to support the development of new services or applications.

Fleet Availability

Fleet availability is an indicator that measures the percentage of time 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 2023 by asset category.

Table 1: Year-over-year Fleet Availability

Asset Category	2022 Actual Availability	2023 Actual Availability
Light Duty (Sedans, Minivans, SUVs, and Pickup Trucks)	91%	94%
Medium Duty (Sidewalk Sweepers or Cube Vans)	83%	88%
Heavy Duty (Waste Collection Trucks or Aerial Trucks)	76%	81%
Off-Road (Loaders or Backhoes)	84%	88%
Other (Utility Cars or Trailers)	94%	96%
Overall Fleet Availability (weighted average)	87.3%	90.8%

Availability data in 2023 showed improvement across all asset categories, in particular for medium and heavy-duty assets, which saw a 5% increase compared to 2022 figures. As electric vehicles (EVs) are being introduced, Fleet Services is working to implement maintenance practices to support the electrification of the City's fleet. The current EV fleet sits at 8% and is expected to achieve 10% by the end of the year.

The availability performance metric used by Fleet Services' maintenance program is impacted by 5 key factors. Explored below are details about the impact of each factor, and how Fleet Services has taken strategic action to improve availability by addressing these areas:

1. Hiring and retaining key roles within the division

Securing and retaining a proficient and motivated workforce in professional and skilled trades positions is critical to the success of the services delivered by Fleet Services. In 2023, to address the vacancy rate of skilled tradespersons, Council approved the technician wage adjustment (Agenda Item History - 2023.EX6.2). Furthermore, Fleet Services introduced a new technician apprenticeship program in collaboration with Toronto Paramedic Service. Since implementation in Fall 2023, Fleet has hired 8 technicians (3 licensed technicians and 5 apprentices), increasing productivity capacity within garage operations. Additionally, Fleet Services worked with Centennial College to

implement a rotational placement program for students pursuing a technician program aimed at enriching their learning experience with short hands-on exposure at a city garage operation.

Through ongoing efforts, Fleet Services has successfully improved the division-wide vacancy rate by 19% from 2022 to 2023, ending 2023 at 8% vacancy of complement.

2. Ensuring parts are available

The timely availability of replacement parts to perform necessary maintenance and repairs increases the rate of availability of assets. Fleet Services leveraged historical consumption data and worked with its parts supplier to identify critical parts and ensure their availability on an as-needed basis to reduce downtime incurred when waiting for parts.

Fill Rates (parts issued to mechanics within one hour of request) improved from an average 81.85% in 2022 to an average 91.71% in 2023. The supplier is contractually obligated to meet a minimum monthly fill rate of 85%.

3. Establishing and reviewing performance measures

Fleet Services continues to use data to drive performance. Over the past year, Fleet Services standardized record-keeping practices to ensure access to reliable data to guide business decisions. This data was fed into new dynamic dashboards, highlighting key metrics for maintenance staff.

Improving preventative maintenance compliance has been a critical area of focus over the past year. As a result, preventative maintenance improved from 80% in 2022 to 84.8% in 2023. Further improvements are expected in 2024 based on the planning work that was completed during the final quarter of 2023. The preventive maintenance schedule was re-evaluated for the City's fleet and optimized to evenly distribute the garage workload.

Additionally, staff conducted a focused analysis on three critical assets (rear loader refuse trucks, side loader refuse trucks, and street sweepers) that had the greatest impact on overall fleet downtime. Valuable insights were collected from frontline staff, Original Equipment Manufacturers (OEMs), client divisions, agencies, and corporations (clients), resulting in the development of a new preventative maintenance program aimed at addressing systems and components that contributed to heightened unplanned downtime. As a result, the average availability of these assets increased by 22%.

To continue to foster a data-driven culture of improvement, a Monthly Operational Review is hosted for Fleet Services staff to identify key trends, challenges, and successes.

4. Leveraging data to promote a safe driving culture

Fleet Safety continues to assess data on operator behaviour to identify key trends and develop relevant training to promote a strong safety culture. In particular, reports that quantify operator error trends have been leveraged to develop training aimed at improving vehicle operation to limit downtime due to repairs, thereby increasing fleet availability. Additionally, Fleet Services uses this data to support ongoing engagement with clients to demonstrate the impact of operator error on their ability to provide critical services. Training and ongoing communication have been effective; the number of maintenance job lines being opened due to operator error reduced by 14.06% from 2022 to 2023 resulting in cost savings of $103,483.28.

5. Increasing vendor capacity and centralized vendor management

Fleet Services implemented direct manufacturer service agreements with OEMs such as Stellantis N.V. (formerly Fiat Chrysler Automobiles) and Ford Canada offering the City an extensive dealer network across the City of Toronto to service and repair the light and medium-duty fleet. This leading asset management practice, including a "While You Wait Program", has improved overall operational efficiency by reducing vehicle downtime and optimizing cost, safety, and return on investment. Under this process, clients can schedule preventative maintenance directly with the dealer network and have the city vehicle serviced and back in operation within 2 hours.

In addition, in 2023, Fleet Services developed an OEM-managed model for preventative maintenance and repairs of heavy-duty equipment for solid waste collection vehicles. This vendor-managed program increased preventative maintenance compliance to 98.9% in 2023, and is expected to decrease repair costs and increase equipment availability. Fleet Services is working to extend this program for other heavy-duty equipment used by other City divisions.

Fleet Utilization

Fleet utilization measures how effectively vehicles are being utilized. If the usage of any vehicle is under a specific threshold, the vehicle is considered 'underutilized' and subject to Fleet Services' Underutilization Policy and may be removed from the City's fleet. This is consistent with Fleet Services' centre-led approach to effective financial stewardship and ensures the fleet is the right size to meet the operational needs of clients.

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 January 2024

Divisions, Agencies, Corporations	Non-Specialized Vehicles (A)	Specialized Vehicles* (B)	Total Underutilized Vehicles (A+B=C)	Total Vehicles (D)	% Vehicles Underutilized (C/D)
Toronto Water	24	12	36	335	11%
Parks, Forestry & Recreation	28	8	36	326	11%
Transportation Services	20	10	30	329	9%
Toronto Community Housing	13	6	19	174	11%
Solid Waste Management	14	4	18	143	13%
Corporate Real Estate Management	2	9	11	125	9%
Engineering & Construction Services	0	10	10	67	15%
Municipal Licensing & Standards	5	5	10	217	5%
Economic Development & Culture	1	1	2	6	33%
Purchasing & Materials Management	2	0	2	3	67%
Shelter, Support & Housing Admin	2	0	2	13	15%
Toronto Building	1	0	1	24	4%
Technology Services	1	0	1	2	50%
Policy, Planning, Finance & Admin	1	0	1	1	100%
Total	114	65	179	1765	10%

*A 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.

Fleet Services continues to actively collaborate with clients to optimize the size of the City's fleet and eliminate unnecessary assets. The actions taken have included selling off vehicles that are not needed, reassigning vehicles, and improving management over rental vehicles.

By continuously enforcing Fleet's short-term rental program policies, rental vehicle utilization, and regular review of rental needs and cost versus utilizing owned assets, Fleet Services reduced the number of active rentals by approximately 80 units in 2023. This reduction resulted in $1.05M in cost avoidance over 2022.

To determine whether a vehicle is underutilized, Fleet Services uses data, including telematics data, to understand vehicle usage. As of January 2024, 2053 City-owned assets have been equipped with telematic devices. Fleet Services generates monthly vehicle utilization reports and makes these reports available on the City of Toronto intranet for clients to access. These reports can assist clients in making well-informed business decisions regarding resource allocation, recurring inefficiencies, and fleet size optimization. As demonstrated by Table 3, Fleet Services is continuing to work with clients to reduce the number of underutilized vehicles in the City's fleet.

Table 3: Underutilization Rate Progress Status

Annual Status Reporting	Total Underutilized Vehicles	% Vehicles Underutilized
November/15/2021 Agenda Item History - 2021.GL27.22 (toronto.ca)	552	20%
May/08/2023 Agenda Item History - 2023.GG4.28 (toronto.ca)	259	14%
Current Reporting Underutilization Rate	179	10%

To further reduce the number of underutilized vehicles, Fleet Services, in collaboration with Enterprise Car Share, is providing a short-term car share rental program for occasional users where an individually assigned vehicle is not necessary or required. In its initial phase, the car share program is being used by 158 staff, allowing them to use vehicles to conduct City business without significant investment in City assets.

Additionally, Fleet Services is in the process of analyzing further opportunities for sharing vehicles within or across operational groups to further right-size the City's fleet; this is part of an effort to modernize processes and practices by introducing digital pre-trip inspections, a keyless entry solution, and vehicle booking software.

Furthermore, Fleet Services conducted a pilot program to introduce bicycle and e-bicycle sharing within teams where bicycles meet operational needs and is working to expand this program where micro-mobility options are feasible.

Summary

Fleet Services strives to improve the availability and utilization of the City's fleet while continuing to meet client operational needs and service delivery targets. By leveraging cutting-edge technologies, best practices in fleet management, as well as new strategies and a center-led approach in 2024, Fleet Services has made and continues to seek ongoing improvement in the efficiency and effectiveness of the City's fleet operations.

CONTACT

Vukadin Lalovic
Director, Fleet Asset Management, Fleet Services Division
Telephone: (416) 392 6365, Email: Vukadin.Lalovic@toronto.ca

Joshua Kim
Acting Director, Fleet Maintenance, Fleet Services Division
Telephone: (416)275 7408, Email: Joshua.Kim2@toronto.ca

SIGNATURE

Abi Thomas
Acting General Manager, Fleet Services Division

ATTACHMENTS

N/A