REPORT FOR ACTION

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

Date: February 25, 2025
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' efforts to reduce vehicle and equipment downtime and minimize the number of underutilized vehicles, as requested by City Council on October 17, 2019 (Item - 2019.GL8.1). The most recent annual update was provided on March 26, 2024 (Item - 2024.GG11.14).

The City of Toronto operates one of the largest municipal fleets in Canada and one of the most specialized and diverse fleets in North America, comprising of over 5,000 vehicles and equipment. The Fleet Services Division (FSD) supports client divisions, agencies and corporations by providing fleet management and maintenance services and driver training to support the delivery of essential City services.

Fleet availability and utilization are critical performance metrics that support effective fleet management. FSD has made significant progress in increasing vehicle availability and right-sizing the City's fleet by monitoring and taking action on underutilization.

Fleet availability measures the percentage of time fleet assets are available for use. From 2022 to 2024, availability has improved, reaching an availability rate of over 80% across all asset categories and notably resulting in a 91% availability rate for Off-Road category (e.g. loaders or, backhoes). Fleet availability is influenced by the following five factors, all of which have advanced over the last two years: workforce development, parts availability, operational performance management, promoting safe driving practices and vendor partners and centralized management.

Fleet utilization measures how effectively vehicles are being used. FSD is committed to working with client divisions, agencies and corporations to enhance the efficiency of their fleet and eliminate unnecessary assets. Key actions taken include divesting redundant vehicles, reallocating resources, and strengthening the management of rental vehicles.

Across the city's light-duty vehicles (e.g. vans, pick-ups, minibus, city delivery trucks), underutilization has been steadily decreasing. In 2021, the underutilization rate was 20%, which is significantly higher than the City's current 2024 underutilization rate of 3%, an achievement that has resulted in significant savings. Between 2023 and 2024, $2.65 million in revenue was retrieved through 268 assets (169 assets in 2023 and 44 in 2024) being sold or in the process of being sold. FSD has reinvested the savings to support asset replacement plans to reduce the State of Good Repair backlog, which has resulted in a maintenance cost savings of $487,733 in 2023, and $70,621 in 2024.

RECOMMENDATIONS

The General Manager, Fleet Services recommends that:

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

FINANCIAL IMPACT

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

DECISION HISTORY

On March 26, 2024, the General Manager, Fleet Services, updated GGC on the City of Toronto's fleet availability and utilization rates.

Agenda Item History - 2024.GG11.14 (toronto.ca)

On May 30, 2023, the General Manager, Fleet Services, updated GGC on the City of Toronto's fleet availability and utilization rates.

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

On December 15, 2021, City Council requested 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, the General Government and Licensing Committee 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 its impact on City 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: Stronger Corporate Oversight Needed for Underutilized Vehicles, focusing on Fleet utilized.

Agenda Item History - 2019.AU2.3 (toronto.ca)

COMMENTS

The availability and utilization of City vehicles and equipment are critical performance metrics for effective fleet management. FSD monitors these metrics to implement data-driven improvements, ensuring that City staff have access to the necessary vehicles and equipment for efficient service delivery.

Fleet Services has made substantial progress in enhancing fleet availability by utilizing data to identify and address issues that impact fleet performance. Improvements in fleet availability have been realized across all asset categories.

Additionally, Fleet Services has made significant progress in right-sizing the City's fleet. Between 2023 and 2024, 268 assets were retrieved, with 169 assets in 2023 and 44 in 2024 either sold or in the process of being sold. These efforts generated a total of $2.65 million in revenue, which has been reinvested into asset replacement plans to help reduce the State of Good Repair (SOGR) backlog. This initiative has also resulted in maintenance cost savings of $487,733 in 2023 and $70,621 in 2024.

Fleet Availability

Fleet availability is a key metric indicating the percentage of time fleet assets are available for use. It encompasses all units, including spares (vehicles available if a regularly utilized unit is out of service). Table 1 illustrates fleet availability rates as of December 2024 by asset category.

Table 1: Year-Over-Year Fleet Availability

Asset Category	2022 Actual Availability	2023 Actual Availability	2024 Actual Availability
Light Duty (Sedans, Minivans, SUVs, and Pickup Trucks)	91%	94%	95%
Medium Duty (Sidewalk Sweepers or Cube Vans)	83%	88%	88%

Asset Category	2022 Actual Availability	2023 Actual Availability	2024 Actual Availability
Heavy Duty (Waste Collection Trucks or Aerial Trucks)	76%	81%	83%
Off-Road (Loaders or Backhoes)	84%	88%	91%
Other (Utility Cars or Trailers)	94%	96%	96%
Overall Fleet Availability (weighted average)	87.3%	90.8%	92%

Fleet availability improved across all asset categories from 2022 to 2024. Notable progress has been seen in the Off-Road category since 2023 and in the Heavy Duty category since 2022. As electric vehicles (EVs) are integrated, Fleet Services is implementing maintenance practices to support fleet electrification. The current EV fleet is at 8% and is expected to reach 12% by the end of 2025.

The availability performance metric used by the Fleet Services' maintenance program is influenced by five (5) key factors. Below are details on the impact of each factor, along with strategic actions Fleet Services has taken to enhance availability by addressing these areas:

1. Workforce Development

Hiring and retaining skilled professionals is critical to Fleet Services' success. Wage increases in 2023 supported an increase in attraction and retention of technicians. Key successes for 2024 include the launch of a technician apprenticeship program in partnership with Toronto Paramedic Service, reducing the technician vacancy rate (from 21% at the end of 2023, to 10% by end of 2024) by hiring nine technicians (four licensed, five apprentices), and increased collaboration to promote skilled trades with Centennial College for a student placement program for trades such as welding, truck and coach technicians. The vacancy rating for the entire division at the end of 2024 was 2%, down from 11% at the end of 2023.

2. Parts Availability

Ensuring timely access to parts minimizes downtime. Fleet Services worked with supplier to prioritize critical parts using historical consumption data, improving fill rates (parts issued within one hour) from 91.71% in 2023 to 93.19% in 2024, exceeding the contractual supplier minimum monthly fill rate of 85%. This has resulted in a 22.62% improvement in work order completion cycle time, ensuring the timely return of vehicles back to service.

3. Operational Performance Management

Fleet Services continues to evolve its approach in data-driven maintenance management. This includes standardizing work order management, utilizing dynamic

dashboards and strategic communications with client divisions, agencies, and corporations. In 2024, FSD launched the Preventive Maintenance (PM) Framework Program that focuses on identifying trends and opportunities for improving asset performance through employee technical training, strategic sourcing, procuring reliable equipment for unique operational needs and piloting a dynamic digital maintenance inspection checklist. In addition to this, FSD discusses PM Compliance rates at regular quarterly touch points with management from client divisions, agencies, and corporations to highlight the importance of this metric and foster compliance with PM requirements across asset categories. This data-driven management approach has boosted preventive maintenance compliance from 84.8% to 89.9%, improving asset reliability and maintenance quality.

4. Promoting Safe Driving Practices

Fleet Services' Fleet Safety team uses operator behavior data to develop targeted training to reduce vehicle downtime due to operator error and engages clients on the impact of operator behavior on fleet availability. These efforts reduced operator-error maintenance related work by 8.19% from 2023 to 2024. This is further reflected in the Commercial Vehicle Operator's Registration (CVOR) rating, which improved by 15% from 27.3% in 2023 down to 23.1% in 2024 (a reduction in CVOR rating is an improvement in the fleet's safety performance).

5. Vendor Partnerships and Centralized Management

Partnerships with Original Equipment Manufacturers (OEM) like Stellantis and Ford Canada offer the city an extensive dealer network to service and repair the light and medium-duty fleet. This leading asset management practice, including the "While You Wait Program" has continued to improve 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 services and back in operation within 2 hours.

Additionally, Fleet Services developed an OEM-managed preventative maintenance model for heavy-duty equipment in 2023. This has resulted in a 97.3% preventive maintenance compliance rate in 2024, reducing repair costs and supporting equipment availability.

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 Vehicles (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	9	6	15	400	4%
Parks, Forestry & Recreation	10	4	14	384	4%
Toronto Community Housing	4	2	6	184	3%
Corporate Real Estate Management	2	2	4	138	3%
Municipal Licensing & Standards	2	2	4	248	2%
Solid Waste Management	4	0	4	151	3%
Transportation Services	3	0	3	326	1%
Economic Development & Culture	1	0	1	5	20%
Technology Services	1	0	1	2	50%
Purchasing & Materials Management	1	0	1	2	50%
Shelter, Support & Housing Admin	0	1	1	19	5%
Toronto Public Library	0	1	1	27	4%
Total	41	20	55	1982	3%

*A specialized vehicle is a custom-built vehicle, such as a pickup truck with a hydraulic tailgate, special traffic lights, and strobe lamps, designed to meet specific operational needs.

Fleet Services remains committed to partnering with clients to enhance the efficiency of the City's fleet and eliminate unnecessary assets. Key initiatives include divesting redundant vehicles, reallocating resources, and strengthening the management of rental vehicles.

In 2024, FSD focused on rental telematics data accuracy and reporting. FSD worked with the rental vendor, resulting in the installation of telematics devices on all rental vehicles to support robust reporting. This achievement allowed for accurate and consistent rental utilization reports, which were provided to each client division bi-weekly. Through the accuracy of these reports, underutilized rentals were quickly identified, returned to the vendor, or re-assigned to other areas. Throughout 2024, rental vehicle under-utilization was reduced by 9% through the reduction of 25 rental units resulting in a cost avoidance of $500,000 for future years.

To identify underutilized vehicles, Fleet Services utilizes comprehensive data, including telematics insights, to analyze usage patterns. As of December 2024, telematic devices have been installed in 2,937 City-owned assets, facilitating detailed data analysis. Monthly vehicle utilization reports are prepared and made accessible to clients through the City of Toronto intranet. These reports enable clients to make informed decisions about resource allocation, address operational inefficiencies, and optimize fleet performance. As shown in Table 3, Fleet Services continues to work closely with clients to minimize underutilized vehicles, ensuring a more efficient and cost-effective fleet for the City.

Table 3: Progress Update on Vehicles Underutilization Rates

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%
March 11, 2024 Agenda Item History - 2024.GG11.14 (toronto.ca)	179	10%
Current Reporting Underutilization Rate	55	3%

FSD has taken steps to reduce underutilization, while also ensuring City of Toronto staff can access vehicles on an as needed basis. In 2024, FSD expanded the availability of the Enterprise Carshare program to divisions, agencies, corporations and City Councillor offices. The expansion included in-depth training to users and providing an

ongoing, centralized line of communication with Fleet Services to enhance user experience and provide support. This program has been well received, with 411 rental vehicles booked in 2024 by staff requiring a vehicle for 2-4 hours to conduct City business.

In addition, Fleet Services initiated a pilot program to introduce bicycle and e-bicycle sharing within teams where such options align with operational requirements. Plans are underway to expand this initiative and leverage micro-mobility solutions in areas where they are both practical and advantageous.

Conclusion

Fleet Services is dedicated to maximizing the efficiency and effectiveness of the City's fleet. Through the integration of advanced technologies, data-driven insights, and industry-leading fleet management practices, FSD consistently optimizes fleet operations to align with the evolving needs of client divisions, agencies, and corporations. This commitment supports improved resource utilization, enhanced operational performance, and superior service delivery across the City.

CONTACT

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

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

SIGNATURE

Abi Thomas
General Manager, Fleet Services Division

ATTACHMENTS

N/A