

CP.10.1.1

Section: Operations

Subsection: General

Subject: Fleet Management Policy

Approval Authority: 2023.11.08-CR-02

Effective Date: November 08, 2023

1. Policy Statement

The Fleet Management Policy provides the framework for a consistent approach to the management of fleet vehicles/equipment throughout the organization. This includes the purchase, use, maintenance, repair, and replacement of these assets in alignment with the Corporate Purchasing By-law.

The policy is intended to provide a framework for consistent practice and ensure accountability in the ongoing monitoring of vehicle use and maintenance related costs. It also provides internal controls for the proper use of Town owned fleet assets and serves as a management tool to assist with sound decision making regarding the timing of vehicle/equipment purchases, unit specifications, and financial planning initiatives to ensure adequate funding is available when needed.

2. Purpose

To establish efficient and effective delivery of municipal services by providing Town departments with safe, reliable, economical, and environmentally responsible transportation. Furthermore, to ensure that departments' fleet vehicles and equipment; meet their respective needs; are maintained in a way which prolongs vehicle use and value to maximize capital investment returns; meet growth demands; and for accurate budgeting for maintenance and replacement costs.

3. Definitions

AMP – Asset Management Plan, as prescribed by O. Reg 588/17

Condition – review by a technician of the physical and mechanical appearance, quality, and working order of a unit.

Fleet Unit or Unit – may refer to a single vehicle or piece of equipment that is used by the Town to provide services to the community.

Hyperinflation – Rapid or excessive price increases in the economy.

TCA – Tangible Capital Asset, as defined by the Public Sector Accounting Board and the Canadian Revenue Agency.

Unit Owner – The primary department financially responsible for a unit's purchase and operating costs.

Useful Life – The quantity of time, or use, an asset is considered valuable for providing service. This may differ from the length of time an asset is functional.

4. Responsibility

This policy shall provide direction to all employees of The Town of Innisfil, department managers, and the Fleet department staff who purchase, maintain, and/or manage a portfolio of Town vehicles.

At each stage of a unit's life, responsibility is shared between the department that owns the unit and the Fleet department. Appendix A provides a high-level overview of responsibility by Department (specific activities may vary by unit or type).

Division of responsibility in Appendix A does not apply to Innisfil Fire & Rescue Services, who, in alignment with this policy, administer their own Fleet Management Program.

5. Application

This policy applies to the management of all Town vehicles and equipment used in the delivery of Town services from the purchase of the unit, management of the unit throughout its lifecycle, to its disposal at the end of the unit's useful life.

6. Administration

6.1 Purchasing Fleet Units

6.1.1 Planning for Fleet Units

All units will be planned and approved through the capital budget project process. Unit costs will be detailed within the project detail sheets such that it reflects the base unit description (e.g. 4 WD Crew Cab ½ Ton pick-up), as well as listing the priced attachments to arrive at the total purchase value before taxes.

Replacement costs will be revisited biennially by the Fleet Manager, and with the assistance of Purchasing Services, and the unit owner. The Fleet department will determine the relevant base model pricing as part of the biennial capital and operational budget planning process.

6.1.2 Unit Funding

New units, required due to growth demands, shall be proposed as capital projects and purchases will be carried out according to the Town of Innisfil Corporate Purchasing By-Law and procedure.

Replacement units are those required to sustain current service levels, and acquired at the end of the previous unit's useful life and where the condition assessment of the unit is at least *Qualifies for Replacement*. Project funding amounts will be identified in the capital budget process and recommended for Council approval.

To ensure adequate and timely funding of the vehicle replacement reserve, annual contributions are calculated and planned based on the anticipated useful life of the units (identified in section 6.2), and anticipated replacement costs for units nearing the end of their useful life.

Where possible, and where a unit's replacement assessment is *Good*, or better, at the conclusion of its anticipated useful life, a unit may be deferred to a future year to extend the value of the asset.

6.1.3 Fleet Greening

The Town, in accordance with our Integrated Sustainability Master Plan, is committed to taking all reasonable actions required to reduce the environmental impact of our current fleet units and future fleet additions.

At the time of procurement or replacement of a fleet unit, Staff will first review and consider electric vehicles (EVs), hybrid options, and other carbon reducing, vehicle/equipment options. Through the capital budget planning process, Staff will identify units suitable for alternative fuel/EV/hybrid conversion and every effort will be given to procuring these technologies, where applicable. When identifying these units, Staff will weigh the appropriateness and performance of these vehicles/equipment to perform their required task(s).

When applicable, capital budget funding requests will be reflective of the anticipated financial and environmental costs of the alternative fuel vehicles versus traditional fuel vehicles, however in the event that supply chain issues are prevalent, and significant delays in procurement would compromise service levels, traditional fuel vehicles may be purchased in their place with excess funds returned to the funding source.

Where traditional fuel units are present in the Town fleet, green operating practices, such as monitoring/reducing fuel consumption through reducing idling times and optimizing route patterns will be applied. Additionally, other available technologies to assist in improving the sustainability of our vehicles and equipment will be applied where appropriate and applicable. This includes, but is not limited to: telematics systems, maintenance program improvements, alternative fuel sources, and aftermarket accessories.

6.1.4 Unit Standardization

Make and model of units may vary to align with our Corporate Purchasing By-law, 032-17, and procedures.

Fire & Rescue Services Fleet and Equipment

Fire & Rescue Services fleet and equipment shall meet the specifications of the current National Fire Protection Association (NFPA) standards or other applicable standards and guidelines.

Where NFPA standards do not apply, vehicle specifications will be determined by Fire & Rescue Services operational needs, giving consideration to corporate fleet vehicle standards, outlined below.

All Other Corporate Fleet Vehicles

The following standardization of units will apply to ensure the general look and basic components of fleet units are as consistent as possible (where applicable):

Colour

All Pick-up Trucks, Vans and other passenger vehicles shall be purchased in the colour of “bright white”.

All service trucks (cab and chassis) shall be purchased in the colour of “bright white” and where metal service bodies are being added; they shall be painted “bright red”. All service bodies which are constructed from aluminum shall be left in this state.

All large trucks (single and tandem axle) shall be purchased “bright white” All dump bodies shall be painted “bright red”.

Accessories

Vehicles come with the following accessories and are considered standard requirements for all town vehicles:

- Power Windows
- Power Steering
- Power Brakes
- Blue Tooth Compatibility
- Automatic Transmission
- Standard Radio
- Running Boards – if the top of the rocker panel is higher than 38 cm.
- Floor Mats
- Standard Tires and Wheels
- Box Cap/Cover
- Box Liner
- Air Conditioned

Town Logo

All Town units including trucks of all sizes, vans, machinery equipment shall have two (2) Town logos displayed of the appropriate size relating to the unit. The Town logo shall be designed and applied according to the Town’s Corporate Branding Guide.

One Town logo shall be placed on both the left and right sides of the unit. For all trucks, vans and other passenger vehicles, the Town logo shall be placed on the front door panels.

Unit Number

All fleet units including trucks of all sizes, vans, machinery, and equipment shall have displayed on each side of the vehicle or unit, a four (4) or five (5) digit number indicating the year the unit was put into service and a designated unit number. Example – A truck put into service in 2004, and replacing unit #21, would be displayed as 04-21.

The numeric numbers shall be two (2) inches in height and where possible be navy blue in colour and reflective. In the case of trucks, vans and passenger vehicles, the unit number shall be displayed on the front corner panels.

Pin Striping

Where appropriate for employee and public awareness and safety, all machinery and equipment shall have reflective white and/or white and red striping placed on it. The location of such striping shall be determined by the service area management or supervisory staff.

Optional Icons

As deemed required by the Corporate Communications Strategy to increase public engagement, social media icons representing the Town’s corporate social media channels will be added to Town fleet units (e.g. Twitter, Facebook, Flickr, etc.,).

Where possible these social media icons shall be placed horizontally in the middle of the rear of the fleet unit at a vertical level which best suits the individual fleet unit and does not interfere with the safe use of the unit.

Other Decals

All Town trucks, vans and passenger vehicles shall display the Town's official website www.innisfil.ca on the rear of the vehicle. It should be noted that the Town's website address is not required to be placed on machinery and/or equipment.

This lettering shall be comprised of two (2) inch white reflective letters in lower case font. Where white is unacceptable due to visibility of background colour, navy blue or black shall be used.

Where possible this lettering shall be placed horizontally in the middle of the rear of the fleet unit at a vertical level which best suits the individual unit.

At the discretion of management or supervisory staff, and where additional information would benefit the public or aid in a certain operation, additional decaling may be added to a unit, piece of machinery or piece of equipment. An example would be adding the word "WATER" to a truck hauling a tank and spraying liquid onto a road surface.

All additional decaling relating to lettering shall be white or black reflective, not exceeding 6" in height and be capitalized.

6.2 Fleet Unit Management

6.2.1 Anticipated Useful Life

The useful life of a fleet unit shall be as per the Useful Life chart in Appendix B. The chronological age of a unit is used for planning of capital replacements, while the age, maintenance costs, and physical/mechanical condition is used in determining the appropriateness of extending or reduce a unit's useful life.

6.2.2 Unit Records

Accurate and complete unit maintenance records are a key tool for making fleet management decisions. Unit maintenance costs are unique to each unit.

Pertinent records maintained for each unit include, but are not limited to:

- Unit maintenance logs
- Commercial Vehicle Operator Registration (CVOR), where applicable
- Fuel usage logs
- Cumulative costs of parts, labour, and overhead by a unit over its life.
- Annual condition assessment
- Environmental impact metrics

Accurate records of maintenance, repairs or alterations are to be kept with the Fleet department and retained as specified by the Town's Record's Retention Policy, CP.1.1.9 (formally CP.03-17-01).

When units are purchased, asset details are to be recorded by the Fleet department. When received, the Fleet department will send communication to Finance for addition to the Town's TCA list, and to Legal Services for addition to the fleet insurance coverage policy. Additionally, quarterly unit inventory updates are provided to the Enterprise Strategy & Business Planning for incorporation into the Town's AMP.

6.2.3 Fuel

Fuel from the corporate pumps is available 24 hours per day and is accessed with a fueling card. Each vehicle operator will be issued a unique fueling card which provides them with access to the fueling stations.

In addition to access cards, each fill up will require the operator to input the vehicle number and odometer reading prior to pump authorization. Failure to use gas cards properly, misidentification of vehicles, or incorrect odometer readings may result in increased expenses, unrecovered revenues, or inaccurate unit cost projections.

All fuel will be purchased and dispensed through a corporate fuel program. Exceptions may be made for vehicles traveling outside of the municipality. Occasions may arise where an employee is authorized to take a Town vehicle out of town for Town business. In these cases, fuel expenses shall be reimbursed according to the Corporate Purchasing By-law, 032-17. All fuel receipts as a result of these charges shall be recorded with the unit number of the vehicle for which the fuel was purchased and a mileage reading for the vehicle at the time of fill up.

6.2.4 Fleet Maintenance

Preventative Maintenance

The Fleet department will administer a preventative maintenance program for all Town fleet units. It is the responsibility of the individual department manager to ensure prompts for preventative maintenance appointments are accommodated.

Maintenance costs represent a significant portion of the total cost to own and operate a fleet unit or piece of heavy equipment and tend to increase as a unit or equipment ages. Escalating maintenance costs are a key factor in determining when to replace a fleet vehicle. In addition to the added cost of maintenance as a vehicle ages, there is an additional cost to the municipality when a unit is out of service due to unplanned maintenance activities. Preventive maintenance is the key to avoiding the repair or replacement of costly major vehicle components such as engines, transmissions, and drive trains.

Adjustments to the manufacturer's recommendations may be required based on the specific vehicle's use. For example, when an engine idles it incurs wear and tear that will require future maintenance. The maintenance schedule for a vehicle that runs at idle 50 percent of the time may be as frequent as that of a comparable one that is driven more kilometers. Overly frequent or delinquent preventive maintenance intervals are counterproductive to controlling costs.

Breakdown and Repairs

Repairs of equipment shall be requested by the unit owner. Only authorized personnel or approved external vendors are permitted to repair, alter, or modify Town vehicles and equipment as authorized by the Fleet department. The goal of vehicle and equipment maintenance practices is to keep vehicles and equipment in sound operating condition.

Upon report of a radio malfunction, repair and replacement of all two-way radio equipment is the responsibility of the Fleet department. Vehicles are not authorized to carry any radio or communications equipment that is not specifically approved for use by the Fleet department. Under no circumstances shall radio and communication equipment be repaired, altered, or modified in any way by anyone except personnel authorized by the Fleet department.

Regular Upkeep

Town of Innisfil staff must constantly and consistently present an image of professionalism and pride in the manner in which taxpayer assets are maintained and cared for.

All vehicle and equipment operators are expected to maintain assigned vehicles in a clean and orderly fashion; exteriors washed on a regular basis; interiors kept free of trash and debris. Vehicle operators will inspect vehicles daily and report any operational deficiencies, as well as any damaged decals, peeling paint, and rusted exteriors to the Fleet department to have any deficiencies repaired.

6.2.5 Replacement Assessment

Replacement assessments are used, in conjunction with capital planning timelines, to assist in determining when to replace a vehicle. The useful life of a unit, cost of maintenance and repair, and the physical (mechanical) condition of the unit identify if there is a point, outside of the capital planning process, that a unit needs to be replaced.

Useful Life (Weighted 20%)

The useful life of a vehicle varies by unit type and can be evaluated by years of service and/or use (kilometers driven/engine hours). Where a unit is evaluated by both criteria, an average score of both is used to determine the amount of useful life remaining. This value is represented as a percentage of the useful life consumed.

Cost of Maintenance (Weighted 20%)

Cost of maintenance is calculated as the total amount spent on maintenance and repairs (excluding repairs caused by accident damage) and represented as a percentage of the purchase price*. Where a historical purchase price is not available, the purchase price of a similar unit or the anticipated replacement value (on the date of the assessment) will be used.

*In periods of hyperinflation, Staff will determine if this valuation is best calculated using the anticipated replacement to ensure this factor remains focused on fiscal responsibility.

Physical/Mechanical Condition (60%)

Physical and Mechanical condition is evaluated by the mechanic performing the annual inspection each year. Its condition is determined to be Excellent, Good, Acceptable, Below Standard, or Poor and assigned a corresponding point value.

Replacement Assessment	Points	Useful Life/Cost of Maintenance	Physical/Mechanical Condition
		Range	Rating
Excellent	1	0% - 20%	Excellent
Good	2	21% - 40%	Good
Satisfactory	3	41% - 60%	Acceptable
Qualifies for Replacement	4	61% - 80%	Below Standard
Needs Immediate Consideration	5	81% +	Poor

6.3 Unit Replacements**6.3.1 Unit Replacement Timing**

For capital planning purposes, units are expected to be replaced at the end of their useful life (see 6.2.1). However, replacement assessments of fleet units are monitored and analyzed on an ongoing basis to identify the point when a vehicle is reasonably depreciated but not yet incurring significant maintenance costs.

By replacing vehicles at this point, escalating maintenance costs can be avoided, and optimization of vehicle resale value can be realized. The three criteria to be considered when establishing the vehicle replacement schedule are: useful life, cost of maintenance, and condition. Given the unique utilization of the Town's vehicle fleet, a universal management guide does not exist that can be applied.

Circumstances will vary between service areas/departments and will impact the actual replacement strategy for every asset. Even within departments a vehicle is maintained and replaced on a different schedule based on its service level and working environment:

- Vehicles deteriorate differently depending on factors such as quality of manufacture and the severity of usage. The fleet policy is flexible enough to acknowledge unique factors contributing to the deterioration of a vehicle.
- The Fleet department must track operating and repair costs and, in collaboration with Unit Owners, recommend units for replacement through the biennial budget process when units become inefficient or ineffective due to escalating repair costs or change of use requirements.
- Ordering lead times and vehicle production times may vary depending on the specific use and functionality of the unit. When budgeting for replacements, managers should consider if longer lead times/delayed delivery will be a factor and adjust the timing of replacement requests accordingly. Through the capital budgeting process, department managers may identify and request advanced approval for units that they anticipate may be delayed so that the purchase can proceed in alignment with the Corporate Purchasing By-law, 032-17.

Different vehicles and equipment also wear out more rapidly than others depending on their utilization type and frequency. Although planning is based on the useful lifecycle timelines outlined in this policy, where preventative maintenance has been effective, condition is satisfactory or better, and cost is not prohibitive, unit life may be extended.

6.4 Unit Disposition

The vehicle/equipment should be made ready for sale in as good of condition as possible without incurring unnecessary expense in order to maximize revenues to the Town including removal of all Town identification and decals. Vehicles are also to be washed and cleaned ready for auction or disposal through other opportunities.

6.4.1 Closure of Replacement Unit Capital Projects

Replacement vehicle capital requests must contain the information concerning the vehicle number and be accompanied by all pertinent data concerning condition assessment. Funding for the replacement vehicle must not include any expected residual sale value of the vehicle being removed from the fleet.

Once a replacement unit has been delivered and put into service, the old unit must be disposed of within a short and reasonable amount of time, unless identified as a back up unit. Capital projects will remain open and reported in quarterly results to Council until proceeds from disposition have been received or Finance has been provided information

that no residual value remained. Legal Services will be advised at that time to remove the vehicle from the Town insurance policy.

7. Exceptions

7.1 Unit Replacement Timing: Accelerated Replacements

The consideration of accelerated replacement of a vehicle often arises when major expenditures are necessary to restore a vehicle to a safe reliable operating condition (e.g., major component failure or incident damage). The economic effect of such repairs cannot be avoided because the cost to the Town is normally about the same whether the vehicle is sold in un-repaired condition or restored to repaired condition.

However, replacement prior to the normal criteria for vehicles will result in an acceleration of all future replacement cost cycles required to satisfy a continuing vehicle need. An acceleration of cost cycles causes a sizable increase in the total present value cost of all future cycles and should be avoided whenever possible. Major vehicle repair should always be made, with two exceptions:

- Major expenditures for repair should not be made when the cost of the repair plus the vehicle salvage in un-repaired condition exceeds its wholesale value in repaired condition.
- Major deferrable expenditures should not be made when a vehicle is in the final six (6) months of its retention cycle. During this period the penalty for early replacement is small and, therefore, the vehicle should be replaced rather than repaired.

Under all cases of early replacement, a review of similar equipment type life cycle must also be reviewed, and adjustments made to the reserve contribution, if justified. Funds allocated in any given year for the replacement fleet must be maintained within the established limits for each division for that budget year.

Therefore, an accelerated replacement may require a delayed replacement of another fleet asset. In an accelerated replacement, a request will be presented to Council to amend the capital project timelines and increase the annual financial commitment. This request must be made to Council by the unit owner after consultation with the Fleet department and at the recommendation of a trained technician, knowledgeable in equipment usage and maintenance.

This section applies only to accelerated replacements due to regular unit use.
Replacements of unit

7.2 Back Up Units

Where fleet units provide services of public safety or where service levels must meet legislated response times, such as fire protection services and winter road/sidewalk maintenance, back up units will be kept ensuring municipal obligations are met.

The number of units selected will be only enough to maintain current service levels. Back up units shall not be used to provide increased service levels to the community. Unit selection will be at the discretion of the department manager and the condition of the units selected shall have a mechanical/physical condition of Acceptable or better; and managers will plan strategically for back up unit selection during capital project planning.

8. References

Records Retention Policy, CP. 1.1.9 (formally CP.03-17-01)
Purchasing By-law, 032-17
Corporate Branding Guide

9. Revision History

Revision No.	Date	Summary of Changes	Approval Authority
V1	2015.03.18	Adoption	CR-051-10.15
V2	2023.11.08	New: Fleet Greening New: Replacement Assessment Updated: Useful Life Grid New: Additional Provision for Back Up Units	2023.11.08-CR-02

Appendix A

Responsibility by Department

Fleet Management Activity		Policy Section	Fleet Department	Unit Owner
Unit Purchase		6.1	Coordinate and execute tender in partnership with Purchasing and the unit owner	Coordinate with Fleet Department and Purchasing to confirm/provide specifications and requirements for unit purchases.
Unit Management	Lifecycle Monitoring	6.2.1	Age/Condition/Maintenance Cost data collection, analysis, and reports	Review reports and implement operating efficiencies
	Unit Records	6.2.2	Storage and disposal of maintenance, repair, and alteration records	Submission of daily inspection records and/or other unit specific documentation for retention.
	Maintenance	6.2.3	Schedule/Coordinate and perform: Preventative Maintenance Operating Preparation Activities Breakdown, and deficiency repairs	Regular upkeep of unit Advise the Fleet department of breakdowns and repair requirements Provide unit for service when scheduled
	Condition Assessment	6.2.4	Perform Condition Assessments for AMP revisions and during capital planning activities	Review condition reports and implement operating best practices to extend unit life.
Unit Replacements		6.3	Capital Replacement Plan Program Administration Prepare unit for disposal Coordinate and execute unit disposal	Provide right sizing reviews and participate in procurement activities Remove personal and business items from unit

Appendix B

Useful Lifecycle Chart

Asset Category (Class)	Asset Type	Age	Usage
Vehicles (Class 100 & 200)	Pick Up Trucks, Vans, SUV, Sedan	10 Years	200,000 kms
	Alternative Fuel/Electric Vehicles	8 Years	160,000 kms
	Dump/Plow Trucks	8 Years	220,000 kms or 10,000 Hours
	Garbage Truck	10 Years	10,000 Hours
	Vacuum Truck	10 Years	7,000 Hours
	Heavy Service Truck (Water Truck/Roll Off Truck)	10 Years	200,000 kms
	Street Sweeper	10 Years	7,000 Hours
Equipment (Class 400 & 500 & 900)	Motor Graders	20 Years	10,000 Hours
	Backhoes	10 Years	7,500 Hours
	Loaders	10 Years	7,500 Hours
	Tractors	10 Years	7,500 Hours
	Ice Resurfacers	8 Years	3,000 Hours
	Sidewalk Machines and Attachments	8 Years	5,000 Hours
	Riding Rotary Mowers Wide Area Mowers Slope Mowers	8 Years	3,000 Hours
	Utility Vehicles	8 Years	3,000 Hours
	Scissor Lift	10 Years	
	Turf Vac	10 Years	5,000 Hours
	Skid Steer	10 Years	N/A
Trailers and Attachments (Class 600 & 800)	Trailers Heavy	15 Years	N/A
	Light Duty Trailer	10 Years	N/A
	Trailer Mounted Equipment	10 Years	5,000 Hours
	Hotbox Trailer (patcher)	8 Years	3,000 Hours
	Steamer	15 Years	N/A
	Portable Speed Radar and Traffic Lights	10 Years	N/A
	Portable Message Board	10 Years	N/A
Fire (All Classes)	Fire Trucks (Rescue, Ladder, Pump, Tanker)	15 years	N/A
	Fire Light Duty Vehicles/Trucks	8 Years	160,000 kms
	Fire Boat (Air and Tactical)	15 Years	N/A
	Fire Safety House	20 Years	N/A