

MEMORANDUM

BRC-C 14-2019

Subject: Additional Information Regarding 2020 Capital Budget Vehicle Projects

Date: December 5, 2019

To: Budget Review Committee of the Whole

From: Carolyn Ryall, Director, Transportation Services

This memo is in addition to the original response to Councillor Information Request at BRCOTW on October 28, 2019, and includes additional information requested on new vehicles to be purchased as part of the 2020 Capital Budget as follows:

Project ID	Project Name	Department	Gross Budget
20001117	20 Ann-Fleet & Vehicle Replace (Existing)	Transportation	\$1,520,000
20001245	20-Facilities Maint Vehicle (New)	Transportation/ Corporate Services	35,000
20001162	20-Water Three New Vans	Water	150,000
20001135	20-Wastewater Five Trucks and Five Vans (New)	Wastewater	530,000
	Total Transportation Services – Fleet		\$2,235,000

Project ID	Project Name	Department	Gross Budget
20001257	NRPS – Annual Vehicle Replacements - NRPS - Annual Forecast (2020)	Niagara Regional Police Services (NRPS)	\$1,500,000
20001230	NRPS – Command Post	Niagara Regional Police Services	450,000
	Total NRPS		\$1,950,000

Project ID	Project Name	Department	Gross Budget
20001201	20-Ann Ambulance & Equip Replace	Emergency Medical Services (EMS)	\$3,367,644
	Total EMS		\$3,367,644

There are seven projects totaling \$7,552,644 included within the 2020 Capital Budget that are related to vehicle purchases. Of the seven projects, Transportation Services –

Fleet is responsible to procure \$2,235,000 of these vehicles. Projects 20001257, 20001230, and 20001201 are managed by NRPS and EMS, respectively. NRPS and EMS vehicles are partially funded by other levels of government or have different legislative requirements and guidelines, and therefore are not procured by Transportation Services – Fleet. Any further details to NRPS and EMS 2020 Capital Budget requests will require consultation with respective stakeholders.

Transportation Services – Fleet continues to optimize and move the business forward by:

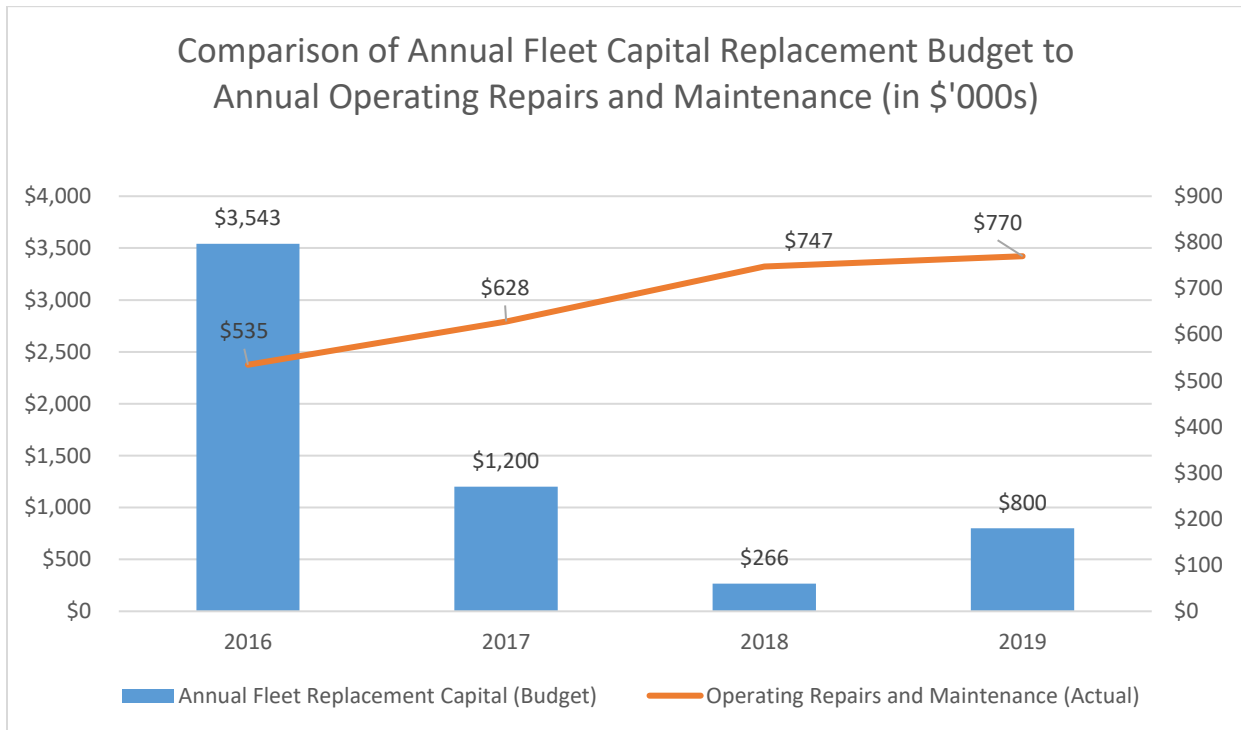
- utilizing recommendations from an audit from 2017, AC-C 1-2017, Value for Money Audit – Fleet, Equipment Management and Replacement review;
- understanding and balancing the needs of the different Regional customer departments; and
- continually expanding analysis and reporting on all Fleet vehicles for better analysis and capital forecasting which drive least cost solutions to the Niagara Region.

To date, Fleet Replacement considerations include a combination of the following:

1. *Age & Usage of Vehicles*
 - a. Useful life/age normally attained 8 to 12 years at standard depreciation
 - b. Usage includes kms or hours of heavy duty use
2. *Reliability & Safety*
 - a. As a regional vehicle or equipment, reliability to perform duties for Public Works (e.g. special purpose vehicles, heavy duty trucks, backhoes)
 - b. Warranty expiration after 3 to 6 years on new vehicles
 - c. higher maintenance & repairs after warranty expires (increasing age and utilization drives increased repairs & maintenance costs)
3. *Image*
 - a. Overall image we are required to maintain for Regional vehicles
 - b. Mandatory legislative requirements to maintain licensed vehicles
 - c. Discretion with unlicensed equipment; this does not include safety related items which are required
4. *Price at Auction – Good Salvage Value*
 - a. Age/Usage of vehicle
 - b. Condition of vehicle
 - c. Market demand

The Transportation Services – Fleet Capital and Operating Budgets are directly linked. Decisions made in one area will impact the other area. For example, a decision to extend the usage of vehicles past normal age and usage criteria will increase operating maintenance costs, reduce vehicle service levels and decrease salvage value.

The following table summarizes 2016 to 2019 Annual Fleet Replacement Capital Budget to Operating Repairs & Maintenance costs. Over the last four years, the cost of repairs & maintenance has been increasing as fleet replacement capital has been deferred as can be seen in the following chart:



Transportation Services – Fleet is balancing risk and safety with operating repairs and maintenance costs in determining Annual Fleet Replacement Capital Budget. Of the 220 licensed vehicles inventoried on the Public Works M5 AssetWorks Fleet Management System, on average 10% of these vehicles are considered for replacement in any given year, equating to approximately 22 licensed vehicles per year.

Please refer to Appendix 1 which outlines the age, model, mileage, condition of the vehicles put forward for consideration with the recommended status (replacement, net new, business case review) by Transportation Services – Fleet. Of the \$2,235,000 requested for the 2020 Capital Budget under Transportation Services – Fleet, \$1,310,000 is categorized for Replacement, \$610,000 is categorized for Net New, and \$315,000 is categorized for Business Case Review in advance of initiating any purchase.

Respectfully submitted and signed by,

Carolyn Ryall, Director, Transportation Services Division, Public Works

Appendix 1 – Detail on Fleet Vehicle Replacements and New Vehicle Requests

Appendix 1: Detail on Fleet Vehicle Replacements and New Vehicle Requests

#	Division	Type of Vehicle	Vehicle Usage at Nov 2019 (KMs/HRs)	Comments	Status	Proposed Replacement Cost
1	Transportation	2013 Nissan 3500NV 9900 GVW Van Aerial Ladder	193,241 KMs	- 8 years old at replacement, - High mileage vehicle, - Used daily, - On-call duty, - Higher safety consideration due to weather conditions - Projected increase in maintenance costs - Complex replacement timing of 9-12 months from manufacturer	Replacement	\$125,000
2	Transportation	2013 Nissan 3500NV 9900 GVW Van Aerial Ladder	233,301 KMs	- 8 years old at replacement, - High mileage vehicle, - Used daily, - On-call duty, - Higher safety consideration due to weather conditions - Projected increase in maintenance costs - Complex replacement timing of 9-12 months from manufacturer	Replacement	125,000
		Total Heavy Duty Commercial Vehicles				\$250,000
3	Transportation	2008 Ford F550 17950 GVW Ext Cab Aerial	152,485 KMs	- 13 years old at replacement, - High maintenance costs, - Complex replacement timing of 9-12 months from manufacturer	Replacement	\$175,000
4	Transportation	2012 GMC 2500 HD 9200 GVW Ext Cab Pickup VMB	263,530 KMs	- 9 years old at replacement, - High mileage vehicle, - Used daily, - Roads patrol truck - On-call duty,	Replacement	40,000

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#	Division	Type of Vehicle	Vehicle Usage at Nov 2019 (KMs/HRs)	Comments	Status	Proposed Replacement Cost
				- Higher safety consideration due to weather conditions - Projected increase in maintenance costs		
5	Waste Management	2009 GMC Savana 8500 GVW Cargo Van	151,891 KMs	- 12 years old at replacement, - Moderate mileage, - Known mechanical issues	Replacement	35,000
6	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Environmental Enforcement Officer	Net New	70,000
7	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Environmental Enforcement Officer	Net New	70,000
8	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Environmental Enforcement Officer	Net New	70,000
9	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Systems Maintenance	Net New	70,000
10	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Systems Maintenance	Net New	70,000
11	Water	N/A	N/A	- Net new vehicle for new FTE - Systems Maintenance	Net New	50,000
12	Water	N/A	N/A	- Net new vehicle for new FTE - Systems Maintenance	Net New	50,000
13	Water	N/A	N/A	- Net new vehicle for new FTE - Systems Maintenance	Net New	50,000
		Total Heavy Duty Trucks And Cargo Vans				\$750,000
14	Transportation	2014 Ford F-150 7000 GVW Ext Cab 4X4 Pickup 6.5 Box	187,082 KMs	- 7 years old at replacement, - High mileage vehicle, - Used daily, - Roads patrol truck, - On-call duty, - Higher safety consideration due to weather conditions, - Projected increase in maintenance costs	Replacement	\$35,000

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15	Transportation	2014 Ford F-150 7000 GVW Ext Cab 4X4 Pickup 6.5 Box	199,020 KMs	- 7 years old at replacement, - High mileage vehicle, - Used daily, - Roads patrol truck, - On-call duty, - Higher safety consideration due to weather conditions, - Projected increase in maintenance costs	Replacement	35,000
16	Transportation	2014 Ford F-150 7000 GVW Ext Cab 4X4 Pickup 6.5 Box	180,996 KMs	- 7 years old at replacement, - High mileage vehicle, - Used daily, - Roads patrol truck, - On-call duty, - Higher safety consideration due to weather conditions, - Projected increase in maintenance costs	Replacement	35,000
17	Transportation	2013 Ford F-150 7000 GVW Crew Cab 4x4 Pickup 6.5 Box	179,860 KMs	- 8 years old at replacement, - High mileage vehicle, - Used daily, - Roads patrol trucks - On-call duty, - Higher safety consideration due to weather conditions - Projected increase in maintenance costs	Replacement	35,000
18	Transportation	2013 Ford F-150 7000 GVW Crew Cab 4x4 Pickup 6.5 Box	173,093 KMs	- 8 years old at replacement, - High mileage vehicle, - Used daily, - Roads patrol trucks - On-call duty, - Higher safety consideration due to weather conditions - Projected increase in maintenance costs	Replacement	35,000

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#	Division	Type of Vehicle	Vehicle Usage at Nov 2019 (KMs/HRs)	Comments	Status	Proposed Replacement Cost
19	Wastewater	2011 Ford Ranger 5099 GVW Ext Cab Pickup	139,266 KMs	- 10 years old at replacement, - Moderate mileage, - Requires physical condition assessment - Business model has changed and does not meet current needs	Business Case Review	30,000
20	Wastewater	2010 Ford Ranger 5040 GVW Ext Cab Pickup	127,500 KMs	- 11 years old at replacement, - Moderate mileage, - Requires physical condition assessment, - Business model has changed and does not meet current needs	Business Case Review	30,000
21	Wastewater	2010 Ford F-150 6050 GVW Reg Cab Pick up 8' Box	134,664 KMs	- 11 years old at replacement, - Moderate mileage, - Body panel corrosion	Business Case Review	30,000
22	Wastewater	2011 Ford Ranger 5099 GVW Ext Cab Pickup	62,402 KMs	- 10 years old at replacement, - Moderate mileage, - Requires physical condition assessment, - Business model has changed and does not meet current needs	Business Case Review	30,000
23	Wastewater	2008 Ford Ranger 5040 GVW Ext Cab Pickup	95,487 KMs	- 13 years old at replacement, - Moderate mileage, - Body panel corrosion, - Business model has changed and does not meet current needs	Business Case Review	30,000
24	Wastewater	2008 Ford Ranger 5040 GVW Ext Cab Pickup	115,330 KMs	- 13 years old at replacement, - Moderate mileage, - In-cab floor in poor physical condition - Business model has changed and does not meet current needs	Replacement	30,000
25	Wastewater	2011 Ford Ranger 5099 GVW Ext Cab Pickup	101,148 KMs	- 10 years old at replacement, - Moderate mileage, - Requires physical condition assessment	Business Case Review	30,000

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#	Division	Type of Vehicle	Vehicle Usage at Nov 2019 (KMs/HRs)	Comments	Status	Proposed Replacement Cost
				- Business model has changed and does not meet current needs		
26	Water Wastewater Integrated Services	2008 Ford Ranger 5040 GVW Ext Cab Pickup	78,159 KMs	- 13 years old at replacement, - Lower mileage, - Requires physical condition assessment, - Projected increased in maintenance costs	Business Case Review	30,000
27	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Biosolids Manager	Net New	37,500
28	Wastewater	N/A	N/A	- Net new vehicle for new FTE - Operations – New NOTL Plant	Net New	37,500
29	Wastewater	N/A	N/A	- Net new vehicle for new FTE	Business Case Review	35,000
30	Wastewater	N/A	N/A	- Net new vehicle for new FTE	Business Case Review	35,000
31	Wastewater	N/A	N/A	- Net new vehicle for new FTE	Business Case Review	35,000
32	Construction, Energy & Facilities Management	N/A	N/A	- Net new vehicle for new FTE - Operations Supervisor	Net New	35,000
		Total Light Duty Trucks				\$630,000
33	Clerks	2016 Dodge Caravan 2747 kg GVW Mini Cargo Van	195,461 KMs	- 5 years old at replacement - High mileage vehicle, - Used daily, - Avg. 50,000 km/yr, - Projected increase in maintenance costs	Replacement	\$30,000
34	Clerks	2016 Dodge Caravan 2747 kg GVW Mini Cargo Van	205,482 KMs	- 5 years old at replacement - High mileage vehicle, - Used daily, - Avg. 50,000 km/yr,	Replacement	30,000

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#	Division	Type of Vehicle	Vehicle Usage at Nov 2019 (KMs/HRs)	Comments	Status	Proposed Replacement Cost
				- Projected increase in maintenance costs		
35	Waste Management	2008 Dodge Caravan 600 GVW Mini Cargo Van	177,592 KMs	- 13 years old at replacement, - High mileage vehicle, - Used daily, - Projected increase in maintenance costs	Replacement	30,000
36	Transportation	2011 Ford Escape 5000 GVW AWD Hybrid	148,898 KMs	- 10 years old at replacement, - 8yr warranty expired by manufacturer on hybrid battery & hybrid components - Unknown future maintenance costs & reliability	Replacement	35,000
37	Water	2011 Ford Escape 5000 GVW AWW Hybrid	89,802 KMs	- 10 years old at replacement, - 8yr warranty expired by manufacturer on hybrid battery & hybrid components - Unknown future maintenance costs & reliability	Replacement	35,000
38	Water Wastewater Integrated Services	2008 Dodge Caravan 5701 GVW Mini Cargo Van	163,966 KMs	- 13 years old at replacement, - Projected increased in maintenance costs, - Surface & mechanical corrosion	Replacement	30,000
		Total Minivans And SUVs				\$190,000
39	Transportation	2010 CAT 924 H 2.0 CY 128 HP Loader	8,238 HRs	known safety concerns; heavy hours of use, material repairs required	Replacement	\$200,000
	Transportation	2008 Solar Tech Truck Mounted Message Board		- 13 years old at replacement, - Standardized technology and operational features - Improved lightening technology for road safety - Enhanced programming features	Replacement	15,000
	Transportation	2012 Solar Tech Truck Mounted Message Board		- 9 years old at replacement, - Standardized technology and operational features	Replacement	15,000

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#	Division	Type of Vehicle	Vehicle Usage at Nov 2019 (KMs/HRs)	Comments	Status	Proposed Replacement Cost
				- Improved lightening technology for road safety - Enhanced programming features		
	Transportation	2012 Solar Tech Truck Mounted Message Board		- 9 years old at replacement, - Standardized technology and operational features - Improved lightening technology for road safety - Enhanced programming features	Replacement	15,000
	Transportation	2012 Solar Tech Truck Mounted Message Board		- 9 years old at replacement, - Standardized technology and operational features - Improved lightening technology for road safety - Enhanced programming features	Replacement	15,000
	Transportation	Small Tools & Equipment		- Chainsaws, pole saws, trimmers, pumps, compactors, compressors, generators, etc.	Replacement	155,000
		Total Unlicensed Equipment				\$415,000
		Total				\$2,235,000