



## TOWN OF INNISFIL CORPORATE POLICY

<b>POLICY:</b> <i>Fleet Management Policy</i>	<b>COUNCIL APPROVAL</b> <b>DATE: March 18, 2015</b> <b>RES. NO.: CR-051-10.15</b>
<b>POLICY NO.:</b> <i>CP.01-15-15</i>	<b>REVISED DATE:</b> <b>RES. NO.:</b>

### Introduction

The Fleet Management Policy is to provide for a consistent approach for the management of the fleet of vehicles and equipment throughout the organization. This includes the operation, maintenance, repair and ultimately with the replacement of the assets through the Corporate Purchasing Policy. The Policy is intended to facilitate and instill accountability, the ongoing monitoring of utilization and related costs, provide internal controls for the proper use of Town owned assets and to serve as a management tool to assist with sound decisions regarding timing of initial purchase and/or replacement vehicle requirements and financial planning initiatives to ensure adequate replacement funding is available when needed.

### Purpose

To establish efficient and effective delivery of municipal services by providing Town departments with safe, reliable, economical and environmentally sound transportation and related support services that are responsive to their needs and that prolong vehicle use and value and maximize equipment investment returns.

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### Scope

This policy applies to all employees of The Town of Innisfil, including volunteers or employees of other agencies performing work for the Town that have access to a Town vehicle.

### Objective

The objective is to manage the overall cost of operating and maintaining the Municipal fleet of vehicles and equipment; to maintain vehicles and equipment in a manner to meet or exceed its' expected useful life; to meet growth demands; to standardize the composition of the fleet and to accurately budget for maintenance and replacement costs.

All purchase requests for vehicles and equipment, replacement or additions, shall be part of the budget cycle and coordinated through the Fleet Management team for recommendation to ensure standardization and best fit is being achieved.

### **Replacement Reserve – Utilization & Funding**

Replacement vehicles and equipment funding is provided from a dedicated vehicle replacement reserve. The reserve is funded through annual contributions from the tax rate, and User rate based operating budget plus any disposal proceeds from the sale of decommissioned vehicles and equipment. Use of reserves is through a capital project vehicle/equipment replacement request as part of the annual budget process or through a Council staff report if deemed an emergency purchase.

To ensure adequate and timely funding of the vehicle replacement reserve occurs, required annual contributions are calculated based on the anticipated useful life of the asset identified in the Condition Assessment Chart and its' anticipated replacement cost. Annual funding amounts will be identified in the annual operating budget and recommended for Council approval.

### **Procurement of Fleet**

The actual acquisition and disposal of vehicles shall be undertaken according to the Town of Innisfil Corporate Purchasing By-Law and procedures.

At the time of procurement, replacement of the asset shall take into consideration appropriateness for required task(s) as well as environmental considerations. Greening of the fleet shall, considered available technology i.e. Anti-idling, Hybrid vehicles etc. as appropriate for intended use within the division.

### **Approved accessories for vehicles**

All vehicles shall be in the colour of "Bright White" with the following accessories:

<ul style="list-style-type: none"> <li>• Power Windows</li> <li>• Power Steering</li> <li>• Power Brakes</li> <li>• Blue Tooth Compatibility</li> <li>• Automatic Transmission</li> <li>• Standard Radio</li> <li>• Running Boards – if the top of the rocker panel is higher than 38 cm.</li> </ul>	<ul style="list-style-type: none"> <li>• Floor Mats</li> <li>• Standard Tires and Wheels</li> <li>• Box Cap/Cover</li> <li>• Box Liner</li> <li>• Air Conditioned</li> </ul>
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### **Additional Attachments**

The cost will be detailed within the capital budget 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 annually by the respective manager. Purchasing Services will determine the relevant base model pricing as part of the annual capital and operational budget planning process.

## **Vehicle Colour**

All Pick-up Trucks, Vans and other passenger vehicles with the exception of Fire Services 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".

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

## **Decaling Requirements**

Town Logo:

All town vehicles including trucks of all sizes, vans, machinery equipment shall have two Town logos displayed of the appropriate size relating to the unit. The Town logo shall be in full colour on white vehicles, white on red and dark vehicles, and black on other vehicles.

One logo shall be placed on both the left and right sides of the vehicle.

For all trucks, vans and other passenger vehicles, the logo shall be placed on the front door panels.

Optional Icons:

As deemed required by Corporate Communications Strategy to increase public engagement, social media icons representing the Town's corporate social media channels will be added to town vehicles (e.g. twitter, facebook, flickr, etc).

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

Vehicle/Unit Number:

All town vehicles including trucks of all sizes, vans, machinery equipment shall have displayed on each side of the vehicle or unit, a four or five digit number indicating the year of the unit and a designated unit number.

The numeric numbers shall be 2 inches in height and where possible be white in colour and reflectorized.

In the case of trucks, vans and passenger vehicles, the unit number shall be displayed on the front corner panels.

Example – A truck purchased in 2004 replacing unit #21, would be displayed as 04-21.

#### Pin Striping:

All Town pick-ups, vans or other passenger vehicles shall have a white reflectorized stripe, approximately 1” in width placed on the right, left and rear of the vehicle.

All larger trucks, (Service, Dump) shall have a white reflectorized stripe; approximately 1” in width placed on the right and left side of the cab. Also, every effort shall be made to have a white or white and red reflectorized stripe placed on the rear of the unit.

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

All Town trucks, vans and passenger vehicles shall display the Town official website [www.innisfil.ca](http://www.innisfil.ca) on the rear of the vehicle.

This lettering shall be comprised of 2” white reflectorized letters in lower case font. Where white is unacceptable due to visibility of background colour, black shall be used.

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

It should be noted that the Town’s website address is not required to be placed on machinery and/or equipment.

Where it is felt by management or supervisory staff that additional information would benefit the public or aid in a certain operation, additional decaling may be added to a vehicle, 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 reflectorized, not exceeding 6” in height and be capitalized.

#### **Fleet Maintenance**

The repair of equipment shall be managed by the appropriate Department. Only authorized personnel or approved external vendors are permitted to repair, alter or modify Town vehicles and equipment as authorized by the appropriate department. The goal of vehicle and equipment maintenance practices is to keep vehicles and equipment in sound operating condition. Preventive maintenance routines and intervals followed are based on local driving conditions and manufacturer's recommendations, for each type of vehicle or equipment and each type of service activity.

Maintenance costs represent a significant portion of the total cost to own and operate a vehicle or piece of heavy equipment and tend to increase as a vehicle 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 vehicle is in the garage receiving maintenance and not available for use. 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 miles. Overly frequent or delinquent preventive maintenance intervals are counterproductive to controlling costs.

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

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 their assigned vehicles in a clean and orderly fashion; exteriors washed on a regular basis; interiors kept free of trash and debris. Vehicle operators will report damaged decals, peeling paint and rusted exteriors to their Supervisor and make arrangements to have any deficiencies repaired.

### **Records**

Accurate and complete vehicle maintenance records are a key tool for making fleet management decisions. Vehicle maintenance costs are variable and distinct to each vehicle. Pertinent records maintained for each vehicle are:

- vehicle maintenance logs
- CVOR where applicable
- fuel usage logs
- Cumulative costs of parts, labor, and overhead by a vehicle over its life.
- Annual Condition Assessment

Accurate records of maintenance, repairs or alterations are to be kept at the vehicle department's home site for the lifetime of the vehicle.

When additions are made to the fleet, asset details are to be forwarded by the Department Manger to Finance for addition to the Asset Management Program and to Legal Services for addition to the Fleet Insurance coverage policy.

**Fuel**

All fuel will be purchased and dispensed through a corporate fuel program. Exceptions may be made for vehicles traveling outside of the municipality. Fuel is available 24 hours per day and is accessed with a fueling card. Each vehicle operator will be issued a fueling card for all vehicles in their service area. Failure to use gas cards properly not only affects the reliability of the preventative maintenance programs but also destroys the integrity of vehicle mileage statistics. 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 Policy. 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.

**Vehicle Replacement**

Costs associated with a vehicle are to be 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 four criteria to be considered when establishing the vehicle replacement schedule are: vehicle mileage; age; use and; condition assessment. 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:

1. Vehicles deteriorate differently depending on factors such as quality of manufacture and the severity of usage. The Vehicle Management Policy is not intended to be a stringent set of rules that does not allow for the flexibility needed for asset management. Departments must track operating and repair costs and recommend units for replacement through the annual budget process when units become inefficient or ineffective due to escalating repair costs or change of use requirements.
2. Different vehicles and equipment also wear out more rapidly than others depending on their utilization type and frequency. To incorporate vehicles and equipment not referenced in the above criteria, there must be a second type of criteria used for this type of evaluation in addition to the above or on an individual basis as identified in the following section.

**Guide for Accelerated or Delayed Replacement of Vehicles and Equipment**

The consideration of accelerated or delayed 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:

1. 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.
2. Major deferrable expenditures should not be made when a vehicle is in the final six 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 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 either an accelerated or delayed replacement, an Accelerated or Delayed Replacement Vehicle / Equipment Evaluation Form must be completed by a competent person, knowledgeable in equipment usage and maintenance and submitted to the Fleet management team for review.

### **Condition Assessment**

Fleet and equipment will be evaluated by six criteria; Age, Kilometres/Hours, Type of Service, Reliability, Maintenance and Repair Costs, and Condition.

A baseline is set for each criteria and points are assigned. The rates are low, base (equal to standard) high and extreme. Points are assigned as follows 1- low, 2 base, 3 high, and 4 extreme.

Any point total equal or exceeding 23-27 indicates that the vehicle should be considered for replacement. The point total is used to rank replacement priority and the larger number the higher the replacement priority theoretically should be.

The priority ranking is intended to serve as a guide and should no way be interpreted as a substitute for division evaluation and recommendation.

<b>Type</b>	<b>Age</b>	<b>Usage</b>
Pick Up Trucks, Vans, SUV	10 Years	200,000 kms
Dump Trucks	8 Years	220,000 kms/10,000 Hours
Motor Graders	20 Years	10,000 Hours
Garbage Truck Fire Rescue Truck	15 Years	10,000 Hours
Backhoes	8 Years	7,500 Hours
Loaders Tractors	10 Years	7,500 Hours
Fire Trucks (pump or tanker ladder)	15 Years Front Line	16-25 Years as reserve
Street Sweeper	10 Years	7,000 Hours
Ice Resurfer	8 Years	3,000 Hours
Fire Safety House	20 Years	
Steamer	15 Years	
Sidewalk Sweepers (includes blower, blade and sander)	8 Years	5,000 Hours
Vacuum Truck	10 Years	7,000 Hours
Heavy Service Truck	8 Years	200,000 kms
Trailers Heavy	15 Years	N/A
Wood Chippers Material Spreader – over seeder Turf Vac Ball Diamond Groomer Aerators – operating equipment attachments	10 Years	5,000 Hours
Riding Rotary Mowers Wide Area Mowers Utility Vehicles	8 Years	3,000 Hours
Air Boat, scissor lift	10 Years	
Light Duty Trailer	10 Years	



<b>Factor</b>	<b>Points</b>		
<b>Age</b>	One point for each year of chronological age, based on in-service data		
<b>Kilometres/Hours</b>	Vehicles One point for each 16,000 km		
	Large Equip. 640 hours = 1 Point		
	Small Ride on Landscaping Equip. 320 hours = 1 point		
<b>Type of Service</b>	1, 3 or 5 points are assigned based on the type of service that vehicle receives. For instance, a Roads patrol car would be given a 5 because it is in severe duty service. In contrast, an administrative sedan would be given a 1.		
<b>Reliability</b>	Points are assigned as 1, 3, or 5 depending on the frequency that a vehicle is in the shop for repair. A 5 would be assigned to a vehicle that is in the shop two or more times per month on average, while a 1 be assigned to a vehicle in the shop an average of once every three months or less.		
<b>M&amp;R Costs</b>	1 to 5 points are assigned based on total life M&R costs (not including repair of accident damage). A 5 is assigned to a vehicle with life M&R costs equal to or greater than the vehicle's original purchase price, while a 1 is given to a vehicle with life M&R costs equal to 20% or less of its original purchase cost.		
<b>Conditions</b>	This category takes into consideration body condition, rust, interior condition, accident history, anticipated repairs, etc. A scale of 1 to 5 points is used with 5 being poor condition.		
<b>Point Ranges</b>	Under 18 points	Condition I	Excellent
	18 to 22 points	Condition II	Good
	23 to 27 points	Condition III	Qualifies for replacement
	28 points and above	Condition IV	Needs immediate consideration

### **Disposition of Fleet & Equipment**

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.

**Closure of Replacement Vehicle 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 the new vehicle has been acquired and put into service the old vehicle must be disposed of in a short and reasonable time. It is not permitted that a replaced vehicle remains in the fleet for a delayed period of time as it had been deemed ineffective in order to be approved for replacement. 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.