

**Subject: 2025 Fleet Vehicle and Equipment Plans – Information Supplemental
to the Budget Estimates**

File Number: ACS2024-FCS-FLT-0001

Report to Council 13 November 2024

**Submitted on November 13, 2024 by Laila Gibbons, Director, Fleet Services,
Finance and Corporate Services Department**

**Contact Person: Neil Grandy, Manager, Fleet Maintenance and Technical
Services, Finance and Corporate Services Department**

613-580-2424 ext. 29535, Neil.Grandy@ottawa.ca

Ward: Citywide

**Objet : Plans de remplacement des véhicules et des biens d'équipement de
2025 – Complément d'information relatif aux estimations budgétaires**

Numéro de dossier : ACS2024-FCS-FLT-0001

Rapport présenté au Conseil le 13 novembre 2024

**Soumis le 13 novembre 2024 par Laila Gibbons, Directrice, Service du parc
automobile, Direction générale des finances et des services organisationnels**

**Personne ressource : Neil Grandy, Gestionnaire, Entretien du parc automobile et
Services techniques, Direction générale des finances et des services
organisationnels**

613-580-2424 poste 29535, Neil.Grandy@ottawa.ca

Quartier : À l'échelle de la ville

REPORT RECOMMENDATION

That Council receive the 2025 Municipal Fleet Vehicle and Equipment Replacement Plan, the 2025 Municipal Vehicle and Equipment Growth Plan, the 2025 Transit Operations' Support Vehicle and Equipment Replacement Plan and the 2025 Transit Operations' Support Vehicle and Equipment Growth Plan as described in this report as supplemental information to the Draft Budget 2025.

RECOMMANDATION DU RAPPORT

Que le Conseil municipal prenne connaissance du Plan de remplacement des véhicules et des biens d'équipement municipaux de 2025, du Plan de croissance relatif aux véhicules et équipement municipaux de 2025 et du Plan de remplacement des véhicules et des biens d'équipement pour le soutien des services de transport en commun de 2025 et du Plan de croissance relatif aux véhicules et biens d'équipement servant aux services de transport en commun de 2025, comme le présente en détail ce rapport à titre de complément d'information, dans le cadre du budget préliminaire de 2025.

EXECUTIVE SUMMARY

The 2025 vehicle and equipment plans set out the funding requirements for replacement and growth of the City of Ottawa's municipal fleet as well as Transit Operations' support vehicles (non-revenue generating vehicles). The plans detail the needs and costs of vehicle and equipment renewal, and growth requirements for consideration and approval in the 2025 City Budget process. This report also provides an update on development of the City's Green Fleet Strategy and related work around green fleet.

The proposed funding envelope for the **2025 Municipal Fleet Vehicle and Equipment Replacement Plan** is \$28,416,000, which will replace a total of 100 vehicles and equipment.

The proposed funding envelope for the **2025 Municipal Fleet Vehicle and Equipment Growth Plan** includes 53 new units with capital funding of \$7,387,000 and annual operating costs of \$1,123,600.

The proposed funding envelope for the **2025 Transit Services Support Vehicle and Equipment Replacement Plan** is \$2,800,000, which will replace a total of 49 vehicles and equipment.

The proposed funding envelope for the **2025 Transit Services Support Vehicle and Equipment Growth Plan** is \$1,335,000 in capital and \$80,000 in annual operating costs, which includes 11 new units.

RÉSUMÉ

Les Plans de remplacement des véhicules et des biens d'équipement de 2025 font état des besoins relatifs au financement du remplacement et de l'accroissement du parc

automobile municipal de la Ville d'Ottawa ainsi que des véhicules servant aux services de transport en commun. Ces plans précisent les besoins et les coûts du renouvellement des véhicules et des équipements, ainsi que les exigences relatives à l'accroissement du parc automobile municipal, qui seront étudiés et soumis à l'approbation dans le cadre du processus d'établissement du budget de la Ville pour 2025. Le présent rapport fait également le point sur l'élaboration de la Stratégie de verdissement du parc automobile de la Ville et des travaux connexes.

L'enveloppe budgétaire proposée pour le **Plan de remplacement des véhicules et des biens d'équipement du parc automobile municipal de 2025** se chiffre à 28 416 000 \$, ce qui permettra de remplacer au total 100 véhicules et biens d'équipement.

L'enveloppe budgétaire proposée pour le **Plan de croissance relatif aux véhicules et biens d'équipement du parc municipal de 2025** comprend 53 véhicules neufs dont le financement en immobilisations s'élève à 7 387 000 \$ et dont les coûts d'exploitation s'établissent à 1 123 600 \$.

L'enveloppe budgétaire proposée pour le **Plan de remplacement des véhicules et des biens d'équipement servant aux services de transport en commun de 2025** se chiffre à 2 800 000 \$, ce qui permettra de remplacer 49 véhicules et biens d'équipement.

L'enveloppe budgétaire proposée pour le **Plan de croissance relatif aux véhicules et biens d'équipement servant aux services de transport en commun de 2025** se chiffre à 1 335 000 \$ en fonds d'immobilisations et à 80 000 \$ en frais d'exploitation annuels, et comprend 11 nouvelles unités.

BACKGROUND

This report sets out the consolidated 2025 plans for renewal and growth requirements of the City's municipal fleet.

The Municipal Fleet Vehicle and Equipment Replacement and Growth plans are developed annually ahead of the City's annual budget process. In January 2005, [Council motion 27/139](#) directed staff to provide pre-budget reports for the purchase of any new fleet required for growth. In response to this motion, Fleet Services provides an annual Vehicle and Equipment Plan report in advance of Budget and since 2019, this report has been tabled with the annual budget at City Council.

Since December 2018, Fleet Services has expanded the report content to include Transit Operations' support vehicles, those vehicles which do not generate revenue, to

ensure that both Fleet Services and Transit Services are compliant with Council motion 27/139. As a result, the report also includes the 2025 Transit Operations' Support Vehicle and Equipment Replacement and Growth plans and ensures operational planning and integration between both Fleet and Transit Services.

The Ottawa Police Services, Ottawa Public Library, and OC Transpo revenue-generating vehicles and growth programs are addressed by their respective organizations and are not discussed in this report. Further, leased and rental vehicles are not part of these replacement and growth requirements.

Consistent with previous budget years, an advance purchase against the 2025 Budget was authorized by the Chief Financial Officer in Q4 2024 for \$6,350,000 to allow for the ordering of specialized equipment such as ambulances and combo trucks due to the long build time required.

This report is provided for information purposes alongside the City's 2025 Draft Budget. The Draft 2025 Operating and Capital Budgets include the replacement and growth expenditure items outlined in this report and are subject to the approval of Council as part of the 2025 Budget process.

DISCUSSION

2025 Fleet Vehicle and Equipment Replacement and Growth Plans

1. 2025 Municipal Fleet Vehicle and Equipment Replacement Plan

The City's municipal fleet consists of 2,815 vehicles and equipment that are owned by the City and grouped into five operational classes: ambulances, fire trucks, heavy vehicles, light vehicles, and equipment.¹ The fleet is relied on daily to deliver municipal services across 2790 square km. The fleet includes a wide variety of units ranging from compact cars for By-law and Regulatory Services, to the compactor at Trail Road landfill weighing approximately 60 tonnes. The current replacement value of the fleet is estimated at approximately \$527,000,000. The detailed breakdown of the existing fleet is shown in Table 1 below.

¹ The total number of City owned units grew by 27 due to the arrival of approved growth units from previous budget plans.

Table 1: 2024 municipally owned fleet breakdown by classification

Classification	Total Number of Fleet Units	Total Current Replacement Value
Ambulances	98	\$25,000,000
Fire Trucks	115	\$155,000,000
Heavy Vehicles	500	\$158,000,000
Light Vehicles	947	\$73,000,000
Equipment	1155	\$116,000,000
Total	2815¹	\$527,000,000

To ensure the municipal fleet is made up of the right number, size and type of vehicles and equipment to support City operations, Fleet Services is assessing every vehicle and piece of equipment in the fleet through a comprehensive review which falls under the initiatives of the ongoing Fleet Service Review. The comprehensive review considers the age, use, and maintenance costs of the service's existing fleet, the future needs of the service, and consideration of marketplace availability.

In addition to this review, it's critical to ensure vehicles and equipment coming to the end of their life cycle are replaced at the optimal point. Replacement at the optimal point in the life cycle has many benefits including that the operating cost will be at its lowest point and the vehicle reliability is protected by minimizing on-the-road failures and maximizing vehicle availability.

Replacement vehicles also typically have lower greenhouse gas (GHG) emissions due to improved technology and the shift to hybrid or electric vehicles where available. This contributes to meeting the Council-approved target established in the Climate Change Master Plan ([ACS2019-PIE-EDP-0053](#)) to reduce GHG emissions from City operations based on 2012 levels by 30 percent by 2025, 50 percent by 2030, and 100 percent by 2040.

Conversely, deferring vehicle replacements beyond the optimal point in their life cycle has negative impacts such as: rapid increase of operating costs which is especially dramatic for heavy equipment; capital investment for required replacements which is only deferred, not eliminated; vehicle resale values that decline or are eliminated; and vehicle downtime increases.

Fleet Services uses the Fleet Funding Model tool that considers age, usage, and maintenance costs to identify the optimal replacement point for each type of unit in the municipal fleet. The lifecycle thresholds that are in place for the replacement of fleet units vary by type and use. For example, a combo truck has a lifecycle of 10 years, 250,000 km or cumulative maintenance costs that exceed the cost to replace the unit. The municipal fleet also has units where the lifecycle thresholds are based on engine hours such as front-end loaders that have a lifecycle of 15 years, 12,000 engine hours or cumulative maintenance costs that exceed the cost to replace the unit.

Through the Fleet Service Review a number of initiatives have been identified and savings have been realized, which has built capacity within the capital budget to replace 29 additional vehicles over the past two years. Two of the most successful and financially beneficial programs to date are the Grader Re-Life and the Paramedic Emergency Response Vehicle Re-Deployment programs.

The Fleet Funding Model's calculation of optimal replacement timelines alongside the innovative programs through the Fleet Service Review results in a recommended 2025 funding envelope of \$28,416,000 to replace a total of 100 vehicles and pieces of equipment in the municipal fleet. All of the units to be replaced in 2025 are at end of life. The recommended lower number of replacement vehicles and equipment in the funding envelope in 2025 is related to the larger number of specialized pieces of heavy equipment due for renewal, specifically, fire trucks and loaders.

This investment will ensure the reliability of the fleet to support the critical services the City provides every day. An additional benefit of this investment is the avoidance of maintenance costs by a projected amount of up to \$1,200,000 in 2025 given the age and condition of the City's fleet; and rental costs by a projected amount of \$550,000 in 2025. Rental vehicles would be required to replace light vehicles that are not available to support operations due to ongoing repairs or their condition. As previously mentioned, if the investment is not made, the need for capital is deferred to the next budget year and not eliminated.

Once the 2025 fleet vehicle and equipment plans have been approved through the budget process staff will stagger replacements to support operations, time replacement purchases to capitalize on external funding and volume discounts and take advantage of new or upcoming replacement options that would further the City's goals regarding service delivery, fiscal responsibility, and reduction of GHG emissions.

Green Fleet Strategy and green fleet update

The City of Ottawa's Climate Change Master Plan and Energy Evolution Strategy has set corporate targets to reduce GHG emissions by 100 per cent below 2012 levels by 2040. In line with these goals, Fleet Services is finalizing the development of the municipal Green Fleet Strategy which will better position the City to meet these targets, and remain in closer alignment with the models presented in Energy Evolution.

This strategy will offer a comprehensive, long-term roadmap that will demonstrate the City's leadership in reaching its climate goals through transitioning to a low carbon fleet. The approach considers the wide diversity of fleet units, client needs, market conditions, procurement, monitoring, and the required infrastructure to support expanded opportunities and new technology. It also includes a comprehensive evaluation of alternate fuel technologies, a detailed ranking of technologies by asset class and the creation of a vehicle roadmap that outlines both a reduced emissions and zero-emissions pathways. Staff will present the Green Fleet Strategy to Committee and Council in Q1 2025.

Staff continue to review available hybrid and electric fleet options that have been tested and are commercially sold within the light vehicle class and for many pieces of equipment being used within the City's fleet inventory. Currently 251 units within the City's fleet inventory have been replaced, or growth units have been purchased, with hybrid or electric alternatives. Of the green units in service 69 are fully electric and 182 are hybrid. Units, with viable and available green options, will continue to be transitioned as part of their regular lifecycle replacement schedule.

Further, the City continues to review and apply for Federal and Provincial funding to help support the City's transition to a greener fleet.

Summary of 2025 Municipal Fleet Vehicle and Equipment Replacement Plan

Specific vehicles and equipment to be replaced are set out in detail in Document 1 – 2025 Municipal Fleet Vehicle and Equipment Replacement Plan and summarized in Table 2 below.

Table 2: 2025 municipal fleet vehicle and equipment capital replacement summary

Classification	Total Number of Units	Total Current Replacement Value
Ambulances	11	\$2,800,000
Fire Trucks	5	\$12,400,000
Heavy Vehicles	29	\$6,900,000
Light Vehicles	41	\$3,000,000
Equipment	14	\$3,316,000
Total	100	\$28,416,000

2. 2025 Municipal Fleet Vehicle and Equipment Growth Plan

Fleet Services worked with departments to identify growth to the fleet needed to meet the City's service delivery requirements. The 2025 Municipal Fleet Vehicle and Equipment Growth Plan includes 53 new units for all City departments. Of note, 34 of the 53 growth units have green options on the market. An evaluation will be undertaken on the 34 vehicles to determine if a green alternative will meet operational needs.

These new units are reflected in the 2025 Draft Budget and represent an additional \$7,387,000 in capital costs and annual estimated operating costs of \$1,123,600.

Document 2 – 2025 Municipal Fleet Vehicle and Equipment Growth Plan provides the estimated capital acquisition cost as well as the estimated annual operating cost for each of the units.

3. 2025 Transit Operations' Support Vehicle and Equipment Replacement Plan

Transit Operations manages 348 support vehicles and equipment. These units include vehicles and equipment used for security, supervision, bus maintenance, winter maintenance, and stores. The proposed 2025 funding envelope to support the Transit Operations' Support Vehicle and Equipment Replacement Plan is \$2,800,000 which will replace a total of 49 vehicles and equipment. Document 3 – 2025 Transit Operations' Support Vehicle and Equipment Replacement Plan provides a list of replacement units and their estimated capital acquisition cost.

4. 2025 Transit Operations' Support Vehicle and Equipment Growth Plan

The 2025 Transit Operations' Support Vehicles and Equipment Growth Plan includes 11 growth units. These new units are reflected in the 2025 Draft Budget and represent an additional \$1,335,000 in capital costs and annual estimated operating costs of \$80,000. Of note, nine of the 11 growth units has a green option on the market. An evaluation will be undertaken on the vehicle to determine if a green alternative will meet operational needs. Document 4 – 2025 Transit Operations' Support Vehicle and Equipment Growth Plan provides the estimated capital acquisitions cost as well as the estimated annual operating cost for each of the units.

Advanced funding exercised in 2024

Early procurement for certain vehicles and equipment is required in order to have the vehicles and equipment available and in place in order to meet the upcoming year's operational needs. Under delegated authority exercised by the Chief Financial Officer, and in accordance with the Delegation of Authority By-law, early procurement of up to \$6,350,000 worth of vehicles and equipment identified in the replacement plan will be placed in late 2024.

The advance order includes 21 vehicles, including 10 combination trucks and 11 ambulances. The combination trucks and ambulances require advance ordering to accommodate for longer build times.

FINANCIAL IMPLICATIONS

The Draft 2025 Operating and Capital Budgets will include these expenditure items and will be tabled following the 2025 City of Ottawa Budget process. The purchase of these vehicles and the associated costs are subject to the approval of Council as part of the 2025 City Budget.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report for information.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a citywide report.

CONSULTATION

This report did not require public consultation and is subject to the overall consultation processes of the Draft 2025 Budget.

ACCESSIBILITY IMPACTS

Finance and Corporate Services adheres to the requirements of the *Accessibility for Ontarians with Disabilities Act, (2005)* and the *Integrated Accessibility Standards Regulation, 191/11* in its operations, programs and initiatives. Staff will ensure that applicable accessibility standards are adhered to during the execution of the Municipal Vehicle and Equipment Capital Replacement Plan.

ASSET MANAGEMENT IMPLICATIONS

The recommendations documented in this report are consistent with the City's [Comprehensive Asset Management \(CAM\) Program](#) objectives. The implementation of the Comprehensive Asset Management Program enables the City to effectively manage existing and new infrastructure to maximize benefits, reduce risk, and provide safe and reliable levels of service to community users. This is done in a socially, culturally, environmentally, and economically conscious manner.

CLIMATE IMPLICATIONS

The City is committed to replacing older fleet vehicles with new vehicles that are more fuel efficient and have less greenhouse gas emission impacts (where market availability allows), assisting in meeting the Council-approved targets to reduce GHG emissions from City operations based on 2012 levels by 30 per cent by 2025, 50 per cent by 2030, and 100 per cent by 2040. For example, the 27 municipal light fleet units that have the ability to be replaced with hybrid and electric models could result in more than 1,394 fewer tonnes of GHG emissions over their life cycle.

DELEGATION OF AUTHORITY IMPLICATIONS

Under delegated authority exercised by the Chief Financial Officer, early procurement of up to \$6,350,000 worth of vehicles and equipment identified in the replacement plan will take place in late 2024. This exercise of delegated authority is in accordance with the Delegation of Authority By-law, Schedule B.

RISK MANAGEMENT IMPLICATIONS

There are risk implications and considerations have been addressed in the recommended plan within the 2025 Draft Budget process.

TERM OF COUNCIL PRIORITIES

This report supports the 2023-2026 Term of Council Priorities of: a City that is green and resilient, as well as the City's commitment to financial sustainability and transparency. The City's green fleet initiative supports the City's efforts to reduce corporate fleet greenhouse gas emissions, specifically strategic objective 16: Reduce emissions associated with the City's operations and facilities.

SUPPORTING DOCUMENTATION

Document 1 - 2025 Municipal Fleet Vehicle and Equipment Replacement Plan

Document 2 - 2025 Municipal Fleet Vehicle and Equipment Growth Plan

Document 3 - 2025 Transit Operations' Support Vehicle and Equipment Replacement Plan

Document 4 - 2025 Transit Operations' Support Vehicle and Equipment Growth Plan

DISPOSITION

The Finance and Corporate Services Department will implement the recommendations of this report, as approved by Council.