

**Subject: 2026 Fleet Vehicle and Equipment Plans – Information Supplemental
to the Budget Estimates**

File Number: ACS-2025-FCS-FL-0002

Report to Council 12 November 2025

**Submitted on November 12, 2025 by Laila Gibbons, Director, Fleet Services,
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Ward: Citywide

**Objet : Plans relatifs aux véhicules et aux biens d'équipement de 2026 –
Complément d'information relatif aux estimations budgétaires**

Numéro de dossier : ACS-2025-FCS-FL-0002

Rapport soumis le 12 novembre 2025

au Conseil le 12 novembre 2025

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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION

That Council receive the 2026 Municipal Fleet Vehicle and Equipment Replacement Plan, the 2026 Municipal Vehicle and Equipment Growth Plan, the 2026 Transit Services' Support Vehicle and Equipment Replacement Plan and the 2026 Transit Services' Support Vehicle and Equipment Growth Plan as described in this report as supplemental information to the Draft Budget 2026.

RECOMMANDATION DU RAPPORT

Que le Conseil municipal prenne connaissance du Plan de remplacement des véhicules et des biens d'équipement municipaux de 2026, du Plan de croissance relatif aux véhicules et biens d'équipement municipaux de 2026 ainsi que du Plan de remplacement des véhicules et des biens d'équipement pour le soutien des Services de transport en commun de 2026 et du Plan de croissance relatif aux véhicules et biens d'équipement servant aux Services de transport en commun de 2026, comme le présente en détail le rapport à titre de complément d'information dans le cadre du budget préliminaire de 2026.

BACKGROUND

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 Services' 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. This comprehensive report helps to ensure operational planning and integration between both Fleet and Transit Services.

The Ottawa Police Service, 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 seasonal rental vehicles are not part of these replacement and growth requirements.

Overview of Fleet Services

The City's municipal fleet consists of 2,830 vehicles and equipment that are owned by the City and grouped into five operational classes: ambulances, fire trucks, heavy vehicles, light vehicles, and equipment. 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 \$633,000,000. The detailed breakdown of the existing fleet is shown in Table 1 below.

Table 1: 2025 municipally-owned fleet breakdown by classification

Classification	Number of Fleet Units	Current Replacement Value
Ambulances	104	\$27,000,000
Fire Trucks	117	\$215,000,000
Heavy Vehicles	482	\$178,000,000
Light Vehicles	960	\$77,000,000
Equipment	1167	\$136,000,000
Total	2830	\$633,000,000

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 Transformation. 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, with the approval of the municipal Green Fleet Strategy in Q1 of this year, replacement vehicles will shift to hybrid or electric vehicles where there is market availability and where they will meet operational needs. 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.

DISCUSSION

This report sets out the 2026 funding requirements for replacement and growth of the City of Ottawa's municipal fleet as well as Transit Services' support vehicles (non-revenue generating vehicles). The plans detail the needs and costs of vehicle and equipment renewal, and the growth requirements for consideration and approval in the 2026 City Budget process. This report also provides an update on the City's Green Fleet Strategy that was approved by Council in Q1 2025.

The 2026 proposed funding envelopes for the municipal fleet includes:

- **\$36,112,000** to replace **93** vehicles and equipment as part of the annual renewal process.
- **\$4,183,300** in capital funding and **\$1,633,825** in annual operating costs for **21** growth units.
- **\$2,000,000** in capital funding for **23** growth units to support the reduction of long-term rental vehicles, resulting in an overall savings of over \$900,000 through the lifecycle of these vehicles.

The 2026 proposed funding envelopes for the Transit Services' support fleet (non-revenue generating vehicles) includes:

- **\$2,500,000** to replace **22** vehicles and equipment as part of the annual renewal plan.
- **\$275,000** in capital funding and **\$39,500** in annual operating costs for 4 growth units.

1. 2026 Municipal Fleet Vehicle and Equipment Replacement Plan

The proposed funding envelope for the 2026 Municipal Fleet Vehicle and Equipment Replacement Plan is \$36,112,000, which will replace 93 vehicles and equipment, as part of the annual renewal process.

Specific vehicles and equipment to be replaced are set out in detail in Document 1 and summarized in Table 2.

All of the units to be replaced in 2026 are at the end of their life cycle. The recommended lower number of replacement vehicles and equipment in the funding

envelope in 2026 is related to the larger number of specialized pieces of heavy equipment due for renewal, specifically, fire trucks and combination trucks.

Table 2: 2026 municipal fleet vehicle and equipment capital replacement summary

Classification	Number of Units	Current Replacement Value
Ambulances	13	\$2,300,000
Fire Trucks	8	\$13,000,000
Heavy Vehicles	20	\$8,800,000
Light Vehicles	20	\$1,112,000
Equipment	32	\$10,900,000
Total	93	\$36,112,000

Currently, there are 23 vehicles included in the 2026 Replacement Plan that have a green alternative on the market.

Advanced funding exercised in 2025

Consistent with previous budget years, an advance purchase against the 2026 Budget was authorized by the Chief Financial Officer in Q4 2025 for \$8,850,000 worth of vehicles identified in the replacement plan. The advance order includes 22 vehicles, comprising of 16 combination trucks and six ambulances. Advanced ordering accommodates for longer build times and helps to ensure equipment and vehicles will be available to meet the upcoming year's operational needs.

The Fleet Funding Model's calculation of optimal replacement timelines alongside the innovative programs through the Fleet Transformation results in a recommended 2026 funding envelope of \$36,112,000 to replace a total of 93 vehicles and pieces of equipment in the municipal fleet. 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 \$1,600,000 in 2026 given the age and condition of the City's fleet; and rental costs by a projected amount of \$290,000 in 2026 as rental vehicles would be required to replace light vehicles that are not available to support operations due to ongoing repairs or their

condition. If the investment is not made, the need for capital is only deferred to the next budget year and not eliminated.

Once the 2026 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.

2. 2026 Municipal Fleet Vehicle and Equipment Growth Plan

The proposed funding envelope for the 2026 Municipal Fleet Vehicle and Equipment Growth Plan includes 21 growth units with capital funding of \$4,138,300 and annual operating costs of \$1,633,825. The distribution of the growth vehicles are 7 through rate, 8 to Solid Waste, 1 to By-law and Regulatory Services, 2 to the Ottawa Paramedic Service and 3 to Building Code Services.

Fleet Services worked with departments to identify growth to the fleet needed to meet the City's service delivery requirements. Of note, 15 of the 21 growth units have green options on the market. An evaluation will be undertaken on the 15 vehicles to determine if a green alternative will meet operational needs. Document 2 provides the estimated capital acquisition cost as well as the estimated annual operating cost for each of the units.

Fleet Transformation Efficiency Initiative

There is a proposed funding envelope of \$2,000,000 in capital funding for 23 growth units to support the reduction in long-term rental vehicles, resulting in an overall savings of over \$900,000 through the lifecycle of these vehicles.

As part of the ongoing transformation of Fleet Services, a number of initiatives have been identified and savings have been realized, which has built capacity within the capital budget over the past three years. Two of the most successful and financially beneficial programs continue to be the Grader Re-Life and the Paramedic Emergency Response Vehicle Re-Deployment programs. These two programs alone have created approximately \$3,950,000 in savings which has been re-invested into the replacement of additional vehicles and equipment that have incurred high maintenance costs, extended downtimes and have reached the end of their lifecycle.

Through 2025, Fleet Services conducted a review of all long-term light vehicle rentals used by City operations. This review showed that 23 light vehicle rentals were used more than 18,000 km each per year, demonstrating an operational gap. Operational partners confirmed that these 23 rental vehicles were heavily used to manage changes in business models and/or FTE growth over the years without the corresponding vehicle growth units to sustain the business need.

In support of the Fleet Transformation initiative of growing the City-owned fleet to replace long-term rental vehicles that directly support the municipality's day-to-day operations, 23 new vehicles will be purchased. These new vehicles are reflected in the Draft Budget 2026 and represent an additional \$2,000,000 in capital costs, resulting in an overall savings of over \$900,000 through the lifecycle of these vehicles. See Document 3 for the 2026 Municipal Fleet Long-Term Rental Vehicle Replacement Plan.

3. 2026 Transit Services' Support Vehicle and Equipment Replacement Plan

The proposed funding envelope for the 2026 Transit Services' Support Vehicle and Equipment Replacement Plan is \$2,500,000, which will replace 22 vehicles and equipment as part of the annual renewal plan.

Transit Services manages 306 support vehicles and equipment. These units include vehicles and equipment used for security, supervision, bus maintenance, and stores. Document 4 – 2026 Transit Services' Support Vehicle and Equipment Replacement Plan provides a list of replacement units and their estimated capital acquisition cost.

4. 2026 Transit Services' Support Vehicle and Equipment Growth Plan

The proposed funding envelope for the 2026 Transit Services' Support Vehicle and Equipment Growth Plan is \$275,000 in capital and \$39,500 in annual estimated operating costs, which includes four growth units.

Of note, all four growth units have a green option on the market and an evaluation will be undertaken on the four vehicles to determine if a green alternative will meet operational needs. Document 5 – 2026 Transit Services' 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.

5. Green Fleet Strategy and green fleet update

In 2025, the City of Ottawa made significant progress in advancing its Green Fleet Strategy, a key component of the City's commitment to achieving a 100 per cent reduction in GHG emissions from municipal operations by 2040, relative to 2012 levels. Following approval by the Public Works and Infrastructure Committee, City Council

formally approved the strategy on 26 March 2025, establishing a clear path for transitioning to zero-emission vehicles. Drawing on current and forecasted technology and considering operational requirements, low-carbon assessments indicate that battery electric vehicles (BEVs) consistently rank as the most favourable technology, followed by plug-in hybrids and hydrogen fuel cell electric vehicles (FCEVs). FCEVs show strong potential for heavy-duty applications beyond 2030, with BEVs and FCEVs projected to become the City's primary fleet options by 2033, ensuring continued alignment with operational needs and emerging zero-emission technologies. The strategy incorporates an agile, adaptable framework with both short- and long-term implementation plans, ensuring the City remains responsive to technological advances, evolving market conditions, and industry trends.

Throughout 2025, implementation advanced across multiple areas, including investigations into hydrogen technologies such as add-on systems, dual fuel hydrogen/diesel configurations, and hydrogen fuel cell vehicles, with targeted pilots and trials planned over the next two years. Planning for hydrogen infrastructure progressed through market analysis, technology and Request for Information (RFI) development, partnership exploration with Hydro Ottawa, Ottawa Airport, and OC Transpo, along with initial scoping and specification work to support future pilot activities. Additionally, all vehicle request and growth forms were updated to include consideration of green vehicles, embedding sustainability into fleet planning decisions. These efforts complement the broader strategy and position Ottawa at the forefront of sustainable municipal transportation. Staff will continue implementation, monitor progress, and refine plans to incorporate emerging technologies, ensuring ongoing alignment with the City's climate and sustainability goals.

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 252 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 183 are hybrid. Units, with viable and available green options, will continue to be transitioned as part of their regular lifecycle replacement schedule.

The City continues to review and apply for Federal and Provincial funding to help support the City's transition to a greener fleet. In 2025, Fleet Services was awarded \$430,000 in funding through the Natural Resources Canada's Zero Emission Vehicle Infrastructure Program (ZEVIP). This funding will support the installation of 59 EV charging stations across Ottawa to support the greening of the municipal fleet.

FINANCIAL IMPLICATIONS

The Draft 2026 Operating and Capital Budgets will include these expenditure items and will be tabled alongside the 2026 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 2026 City Budget.

LEGAL IMPLICATIONS

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

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide report.

CONSULTATION

The overall consultation processes for the Draft Budget 2026 considers fleet vehicle and equipment plans.

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 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. The on-going assessment of all fleet assets to ensure alignment with Council-approved service level commitments, such as the Council-approved GHG reduction targets established in the Climate Change Master Plan, as well as the data-driven analysis of the age, use, and maintenance costs of the service's existing fleet, the future needs of the service, and consideration of marketplace availability demonstrate the application of the City's Comprehensive Asset Management Policy.

As described in the report, consideration must be made for not only the capital costs of fleet acquisition, but also for operating budget to fund, operate and maintain new

assets. Consideration should also be made for the future capital costs to renew or replace fleet assets at their end of life. Similarly, the procurement strategy to anticipate and stagger the acquisition of new vehicles and equipment to minimize risk related to service interruption also aligns with the City's policy. If approved, the additional inventory of assets, and their respective forecasted needs, will be included in various asset management plans in accordance with the service they support; for example, new ambulances and fire trucks will be included in the Emergency and Protective Services Asset Management Plans.

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 targets set out in the municipal Green Fleet Strategy which are in-line with 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 23 municipal light fleet units that have the ability to be replaced with hybrid and electric models could result in more than 915 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 \$8,850,000 worth of vehicles and equipment identified in the replacement plan will take place in late 2025. This exercise of delegated authority is in accordance with the Delegation of Authority By-law, Schedule B.

RISK MANAGEMENT IMPLICATIONS

There are risk implications where considerations have been addressed in the recommended plan within the Draft Budget 2026 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 - 2026 Municipal Fleet Vehicle and Equipment Replacement Plan

Document 2 - 2026 Municipal Fleet Vehicle and Equipment Growth Plan

Document 3 - 2026 Municipal Fleet Long-Term Rental Vehicle Replacement Plan

Document 4 - 2026 Transit Services' Support Vehicle and Equipment Replacement Plan

Document 5 - 2026 Transit Services' Support Vehicle and Equipment Growth Plan

DISPOSITION

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