

MEMO / NOTE DE SERVICE

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TO : Finance and Economic Development Committee
Transportation Committee
Planning Committee
Environment Committee
Community and Protective Services Committee

DESTINATAIRE : Comité des finances et du développement économique
Comité des transports
Comité de l'urbanisme
Comité de l'environnement
Comité des services communautaires et de protection

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DATE : September 25, 2013
25 septembre 2013

REF N° : ACS 2013-COS-PWS-0018

SUBJECT : **2014 VEHICLE GROWTH**

OBJET : **AUGMENTATION DES DEMANDES DE VÉHICULES POUR 2014**

PURPOSE

In keeping with the intent of motion 27/139, carried by Council in January 2005, the purpose of this IPD is to inform the Finance and Economic Development Committee, Transportation Committee, Planning Committee, Environment Committee, Community and Protective Services Committee of the City's municipal fleet growth requests, on behalf of its clients and in advance of budget deliberations.

BACKGROUND

In January 2005, Council carried motion 27/139, which directed staff to provide pre-budget reports in advance of the draft budget for the purchase of any new fleet. The pre-budget reports

detail the following information on the proposed vehicles to be purchased, the programming rationale for purchase, the expected cost and the expected savings through strategic procurement.

The Fleet Services Branch annually prepares the Fleet Growth IPD and the Fleet Replacement Report on behalf of its clients, based on client-identified requirements. In preparation, the respective client groups identify their growth and/or replacement requirements. The Fleet Services Branch uses this information to prepare minimum vehicle specifications to meet the requirements in the most cost effective way.

The annual Fleet Growth IPD is prepared and presented to the Finance and Economic Development Committee, Transportation Committee, Planning Committee, Environment Committee, and the Community and Protective Services Committee for information, in advance of budget deliberations.

As described in Document 1 (attached), this IPD provides these committees with the 2014 vehicle growth requests for all departments across the City.

DISCUSSION

The City's fleet is an integral component in achieving corporate operational objectives. As a result, a significant portion of the City's annual Capital Budget is expended on the procurement of new fleet. In order to maintain an operationally efficient and cost effective fleet, it is critical that vehicle and equipment build-out and delivery deadlines are met each year.

The process to acquire fire trucks, heavy vehicles and ambulances is between twelve months and two years, while light vehicles can take up to twelve months if the spring manufacturing deadlines are not met. Vehicle manufacturers have a typical last-order or "build-out" date in March of every year. This date is in place to ensure the manufacturer has capacity to construct the requested units before re-tooling for the production of subsequent models in the fall. If the March build-out date is missed, the manufacturer no longer accepts orders on the current tendered model and the only option is to re-tender for the fall model.

In the past, Fleet Services has been permitted to issue a request for tender or proposal in advance of the approval of the Annual Capital Budget and order the vehicles immediately following budget approval. This practice will continue, which will permit the City to provide for a more timely delivery of vehicles

Fleet 2014 Vehicle Growth Analysis

2014 Vehicle Growth total

The total 2014 vehicle and equipment growth requests for all departments includes 15 units with \$1,030,000 in capital costs and an annual operating cost of \$352,100 of which only \$116,100 will be requested in 2014. The Draft 2014 Operating and Capital Budgets, to be tabled to Council for approval, will include these expenditure items. The purchase of these vehicles and the associated costs are subject to the approval of Council during the 2014 budget process.

Document 1 provides the estimated capital acquisition cost as well as the estimated operating cost for each of the requested units. The operating costs include the annual charges related maintenance, fuel, depreciation for example.

2014 Growth Summary by Standing Committee

Below is a summary of the 2014 growth summary requests going forward to the following standing committees:

Committee	2014 Growth Requests	Breakdown by Branch
Finance and Economic Development Committee	There are no 2014 vehicle and equipment growth requests for Finance and Economic Development Committee.	
Transportation Committee	There are no 2014 vehicle and equipment growth requests for Transportation Committee.	
Planning Committee	The total 2014 vehicle and equipment growth request for Planning Committee includes nine (9) units with an estimated capital acquisition cost of \$225,000	Development Inspections has requested nine (9) SUV's.
Environment Committee	The total 2014 vehicle and equipment growth request for Environmental Committee includes six (6) units with an estimated capital acquisition cost of \$805,000 and associated operating cost of \$60,000 in 2014 and a further \$236,000 will be requested in 2015.	Solid Waste has requested two (2) dual stream refuse packers. Drinking Water has requested four (4) cargo vans.
Community and Protective Services Committee	The total 2014 vehicle and equipment growth request for Community and Protective Services Committee includes \$56,100 of operating cost for the Minto Recreation Complex - Barrhaven equipment.	Public Works – PGOM Capital costs have already been approved in 2013. The associated vehicle operating costs still require approval.

CONCLUSION

Upon the approval of the Annual Capital Budget, Fleet Services will proceed with to issuance of a request for tender or proposal, which will permit the City to provide for a more timely delivery of vehicles.

Should you have any questions, please do not hesitate to contact Don Dinelle, Manager of Fleet Services Branch at 613-580-2424 ext 25873 don.dinelle@ottawa.ca

Original Signed by

Larry O'Keefe, P.Eng.
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CC: Executive Committee
Manager, Fleet Services Branch
Coordinator, Finance and Economic Development Committee
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Coordinator, Planning Committee
Coordinator, Environment Committee
Coordinator, Community and Protective Services Committee
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SUPPORTING DOCUMENTATION:

Document 1 – 2014 Vehicle Growth Requests