Appendix 9: PP&D Fleet Cost Analysis

The following fleet cost analysis is based on comparing the current process of utilizing staff owned vehicles for field inspections versus the proposed provision of Fleet vehicles by the City of Winnipeg Fleet Management Agency (FMA) for field staff use.

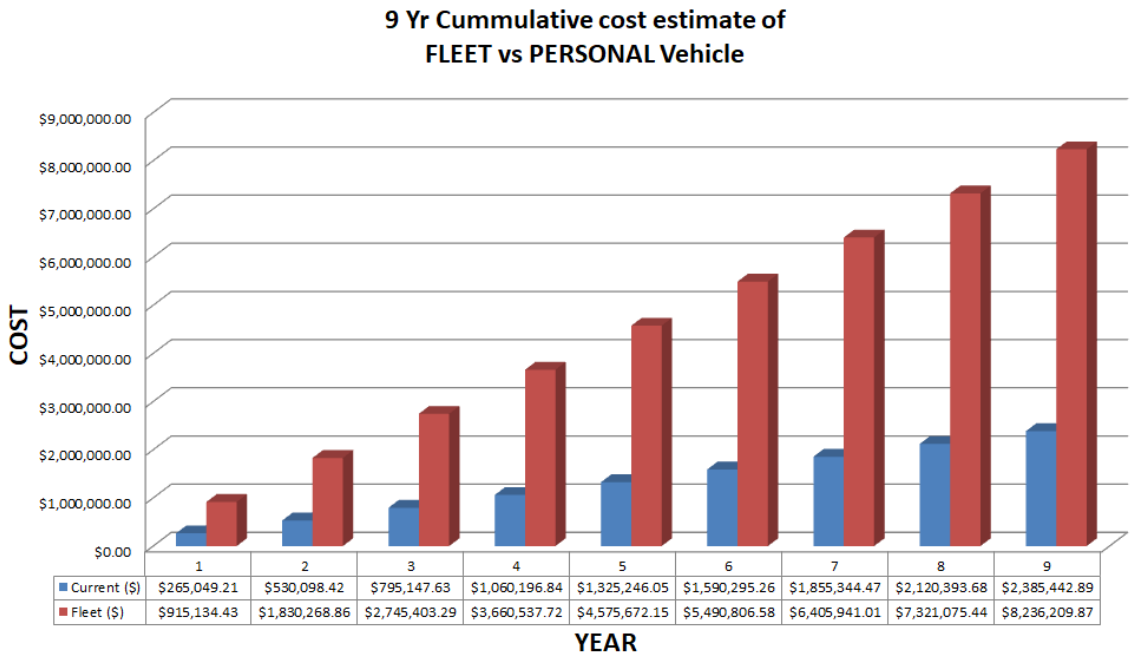
The Analysis is based on requirements from three branches (Commercial Inspectors, Housing Inspectors and Zoning Field Officers) within the department.

Table 1 presents current state costs for field staff vehicle use, based on 2018 annual cost data, and current costs for Geotracking software. Table 2 presents estimate annual costs to provide current field staff within the above-noted Branches of PP&D.

FMA's policy is to maximize vehicle operational use in 9 years. The usage cost comprises the various expenses (and revenue) components involved in providing and operating the vehicle throughout its operational life. All elements of a vehicles Lifecycle cost put into consideration include it's acquisition, license, insurance, fuel, maintenance, repair, salvage, debt expense, administration, accidents, inventory, and downtime.

The annual difference in cost to transition from personal vehicle use (Table 1) to a formal Fleet option (Table 2) is estimated to be approximately $650,000 in additional cost per year. Over the lifecycle of a Fleet agreement (9 years), the additional cost to utilize a Fleet option instead of personal vehicle use is estimated at $5.8 million dollars.

Additionally, it was noted that because the Department would be required to pay for Fleet use during staff vacation periods (e.g. 4 weeks per year per field officer), there are opportunity costs associated with the Fleet based solution of approximately $500,000 over the 9 year life cycle (i.e. costs that are required but are not yielding any direct value during the vacation period).



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Current ($)	$265,049.21	$530,098.42	$795,147.63	$1,060,196.84	$1,325,246.05	$1,590,295.26	$1,855,344.47	$2,120,393.68	$2,385,442.89
Fleet ($)	$915,134.43	$1,830,268.86	$2,745,403.29	$3,660,537.72	$4,575,672.15	$5,490,806.58	$6,405,941.01	$7,321,075.44	$8,236,209.87

Table 1. Current State Cost Analysis (Housing and Commercial Inspections Branch, and Zoning Field Officer team)

Current State (Personal Vehicle Use) Based on 2018 Actual Costs		
Items	**Description**	**Total Annual Costs (2018 actual)**
Vehicle Type	Staff owned (Zoning Field Officers (8))	$264,046.21
Vehicle Type	Staff owned (Housing and Commercial Inspectors (55)	
Fueling	PP&D reimburses field staff based on Mileage calculations. The cost represented here is a year's (2018) worth of actual mileage payouts.	
Parking	Staff's responsibility	$0.00
GPS-AVL (Find iPhone, Find My, SafetyLine)	City provides SafetyLine APP licenses to use on City provided mobile device. Field staffs are currently using SafetyLine to check in and check out of each site visited.	$13,260.00
Fleet Rep	PP&D does not currently require staff to coordinate Staff owned vehicles. Clerks assume the role of monitoring the SafetyLine APP.	$0.00
Car wash	Staff responsibility	$0.00
Rental	Staff responsibility	$0.00
Repairs (Associated with Rental Vehicles)	Staff responsibility	$0.00
Insurance	Staff responsibility	$0.00
Breakdown Maintenance	Staff's responsibility	$0.00
Preventive Maintenance	Staff's responsibility	$0.00
Total Annual Costs	**Current State (Personal Vehicle Use)**	**$ 277,306.21**

Table 2. Annual Fleet Management Cost Estimates to Accommodate Housing and Commercial Inspections and Zoning Field Officer vehicle requirements

Fleet Option		
Items	**Description (Fleet)**	**Annual Costs (Fleet)**
Vehicle Type	4 (Shared) Compact Sedan (Hybrid) vehicles.	$ 18,613.92
Vehicle Type	55 Compact SUV vehicles.	$ 380,160.00
Fueling	PP&D will reimburse FMA for the cost of fueling. The cost represented is based on Annual Fuel Costs from National Resources Canada.	$104,324.00
Parking	PP&D required to provide a secure parking location for all Fleet vehicles (cost estimate of $200/month) • Reports of violence against staff in unsecure locations • Reports of break ins to steal gear and car parts in unsecure locations	$ 141,600.00
GPS-AVL (Find iPhone, Find My, SafetyLine)	FMA will provide an AVL (Automatic vehicle Location) device that makes use of a GPS (Global Positioning Satellite) to enable PP&D remotely track the location of the Fleet vehicle real time over the internet. SafetyLine APP licenses will be provided for use on PP&D provided mobile device.	$27,826.20
Fleet Rep	PP&D will need Fleet staff representative to coordinate all fleet related activities. (2 FTE @ x $20,000 per year)	$ 40,000
Car wash	Based on discount provided coupons provided by FMA for Chamois car wash at the frequency of 2X wash a month for 59 vehicles.	$12,036.00
Rental	If a Fleet vehicle is taken in for preventive, breakdown or accidental repairs by FMA and a temporary replacement vehicle is not available, PP&D will provide the field staff with a rental for that period. The cost we have provided is based on rental cost invoiced to PP&D and budgeted for every vehicle.	$46,671.95
Repairs (Associated with Rental Vehicles)	Potential charges associated with repairs for rental cars (e.g. Damages exceeding the allowed standard Golf ball size damage by rental companies, a repair cost has to be factored in. The cost noted is based on repair claims invoiced to PP&D (year?) and budgeted for every vehicle.	$20,650.00
Insurance	PP&D will pay for the cost of insuring all vehicles with FMA brokering the cost.	$129,450.00
Breakdown Maintenance	Fleet vehicle breakdown maintenance is covered under the Lease Operating agreement with FMA. This is part of the monthly lease payment which is part of the first 2 items above.	$0.00
Preventive Maintenance	Fleet vehicle preventive maintenance is covered under the Lease Operating agreement with FMA. This is part of the monthly lease payment which is part of the first 2 items above.	$0.00
Total Annual Costs	Fleet Option	**$921,332.07**

Table 3. Cost Comparison, Personal Vehicle Use Versus Fleet Solution Over a Nine Year Lease Cycle

ITEM	Description (Current State – Personal Use)	Costs (Current)	Description (Fleet Option)	Costs (Fleet)
9 Year Cumulative Costs	Total annual cost of Current expenses multiplied by 9years	$2,495,755.89	Total annual cost of proposed Fleet vehicle expenses multiplied by 9years	$8,291,988.63
Additional Budget Required to Support Transition to Fleet Usage over 9 years				**$5,796,232.74**

Note: Fleet waste due to vacation estimated at 4 weeks per inspector over 9 years is **$514,087.11.**