Minute No. 232
Report – Standing Policy Committee on Innovation and Economic Development – March 16, 2020

Item No. 2 Winnipeg Fleet Management – Special Operating Agency – 2020 Business Plan

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Innovation and Economic Development and adopted the following:

1. That the 2020 Business Plan for the Winnipeg Fleet Management Agency – Special Operating Agency, including the 2020-2023 budget, included as Appendix A and A1 respectively, be approved.

2. That the 2018 audited financial statements, included as Appendix A2, be received as information.

3. That annual long-term borrowing authority of up to $9.3 million in 2020 be approved in accordance with subsection 215 (4) of The City of Winnipeg Charter with respect to Special Service Units, and authorization be given to the Winnipeg Fleet Management Agency – Special Operating Agency to finance a portion of its operations through external sources, for the purpose of acquiring fleet assets, including from The City's bank, or from any other persons or corporations, including The City of Winnipeg Sinking Fund Trustees.

4. That the Proper Officers of The City be authorized to do all things necessary to implement the foregoing.

Report – Standing Policy Committee on Innovation and Economic Development – March 16, 2020

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

That the recommendation of the Standing Policy Committee on Innovation and Economic Development be adopted.

Carried

Councillors Eadie and Schreyer asked to be recorded as having voted in opposition to the item, in accordance with Rule 47(7) of the Procedure By-law.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 19, 2020, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Innovation and Economic Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On March 16, 2020, the Standing Policy Committee on Innovation and Economic Development concurred in the recommendation of the Winnipeg Public Service Committee and submitted the matter to the Executive Policy Committee and Council:

Carried

ADMINISTRATIVE REPORT

Title: Winnipeg Fleet Management – Special Operating Agency – 2020 Business Plan

Critical Path: Standing Policy Committee on Innovation and Economic Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Konowich, WFMA COO	D. Wardrop, CTUO	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

An annual business plan for the Winnipeg Fleet Management Agency (Special Operating Agency) is submitted for Council approval to ensure the agency's strategic direction is in alignment with the general planning, budgeting and reporting requirements of The City of Winnipeg. The business plan allows the agency to fulfill its mandate and mission by providing efficient and effective fleet management services to civic departments in support of their service delivery.

The 2020 Preliminary Budget includes recommendations to immediately reduce the number of City owned and leased fleet vehicles by 5% starting in 2020 and report back in 2020 on the feasibility of any further reductions to the City's vehicle fleet. The Agency will work with departments to optimize fleet size through use of both vehicle utilization data and repair and maintenance data for vehicle replacement planning and to reduce the overall cost and size of the fleet through the use of existing technology.

RECOMMENDATIONS

1. That the 2020 Business Plan for the Winnipeg Fleet Management Agency – Special Operating Agency, including the 2020-2023 budget, included as Appendix A and A1 respectively, be approved.

2. That the 2018 audited financial statements, included as Appendix A2, be received as information.

3. That annual long-term borrowing authority of up to $9.3 million in 2020 be approved in accordance with subsection 215 (4) of The City of Winnipeg Charter with respect to Special Service Units, and authorization be given to the Winnipeg Fleet Management Agency – Special Operating Agency to finance a portion of its operations through external sources, for the purpose of acquiring fleet assets, including from The City's bank, or from any other persons or corporations, including The City of Winnipeg Sinking Fund Trustees.

4. That the proper officers of The City be authorized to do all things necessary to implement the foregoing.

REASON FOR THE REPORT

Winnipeg Fleet Management Agency is required to present an annual business plan to Council, in accordance with the Winnipeg Fleet Management Agency Operating Charter.

IMPLICATIONS OF THE RECOMMENDATIONS

During 2020, Winnipeg Fleet Management Agency will transfer $0.092 million to The City of Winnipeg – General Revenue Fund, representing a dividend.

HISTORY/DISCUSSION

History Overview

On March 25, 1998, Council adopted the Policy and Framework for Alternate Service Delivery, which recommended that certain services be studied as potential candidates for service delivery outside of the departmental structure of government.

During 1999, the Public Works Department conducted a feasibility study of alternate service delivery options for those services provided by the Equipment and Material Services Division. The report was presented in June 2000 and it recommended that the Equipment and Material Services Division become a Special Operating Agency.

On October 18, 2000, Council approved the Alternate Service Delivery Committee's feasibility study recommendation that Administration produce a Business Plan and Operating Charter to convert the Equipment and Material Services Division to a Special Operating Agency. Further, Council approved that the Business Plan and Operating Charter be premised on the following principles:

- The Special Operating Agency maintain the existing dedicated customer base for a period of three years;
- The Special Operating Agency assume ownership of the fleet of its current customers;
- The Special Operating Agency have the authority to access the Equipment Replacement Reserve as a financing source for the replacement of equipment; and

- The Special Operating Agency has the authority to increase its customer base.

On May 28, 2003, Winnipeg Fleet Management Agency received Council approval to operate as a Special Operating Agency of The City of Winnipeg, effective January 1, 2003.

2020 Business Plan Highlights

Revenues and Expenses of approximately $50 million projected per annum.

Acquisition of Fleet Assets of $15.2 million projected in 2020.

Vehicle and equipment units managed of approximately 2,230.

The Agency plans to close Waverley Repair Facility in 2020 and reduce the overall staff complement to 104 budgeted full-time equivalent positions (FTE's) by 2022.

Fleet forecasts operating within its established debt limit through deferred replacement of fleet assets and reduction in the size of the fleet.

The Agency plans to action identified recommendations from the Operational Review that would innovate or enhance future service delivery.

Investigation of fuel dispensing options are planned through a hired consultant, for improved fuel services and efficiencies to accommodate department fueling needs and city expansion.

By increasing the transparency of the fleet, the Agency forecasts savings in fuel costs and damage costs incurred by departments and will report to SPC on Innovation and Economic Development annually through a Fleet Accountability report showing year over year statistics with regards to vehicle idling and AVL statistics, damage costs, fuel costs by department and fleet size.

The 2020 Preliminary Budget includes recommendations to immediately reduce the number of City owned and leased fleet vehicles by 5% starting in 2020 and report back in 2020 on the feasibility of any further reductions to the City's vehicle fleet. The Agency will work with departments to optimize fleet size through use of both vehicle utilization data and repair and maintenance data for vehicle replacement planning and to reduce the overall cost and size of the fleet through the use of existing technology.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 6, 2020

Project Name:

First Year of Program **2020**

Winnpeg Fleet Management - Special Operating Agency - 2020 Business Plan

	2020	2021	2022	2023	2024
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

2020 to 2023 projected financial statements and notes are presented in Appendix A-1.

Original approved by Joseph Chammartin, CPA, CGA

Joseph Chammartin, CPA, CGA
Manager of Finance
Winnipeg Fleet Management Agency

CONSULTATION

In preparing this report there was consultation with:

- Assessment and Taxation Department
- Community Services Department
- Corporate Finance Department
- Corporate Support Services Department
- Planning, Property and Development Department
- Public Works Department
- Water and Waste Department
- Winnipeg Fire Paramedic Service Department
- Winnipeg Parking Authority – Special Operating Agency
- Winnipeg Police Service Department
- Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

In alignment with the following: "OurWinnipeg" Plan By-law No. 67/2010 and the Direction Strategies of "A Sustainable Winnipeg" and "Sustainable Transportation".

"OurWinnipeg" Section 01-3 Prosperity (Pg. 48-52) – the Direction 1: Provide efficient and focused civic administration and governance. Enabling Strategies:

- Demonstrate exemplary customer service standards.
- Continuously pursue innovative, streamlined service delivery and decision-making processes.
- Demonstrate accountability through service performance measurement and reporting.
- Endeavor to apply environmentally sustainable practices in all aspects of civic operations.

"OurWinnipeg" Section 02-2 Environment (Pg. 68) – Directions:

- Reduce the environmental impact of our activities, through strategies such as planning for sustainable energy use and greenhouse gas reduction.

"A Sustainable Winnipeg" Section 05: The Foundation: Leading by Example (Pg. 16-17) – Direction 2: Incorporate sustainable practices into internal civic operations, programs and services. Enabling Strategies:

- In partnership with the community, create and maintain a Climate Change Action Plan to reduce The City of Winnipeg's corporate greenhouse gas emissions by a further 20% below 1998 levels.
- Establish corporate greenhouse gas reduction targets for 2020 and 2035.

- Green the City's fleet operations through a plan that includes direction on anti-idling, efficient vehicles, use of alternate fuels and the right-sizing of the fleet.

"A Sustainable Winnipeg" Section 07: Integrate Sustainability into Internal Decision-Making (Pg. 27) – Direction 1: Strengthen existing integrated decision-making and planning mechanisms, and build new mechanisms where required. Enabling Strategies:

- Implement pilot and demonstration projects to drive efficient and focused service provision, based on the sustainability indicators.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #1 – Corporate Leadership

Key Direction: 1.3 Encourage Sustainable Transportation Options

SUBMITTED BY

Department: Winnipeg Fleet Management Agency (WFMA)
Division: Administration
Prepared by: D. Konowich
Date: March 6, 2020

Attachments:

Appendix A – Winnipeg Fleet Management Agency Special Operating Agency Business Plan 2020
Appendix A-1 – 2020 to 2023 Projected Financial Statements and Notes

Appendix A-2 – 2018 Auditors' Report and Financial Statements

Appendix A-3 – 2019 Operational Review of Winnipeg Fleet Management Agency

APPENDIX A

THE CITY OF WINNIPEG

WINNIPEG FLEET MANAGEMENT AGENCY – SPECIAL OPERATING AGENCY

BUSINESS PLAN

2020

STRATEGIC OVERVIEW

Winnipeg Fleet Management Agency was established in 2003 as a Special Operating Agency, a Special Service Unit of The City of Winnipeg, delivering services and operating within The City's organization.

The Special Operating Agency concept permits the Agency to operate in a business-like and transparent manner, through managerial flexibilities including special delegations, exemptions and authorities.

The Agency's strategic direction, as set out by its Operating Charter and Business Plan, places emphasis on managing for results, bottom-line accountability, customer satisfaction, and full disclosure.

MISSION

To provide economical, state-of-the-art, safe and eco-friendly fleet vehicle, equipment and other asset management services to The City of Winnipeg and other public sector organizations, in support of their service delivery.

VISION

Be the most efficient public sector fleet service provider in Canada with a dedicated focus on innovation, safety and customer service.

VALUES

1. Accountability.
2. Commitment to excellence.
3. Fairness.
4. Respect.
5. Trust.

GUIDING PRINCIPLES

1. Quality service to The City of Winnipeg.
2. Safety for employees and customers.
3. Financial accountability and sustainability.

MANDATE

To provide efficient and effective fleet vehicle, manufacturing and equipment management services to civic departments and other public organizations.

SERVICE GOALS

1. ***Develop innovative strategies and efficiencies through the introduction of new technologies and business processes that enhance fleet services across the agency.***

   Strategies:

   - Provide fleet life cycle analysis and recommendations to assist City departments in managing their fleet operations.
   - Automate internal Department processes related to contract procurement and scheduling processes through the addition of a module within the agency's Fleet Management Solution system.
   - Update procedures and process mapping to identify and resolve gaps, eliminate redundancy and improve communications and productivity.
   - Action 2019 Operational Review identified recommendations through strategies that would innovate or enhance future service delivery.
   - Investigate opportunities for bar coding or RFID technologies to improve data collection, productivity and efficiencies.
   - Enhance asset management practices by leveraging full lifecycle cost analysis on the fleet.
   - Review and implement Key Performance Indicators (KPI's) and dashboard reporting to support the agency's overall mission, performance and accountability.
   - Optimize fleet size through use of both vehicle utilization data and repair and maintenance data for vehicle replacement planning and to reduce the overall cost and size of the fleet through the use of existing technology.
   - Require an approved business case for all "net new" fleet asset requests prior to procurement in order to optimize limited resources available for fleet asset additions.
   - Develop a fleet utilization policy that establishes requirements in order to assist with right sizing department fleet complements and achieving cost savings to the City.
   - By increasing the transparency of the fleet, the Agency forecasts savings in fuel costs and damage costs incurred by departments and will report to SPC on Innovation and Economic Development annually through a Fleet Accountability report showing year over year statistics with regards to vehicle idling and AVL statistics, damage costs, fuel costs by department and fleet size.

2. ***To be a leader in environmental stewardship through the management of the agency's fueling infrastructure and promote fleet emission reductions.***

   Strategies:

   - Investigate fuel dispensing options for improved fuel services and efficiencies to accommodate department fueling needs and city expansion through a hired consultant.

- Upgrade and improve fuel transaction/distribution hardware and software to modernize the data collection for better fuel consumption reporting and monitoring fuel inventory levels.
- Ongoing evaluation of two all-electric vehicles and supporting infrastructure through the Innovative Capital funded project to assist in determining future operational suitability and life cycle costs.
- Continue regular reporting to civic departments on AVL idling trends for action on reduction measures.

3. Optimize the operational and financial performance of the agency's repair and manufacturing facilities to support the delivery of essential services to a diverse civic customer base.

Strategies:

- Initiate a consultant's review of the Agency's fleet software solution in collaboration with other City of Winnipeg departments to create efficiencies and cost savings across the City.
- Investigate the root cause of vehicle downtime and develop a plan to report on and improve the percentage of time vehicles and equipment are in service.
- Update and improve preventative maintenance scheduling for all fleet vehicles for reduced costs and align with current industry standards.
- Investigate opportunities to create automated customer preventative maintenance and inspection due date notifications.
- Apply parts warehouse performance metrics through comprehensive use of key performance indicators that will enable the agency to better measure quantifying objectives such as inventory accuracy, inventory stock turns, slow moving inventory and customer satisfaction.
- Increase development of parts and service bid opportunity contracts that will focus on strategic procurement to reduce or eliminate costs to the Agency such as freight, restocking and minimum order quantity fees.
- Develop and further enhance the agency's performance and financial dashboards that provide accurate and timely data for operational planning needs.
- The Agency plans to close Waverley Repair Facility in 2020 and reduce the overall staff complement to 104 budgeted full-time equivalent positions (FTE's) by 2022

4. Improve customer service and satisfaction through effective fleet service delivery

Strategies:

- Update and further develop the Agency's fleet City websites for improved communications and promotion of the Agency's services.
- Establish input and feedback mechanisms that identify customer needs and priorities for value-added service delivery.
- Enhance customer relationships through improved communications, resulting in fully transparent fleet charges, services, and decision making processes.

- Strive to provide fair and efficient delivery of services to a diverse civic customer base.

POLICY DIRECTION

Winnipeg Fleet Management Agency is a Special Operating Agency of The City of Winnipeg, and abides by the City's collective agreements and by-laws. The City of Winnipeg Charter, Section 215, references the establishment and powers of Special Service Units. The Agency has its own Operating Charter approved by Council.

The Agency follows provincial regulations associated with the Environment Act, the Contaminated Sites Remediation Act, Workplace Safety and Health Act, and the Employment Standards Code.

SERVICES

The Agency delivers the following comprehensive fleet management services to City of Winnipeg departments:

1. Specification, inspection and procurement.
2. Insurance, licensing and registration.
3. Manufacturing and fabrication.
4. Vehicle and equipment leases, seasonal and short term rentals.
5. Surplus sales and disposal.
6. Fuel.
7. Repair and maintenance.

Certain fleet management services are not provided to the Winnipeg Police Service Department's fleet, and the Winnipeg Fire Paramedic Service department's Heavy Fire Apparatus fleet, including fleet supply with maintenance lease, repair and maintenance, and accident reporting. The Agency delivers fleet supply without maintenance lease service, applicable only to the Winnipeg Police Service department's fleet and the Winnipeg Fire Paramedic Service Department's Heavy Fire Apparatus fleet, as an alternate to the Agency's fleet supply with maintenance lease service.

The Agency's seven fleet management services are not provided to the Winnipeg Transit department's bus fleet, and certain fleet management services are not provided to the department's vehicle fleet including fleet supply with maintenance lease, fuel, repair and maintenance, and accident reporting. Fleet supply without maintenance lease service is not applicable to the Winnipeg Transit department's bus fleet and vehicle fleet.

The Agency provides manufacturing and fabrication, and fuel services to other public sector organizations.

2019 Operational Review Recommendations

In 2018 the Winnipeg Fleet Management Agency (WFMA) issued a Request for Proposal (RFP) for professional consulting services for an Operational Review of the Agency in order to assist in determining if the Agency was aligned in fulfilling its mandate and provide future direction for the Agency.

The services required under the RFP consisted of a comprehensive review which examined the current structure, organization and overall operation of the WFMA to evaluate the operational efficiency and effectiveness of the delivery of services which incorporated a review of critical business areas as defined within the RFP.

The operational review also examined approaches employed by other municipalities with the intent of identifying best practices and methods.

The final report (appendix A-3) combined all information gathered and provided recommendations for an implementation plan to develop a sustainable framework for service delivery. The recommendations were separated between short term and long term implementation plans. The recommendations and WFMA action strategies are as follows:

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Continue the momentum of trending in the right direction with further improvements.	There is general recognition that WFMA is trending in the right direction and that there is a commitment by WFMA Management Team to change through consulting with departments. Also, there has been improvement in transparency.	**Ongoing** – Continue to implement fleet best practices and a continuous improvement methodology.
Need for better communication with customers.	Significant improvements are required in communication for WFMA to convey its value and operational role and mandate within The City.	**Ongoing** – WFMA has hired a Business Liaison Officer to work more closely with departments with a focus on improved communication and edification of WFMA's services. Business Plan Service Goal #5 is to improve customer service and satisfaction through effective fleet service delivery has been included to address this recommendation.
Improvement has been made by WFMA in accountability and transparency.	There is recognition of better accountability and transparency over the past few years. However, customer departments suggest further work is necessary and will benefit all parties. Particular concerns around definitions of what is included and excluded from agreements and services offered.	**Ongoing** – Business Plan Service Goal #1 addresses this recommendation through the introduction of a Customer Service Portal and Business Plan Service Goal #5 through improved customer service with the addition of a Business Liaison Officer.

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Balancing individual customer service expectations and overall City mandate to control fleet costs.	With budget constraints, The City is challenged to rationalize and maximize the utilization of its asset base and to streamline operations. Operating Charter is not clear on WFMA's authority on "whole of City," or corporate-wide efforts for broader fleet issues such as fleet rationalization (e.g., light duty vehicles) to help control overall fleet budgets and costs.	**Ongoing** – Audit Department Strategic & Audit Plan 2019-2020 is slated to undertake a review on the Special Operating Agency (SOA) Governance to achieve the City Charter requirement of reviewing the process for developing, implementing, operating and evaluating the special service units.
Customer departments are demanding better invoicing.	Invoicing has improved in recent years where WFMA has transition from Excel based billing to automated billing through new asset management application. Customer departments expect an invoice with similar detail and look as to what vehicle dealers provide to customers for services.	Business Plan Goal #1 looks to address this concern through the implementation of a Customer portal and further enhancements in the WFMA asset management application.
Customer department relations could be significantly improved with Service Level Agreements.	Service Level Agreements (SLAs) have not been formalized between the WFMA and its customers, resulting in the misalignment of expectations surrounding the WFMA's mandate, and on the nature and levels of service it is committed to delivering. For WFMA, clearly defined and published service level targets would improve transparency and allow the organization to manage toward delivering on priorities. For customer departments, service level targets that are met consistently will build confidence and trust in WFMA's ability to deliver timely, efficient service.	WFMA plans to have Service Level Agreements drafted beginning in 2021 with the larger departments (Public Works and Water & Waste).

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Winnipeg Police Service requirements are distinct and do require a different relationship than other departments.	Establish a collaborative dialogue to explore how the WFMA can best support the WPS in meeting its fleet procurement, maintenance and disposal needs. Enhance collaboration and knowledge sharing, exploring opportunities to work together on the procurement, maintenance and disposal of common assets. Explore opportunities to leverage practices and agreements established by other police agencies, including the RCMP. Focus areas may include the sharing of asset specifications and performance data, the exchange of leading practice, and the participation in group buying programs with key manufacturers.	**Ongoing** – Dialogue with WPS will continue into 2020 to explore recommended future opportunities.
WFMA has moved to an overall break-even operation and does need to continually assess cost-recovery.	Over the past few years the WFMA has achieved revenue neutrality, and operated on a break-even basis While revenue neutral overall, there may be parts of the WFMA that operate at surplus or deficit. Operating units at full cost recovery will enhance transparency and trust between the WFMA and its customers.	**Ongoing** – WFMA will continue to monitor through ongoing financial oversight and analysis of business lines within the Agency. Review ongoing.
Policies and procedures are outdated and not consistent, and a new set of documented policies and procedures should be developed and documented.	Current policies and procedures should be updated and consolidated into a single database and governance established to ensure that documents remain current and applicable over time.	Business Plan Service Goal #1 addresses this recommendation through updating procedures and process mapping. The addition of the Business Liaison Officer will provide the resources required to update policies and procedures. There may be potential to tie this in with Corporate IT ECM project implementation.

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Fleet utilization data and performance statistics need to take a more prominent role in managing the system and in justifying additional vehicle acquisitions.	For vehicles, utilization is a key performance indicator that needs to be regularly monitored, reported and justified. In leading practice, fleet utilization data assists decision-making toward controlling, expanding or reducing fleet size and use. Other financial and operational key performance indicators (KPIs) should be developed as part of an "executive management" dashboard that are consistently measured, monitored and reported.	Business Plan Service Goal #1 addresses implementation of this recommendation through added Key Performance Indicators and dashboards and development of a fleet utilization policy.
Inter-departmental sharing of common vehicles presents an opportunity to improve City costs and increase the utilization of existing vehicles.	Many noted that departments have common equipment such as light-duty vehicles that could be shared. Building a system that allows increased ease-of-use for rentals and short-term leases, as well as one that can accommodate overlapping seasonal maintenance demand, The City could reduce the number of vehicles and increase utilizations.	WFMA has been working with Public Works on a pilot equipment sharing program between Streets Maintenance and Parks & Open Spaces on sidewalk tractors. WFMA will be working with other departments to identify opportunities within their fleet complements where this initiative can be rolled out.
Formalize risk management identification, assessment and monitoring processes.	Risk management at WFMA is generally operational and reactive in nature. Overarching enterprise risk management has been established corporately for The City, but has not been examined within the context of WFMA. The WFMA Business Plan identifies five service goals, along with supporting strategies for meeting their objectives. WFMA management has not identified or evaluated risks that might prevent them from achieving these required outcomes. The WFMA should undertake a strategic level evaluation of business risks to identify and evaluate current and emerging risks to the agency's achievement of business objectives. Where appropriate, risk management and/or mitigations strategies and plans should be established, along with regular monitoring and governments detailing when these are to be applied.	WFMA will review reformatting the business plan template in 2021 in order to incorporate risk identification that will take into consideration the 4 effective risk management strategies of risk avoidance, risk acceptance, risk transference and risk limitation.

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Organizational structure and staffing levels appear to be in-line compared to other fleet management operations. Develop long-term workforce plan.	The general organizational structure, staffing levels and span of control are relatively in-line for the mandate and size of operations and assets. Management should contain staffing levels to the current state as it continually searches for operational efficiencies. Some reallocation of resources is likely required to improve customer service and improve capability for data analytics and performance. Job Descriptions should be updated for all WFMA employees, with a consistent template and standardization of language for general sections, with signoff and acknowledgement by each employee, their supervisor and senior management. Job Descriptions and classifications should be reviewed regularly and kept up to date. Succession plans for all key roles should be in place. Management should identify and forecast planned retirements, department growth, as well as the implications of service delivery changes and technology on demand for resources at all levels.	**Ongoing** – WFMA has been working with Corporate Human Resources on updating job descriptions and continues to do so until all job descriptions have been reviewed. WFMA will work with Corporate Human Resources on developing a future state long term work force plan.
Continue development of technologies to support organizational goals and objectives.	Consolidate and clean-up current data sets, and expand and standardize the collection of asset, service and work data to improve the quality and consistency of available information. Continue to develop in-house data and analytic capability, and incorporate analysis in to performance management, planning and decision making across the WFMA. A "single source of truth" should be established for each of these data sets. This will require agreement on what data (attributes) need to be collected, who will collect it, collection process, data governance and control, and data management and storage requirements.	**Ongoing** – Business Plan Service Goals # 1 and #4 address this recommendation through enhancements to the agency's fleet management application.

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Strengthen replacement planning and decision making by expanding metrics to include condition, work history and other measures of vehicle performance.	The WFMA uses lifecycle analysis to determine the optimal replacement point for fleet assets. Analysis is performed periodically for major asset categories and considers asset age in conjunction with acquisition, costs of routine maintenance, and disposal values in determining the optimal timeline for vehicle replacement. Other factors, such as utilization, working conditions, repair history, deferred maintenance, assessed condition, market availability all can play significant roles in the viability of lifecycle options, particularly for underutilized or specialized equipment assets. These factors, however, are generally not considered in evaluating options or lifecycles. The WFMA should expand lifecycle analysis, evaluating cost of service and optimizing replacement decisions for each asset. This will require consistent collection and tracking of performance and maintenance information over each asset's entire lifecycle. This will enable analysis and comparison of vehicles' performance against customer and WFMA specifications, as well as performance and lifecycle cost comparison of different vehicle types and classes. Efficient systems to support such monitoring will rely on increasingly automated data collection.	Business Plan Service Goal #1 addresses this recommendation through lifecycle metric optimization.

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
Enhance maintenance shop efficiency. Being in the business of repairing and maintaining vehicles and equipment, consistently strive for efficiency.	Focus short term efforts on expanding the analysis of work demand and related functions and resources to identify opportunities to better organize and optimize work activities across existing operations. The following opportunities should be explored: Grouping functions and activities that utilize similar skillsets and equipment. Improving the flow of vehicles through shops and minimize cycle time, Reducing bottlenecks and activities which require disproportionate amounts of time or resources. The WFMA's current complement of four maintenance and manufacturing shops is appropriate for a city of Winnipeg's size. Select comparable cities have more maintenance shops than Winnipeg and other cities have multiple locations in key geographic areas. There may be an opportunity for future shop consolidation, or for provision of distributed quick lube shops; consideration of either course requires a robust business case.	**Ongoing** – Business Plan Service Goal #4 addresses this recommendation through operational system performance optimization.
Leverage data analytics to optimize operations.	Data analytics could be used to provide insight into performance issues, bottle necks and cost drivers. A robust set of operational performance measures should be established and used to evaluate current operations. Governance and controls should also be established to support their ongoing monitoring and use in planning and decision making.	Business Plan Service Goals #1 and #4 addresses this recommendation through improved metrics and analysis.
WFMA to explore relocation of Tecumseh in the long-term.	As Manitoba's largest healthcare complex, the Health Sciences Centre continues to expand and the shops at Tecumseh continue to age, questions as to the opportunity/viability of relocating the WFMA's current main facility will continue to grow. Having four shops, two central, one in the north and one in the south, appears to be a reasonable balance for operations and customer access. Most	Business Plan Service Goal #1 addresses this recommendation through collaboration with Planning, Property & Development, WFMA wishes to prepare a Basis for Estimate for the Agency's Ross/Tecumseh head office, repair and manufacturing operations future relocation to a new estimated 58,000 square foot facility. This is an appropriate initial step for future long-term planning.

	cities of a similar size have locations in addition to a central shop.	
Operational Review Recommendation	**Context of Recommendation**	**WFMA Action Strategies**
Continue to monitor operations at fuel sites.	Fuel has eight service locations that appear to be generally adequate. Given the size of The City and city related operations, current locations and processes are occasionally problematic, warranting an assessment of potential mitigations, such as restricted commercial fuel purchases, in "urgent" or unique situations. Detailed analysis was not completed; however, the number and distribution of facilities are consistent with those of other similarly-sized fleet operations. WFMA may consider conducting a detailed analysis, including routing, utilization, and potential environmental liabilities for future long-term planning purposes.	Business Plan Service Goal # 2 addresses this recommendation through investigation of fuel dispensing options for improved fuel services and efficiencies to accommodate department fueling needs and city expansion through a hired consultant.
Enhance tracking system for managing preventative maintenance and routine service.	The WFMA understands preventative maintenance requirements, but processes that schedule manage and track the completion and verification of works could be improved. The WFMA should expand the use of information to target and support preventive maintenance at improving service and reducing the total cost of asset ownership. Key initiatives may include: Creation of a performance driven preventive maintenance policy that is approved by senior leadership management. Mapping and documentation of preventive and reactive maintenance activities and workflows using Standard Operating Procedures. Capture and tracking of maintenance information on each asset over its lifecycle. Information should be periodically analyzed to support and enhance: Equipment specification and selection.	Business Plan Service Goal #4 addresses this recommendation through improvements through the preventative maintenance and inventory processes.

Operational Review Recommendation	Context of Recommendation	WFMA Action Strategies
WFMA should continue to take a life-cycle asset management approach.	WFMA takes a life-cycle approach to managing assets under its control, but the basis for planning and decision-making is basic and not well understood across The City. Lifecycle analysis should be expanded to cover and drive the effective management of all fleet assets. This would include expanded tracking and use of asset performance, condition and work history information to drive the optimization of preventive maintenance and asset replacement activities.	**Ongoing** – Business Plan Service Goal #1 addresses this recommendation through lifecycle optimization.
Consider outsourcing non-core services.	Related services should be assessed thoroughly to see whether strategic outsourcing may be a better long-term option.	WFMA has already under taken reviews of the agency's line of business and has removed the line of business associated to Carpentry as this was not related to fleet management. WFMA will continue to review its lines of business for opportunities to stream line the agency's operations and ensure alignment with the mandate.

PERFORMANCE MEASUREMENTS

CUSTOMER SATISFACTION

The Agency conducted a customer survey during 2019, which indicated that 68% of customers were satisfied with 2018 fleet management services.

CUSTOMER SATISFACTION	2016	2017	2018
Satisfaction rate	72%	82%	68%

OPERATING COSTS BY CATEGORY

City of Winnipeg operating costs, excluding the Winnipeg Transit department, the Winnipeg Police Service department, and the Winnipeg Fire Paramedic Service department's Heavy fleet, are presented by fleet category, excluding off-road vehicles, as defined by the Municipal Benchmarking Network Canada (MBNC) initiative on a per kilometer basis, with the following components:

- Fuel is determined based on liters consumed by City departments at Agency selling price.
- Repairs performed in-house by the Agency are determined based on labor hours at Agency shop labor rates, and parts at Agency cost with markup.
- Vendor repairs are based on Agency cost with markup.
- Odometer hours are converted to kilometers according to fleet classification, with a range from 18 kilometers per hour (for Heavy) to 30 kilometers per hour (for Light and Medium).

CITY OF WINNIPEG OPERATING COSTS BY FLEET CATEGORY *(in dollars per kilometer)*	2016	2017	2018
Light vehicles	0.34	0.37	0.41
Medium vehicles	0.63	0.70	0.80
Heavy vehicles and specialty equipment	1.10	1.22	1.42

FUEL EFFICIENCY BY CATEGORY

The Agency collects and provides monthly fuel management information to City departments, including liters of fuel supplied, and kilometer and hour usage information as reported at time of fueling by City department vehicle and equipment operators.

City of Winnipeg Light Vehicle Fuel Efficiency by Department and Division

Fuel efficiency is presented for light vehicles by City department and division, excluding the Winnipeg Transit Department, in liters per 100 kilometers.

CITY OF WINNIPEG LIGHT VEHICLE FUEL EFFICIENCY BY CITY DEPARTMENT AND DIVISION *(in liters per 100 kilometers)*	**2016**	**2017**	**2018**
Assessment and Taxation Department	9.9	9.8	9.8
Corporate Support Services Department	20.8	20.4	20.8
Winnipeg Fire Paramedic Service Department	19.0	19.8	20.9
Fleet Management – Special Operating Agency	18.3	19.7	21.7
Planning, Property and Development Department	19.8	20.0	20.2
Parking Authority – Special Operating Agency	13.3	13.3	14.5
Public Works Department – Engineering	13.8	15.1	15.7
Public Works Department – Parks & Open Space	24.5	25.1	25.1
Public Works Department – Streets Maintenance	23.1	23.6	22.6
Public Works Department – Traffic Signals	30.7	37.0	32.4
Public Works Department – Transportation Systems	22.5	22.6	20.7
Winnipeg Police Service	19.5	19.8	19.5
Water and Waste Department – Engineering	17.6	17.5	17.1
Water and Waste Department – Environmental Standards	13.0	14.4	10.5
Water and Waste Department – Solid Waste	24.8	23.1	24.1
Water and Waste Department – Wastewater	22.0	22.0	22.2
Water and Waster Department – Water Services	24.3	24.4	24.3

City of Winnipeg Fuel Efficiency by Fleet Category

Fuel efficiency is reported for the City, excluding Winnipeg Transit and Winnipeg Police Service. In 2017, WFMA aligned data gathering with MBNC and CAMFM vehicle definitions. This creates more insight with respect to the different sizes of vehicles. The Medium category includes vehicles that previously would have been in either the Light or Heavy category using previous categorization. The Medium category is defined by gross vehicular weight in the range of 4500kg to 9000kg for on-road vehicles, and value of $30,000 to $100,000 for off-road vehicles. Light and heavy categories are below and above these ranges.

CITY OF WINNIPEG FUEL EFFICIENCY BY FLEET CATEGORY	**2017**	**2018**
Municipal On-Road Vehicles		
Light vehicles (in litres per 100 km)	20.3	20.4
Medium vehicles (in litres per 100 km)	28.0	29.1
Heavy vehicles and specialty equipment (in litres per hour)	8.2	8.0
Emergency Vehicles		
Medium vehicles (in liters per 100 km)	44.3	42.1
Heavy vehicles and specialty equipment (in litres per hour)	9.8	9.8
Off-Road (Construction and Agricultural equipment)		
Light vehicles (in litres per hour)	4.2	3.2
Medium (in litres per hour)	6.3	6.2
Heavy (in litres per hour)	7.9	7.8

ASSUMPTIONS TO THE PROJECTED FINANCIAL STATEMENTS

The projected financial statements include management's best estimates of future financial performance, and incorporate the financial implications of the Agency's goals and strategies.

The financial projections are estimates of the financial position, operations and accumulated surplus, cash flows, and net financial liabilities using management's assumptions that reflect the Agency's planned course of action for the four years ending December 31, 2023.

Management's judgment has been used in the assumptions, with the most probable set of economic conditions. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this projection. Therefore, the actual results achieved during the projected period will vary from the projections, and the variations may be material.

The financial forecast and projections are based on actual 2018 results of operations, with increases for annual inflation, except where otherwise described in the notes to projected financial statements, or as noted in these assumptions.

The 2020 to 2023 Projected Financial Statements and Notes are presented in Appendix A-1.

The 2018 Auditors' Report and Financial Statements are presented in Appendix A-2.

REVENUES

Fleet Leases

The Agency enters into leases to supply and maintain vehicles and equipment to City departments for specified lease periods.

Fleet leases revenue is derived from the Agency's 2020 to 2023 fleet replacement plan, with current unit types and quantities assigned to City departments, and consists of the following revenue components:

- Fleet leases capital revenue reflects capital and financing costs, with lease terms and residual values based on lifecycle cost management principles.
- Fleet leases operating revenue is determined based on repair history by type classification and usage level, with an annual inflation factor.
- Overall Fleet leases have been decreased by 5% to reflect estimated savings from a fleet optimization program with a goal of reducing overall fleet costs and increasing vehicle and equipment utilization.

Gain on Sale of Tangible Capital Assets

The gain on sale of tangible capital assets is based on estimated surplus sales.

EXPENSES

Amortization

Tangible capital assets are amortized on the basis of cost less approximate residual value over estimated useful lives using the following rates and methods:

- Buildings; 4% to 8% straight-line.
- Fleet assets acquired at start-up; 30% declining balance.
- Fleet assets purchased; 1 to 15 years straight-line.
- Equipment; 3% to 30% straight-line.

Amortization is based on planned fleet acquisitions, with amortization rates and methods described in the Notes to Financial Statements, as listed in Appendix A-1.

Supplies

Fuel expense is determined from annual projected fuel sales net of an 8% markup.

Computer and safety expenses are based on estimated requirements.

Salaries and Employee Benefits

Salaries and employee benefits expense is based on collective agreements, providing for a reduction to 104 budgeted full-time equivalent (FTE) positions by 2022 (reduced from 131). In 2020 Pension, group insurance, dental, vision, and employment insurance benefits are projected at 17% of salaries.

The Agency plans to operate 3 fleet service centers (reduction from 4 to 3), and one satellite repair facility, located across the City to provide repair and maintenance, and manufacturing and fabrication services, with a reduction to 79 budgeted FTE positions by 2022 as follows (reduced from 103):

- 71 CUPE permanent FTE positions
- 8 WAPSO permanent FTE positions

Fleet supply lease, specification, inspection and contract administration, seasonal and short term rentals, surplus sales and disposals, insurance, licensing and registration, and fuel services are provided with 10 budgeted FTE positions by 2022 as follows (reduced from 12):

- 7 CUPE permanent FTE positions
- 3 WAPSO permanent FTE positions

Professional and Support teams, include 15 budgeted FTE positions by 2022 as follows (reduced from 16):

1. Chief Operating Officer Office;
    - 1 WAPSO exempt permanent FTE position
    - 1 CUPE exempt permanent FTE position
    - 1 CUPE permanent FTE positions

2. Information Technology;
    - 1 WAPSO exempt permanent FTE position
    - 2 WAPSO permanent FTE positions
    - 1 CUPE permanent FTE position

3. Finance;
    - 1 WAPSO exempt permanent FTE position
    - 1 WAPSO permanent FTE positions
    - 3 CUPE permanent FTE positions

4. Safety, Project Management and Customer Service;
    - 3 WAPSO permanent FTE positions

Services

Consulting, professional services and training expenses are based on estimated requirements.

External long-term lease expense is based on current long-term lease agreements.

Interest

Debt interest expense is based on current term loan debt agreements for existing debt, and estimated long-term borrowing rates for projected term loan debt.

Due to The City of Winnipeg – General Revenue Fund interest expense is based on estimated short-term borrowing rates.

Other expenses

Other expenses include miscellaneous, provincial payroll tax, transfers to The City of Winnipeg, power tools, and other equipment.

Transfer to The City of Winnipeg – Municipal Accommodations Fund expense includes the following services provided by the Planning, Property and Development Department to the Agency:

- $107 thousand ending in 2020 for Waverley Repair Facility lease costs, based on information provided by the Planning, Property and Development Department.
- $546 thousand annually for East Yards Repair Facility lease costs, based on information provided by the Planning, Property and Development Department.

Transfer to The City of Winnipeg – General Revenue Fund expense includes the following services provided by the Corporate Support Services Department to the Agency:

- $78 thousand annually for business technology service based on information provided by the Corporate Support Services Department.
- $104 thousand to $110 thousand annually in 2020-2023 for Human Resource service, based on information provided by the Corporate Support Services Department.
- $60 thousand to $64 thousand annually in 2020-2023 for a shared HR consultant, based on information provided by the Corporate Support Services Department.

OTHER

Transfer to the City of Winnipeg – General Revenue Fund (Dividend)

Transfer to The City of Winnipeg – General Revenue Fund is $92 thousand for 2020 and thereafter based on information provided by the Corporate Finance Department.

Debt/worth ratio is to be maintained at 4.1 or better for dividend eligibility, in accordance with the Agency's Adopted 2007 Business Plan, Operating Charter Section 5.10 Revision. Debt/worth ratio is determined as total liabilities divided by accumulated surplus, based on the Projected Statement of Financial Position contained in Appendix A-1.

PROJECTED DEBT/WORTH	2020	2021	2022	2023
Debt/Worth ratio	**2.9**	2.9	2.9	2.9

LIABILITIES

Due to/from the City of Winnipeg – General Revenue Fund

Due to/from The City of Winnipeg – General Revenue Fund, acts as the Agency's line of credit for short-term financing, and is used for the purpose of acquiring fleet assets between the time when cash is needed and when term financing is arranged. The balance as at December 31st is repaid annually by the Agency during the following year, upon drawdown of term loan debt.

Debt

Debt is comprised of term loan debt, and The City of Winnipeg debt.

Term loan debt represents unsecured term financing for the purpose of acquiring fleet assets, payable to external lenders. The Agency is authorized to finance its operations through external sources under The City of Winnipeg Charter with respect to Special Service Units. Monthly payments are made on the principal and interest portion of the outstanding term loans.
The City of Winnipeg debt is held by the Agency on behalf of City departments for the purpose of acquiring communication equipment, and is payable to City departments.

Debt is disclosed in the Projected Statement of Financial Position, contained in Appendix A-1.

PROJECTED DEBT *(in thousands of dollars)*	**2019**	**2020**	**2021**	**2022**	**2023**
Term loan debt opening (Note 1)	$37,237	**$46,375**	$51,295	$50,114	$50,226
Proceeds from term loans (Note 2)	19,300	**15,000**	$10,000	12,000	14,000
Repayment of term loans (Note 3)	(10,162)	**(10,080)**	(11,181)	(11,888)	(12,081)
Rounding		1	1		
Term Loan Debt	$46,375	**$51,296**	$50,115	$50,226	$52,145
The City of Winnipeg debt (Note 4)	178	**178**	178	178	178
Debt	$46,553	**$51,474**	$50,293	$50,404	$52,323

Notes:

1) Term loan debt opening in 2019 is based on actual term loan debt as at December 31, 2018, and estimated for 2019 to 2023.
2) Proceeds from term loans in 2019 are based on actual loan drawdowns, and estimated for 2020 to 2023 based on the December 31st prior year due to The City of Winnipeg – General Revenue Fund balance.
3) Repayment of term loans in 2019 is based on actual term loan amortization schedules, and estimated for 2020 to 2023.
4) The City of Winnipeg debt is based on the balance as at December 31, 2018.

Maximum debt was established at $65.3 million in the Agency's 2010 Adopted Business Plan, based on projected debt, and due to The City of Winnipeg – General Revenue Fund line of credit. The agency forecasts that it will operate within this established debt limit through deferred replacement of fleet assets and reduction in the size of the fleet.

PROJECTED DEBT LIMIT *(in thousands of dollars)*	**2020**	**2021**	**2022**	**2023**
Maximum debt	**$65,300**	$65,300	$65,300	$65,300
Debt	**(51,473)**	(50,292)	(50,404)	(52,323)
Due to The City of Winnipeg – General Revenue Fund	**(9,525)**	(12,235)	(13,391)	(12,722)
Debt Limit	**$4,302**	$2,773	$1,505	$255

Borrowing Authority

The Agency requests Council approval for long-term borrowing authority on an annual basis in accordance with subsection 215 (4) of The City of Winnipeg Charter with respect to Special Service Units. Annual long-term borrowing authority enables the Agency to finance a portion of its operations from external sources for the purpose of acquiring fleet assets. Due to The City of Winnipeg – General Revenue Fund, line of credit, is included in the total cumulative borrowing authorization as established in the Agency's 2007 Adopted Business Plan.

Cumulative borrowing authorization is determined based on accumulated long-term borrowing authority approved by Council in the Agency's Adopted Business Plans, and The City of Winnipeg Adopted Operating Budgets, net of accumulated proceeds from term loans.

PROJECTED BORROWING AUTHORITY *(in thousands of dollars)*	**2020**	**2021**	**2022**	**2023**
Proceeds from term loans	**$15,000**	$10,000	$12,000	$14,000
Due to The City of Winnipeg – General Revenue Fund	**9,525**	12,235	13,391	12,722
Debt limit	**4,302**	2,773	1,505	255
Cumulative borrowing authorization opening (Note 1)	**(19,510)**	(13,827)	(15,008)	(14,896)
Annual Long-term Borrowing Authority	**$9,317**	11,181	$11,888	$12,081
Cumulative borrowing authorization opening (Note 1)	**19,510**	13,827	15,008	14,896
Proceeds from term loans	**(15,000)**	(10,000)	(12,000)	(14,000)
Cumulative Borrowing Authorization	**$13,827**	$15,008	$14,896	$12,977

Note:

1) Cumulative borrowing authorization opening in 2020 is based on actual borrowing authority net of actual term loan draws cumulative to 2020, and is estimated for 2021 to 2023.

NON-FINANCIAL ASSETS

Tangible Capital Assets

Tangible capital assets include fleet assets, land, buildings, and equipment. Tangible capital asset acquisitions are contained in the Projected Statement of Cash Flows in Appendix A-1.

PROJECTED ACQUISITION OF TANGIBLE CAPITAL ASSETS *(in thousands of dollars)*	**2020**	**2021**	**2022**	**2023**
Fleet assets	**$15,178**	$15,670	$15,670	$15,670
Land, buildings and equipment	**904**	1,716	828	803
Acquisition of Tangible Capital Assets	**$16,082**	$17,386	$16,498	$16,473

Fleet asset acquisitions are based on the Agency's 2019 to 2023 fleet replacement plan, and are subject to future revision due to Agency and City department decisions, and vendor availability. Fleet acquisitions in 2020 are estimated by fleet category as follows (in thousands of dollars):

- Agricultural equipment $ 101
- Attachments $ 109
- Cargo vans $ 147
- Industrial equipment $ 112
- Light duty trucks $ 299
- Medium duty trucks $ 2,207
- Sedans $ 708
- Specialty and fire equipment $ 11,274
- Sport utility vehicles $ 221

Land, buildings and equipment acquisitions are estimated based on operational requirements, and include leasehold improvements, shop equipment, office equipment, computer, power tools, and fuel equipment.

ACCUMULATED SURPLUS

Accumulated surplus is comprised of contributed surplus, and surplus.

Contributed surplus is $11,425 thousand, representing a transfer from long-term debt due to The City of Winnipeg, excluding funds specified for City department communication equipment, as at January 1, 2008.

Surplus consists of the following:

- Accumulated annual surplus (deficit), with the adoption of Canadian Public Sector Accounting Standards effective in 2010.

- Retained earnings, comprised of accumulated net income reduced by accumulated dividend transfers, in accordance with Canadian generally accepted accounting principles (GAAP) prior to 2010.

INDICATORS AND STATISTICS

FINANCIAL INDICATORS

FINANCIAL RATIOS	2016	2017	2018
Return on total revenues (Note 1)	(2.12%)	(0.01%)	0.54%
Return on average non-financial assets (Note 2)	(1.53%)	(0.01%)	0.36%
Return on average accumulated surplus ratio (Note 3)	(4.48%)	(0.03%)	1.22%
Parts inventory turnover ratio (Note 4)	2.53	2.28	2.37
Fuel inventory turnover ratio (Note 4)	17.40	17.81	25.39
Non-financial assets to net debt ratio (Note 5)	(1.50)	(1.43)	(1.40)
Net debt to accumulated surplus ratio (Note 6)	2.00	2.32	2.53
Days sales in receivables ratio (Note 7)	1.31	1.63	3.32

Notes:

1) Annual surplus (deficit) divided by total revenues.
2) Annual surplus (deficit) divided by average non-financial assets.
3) Annual surplus (deficit) divided by average accumulated surplus.
4) Cost of goods sold divided by average inventory.
5) Non-financial assets divided by net financial liabilities.
6) Net financial liabilities divided by accumulated surplus.
7) Accounts receivable divided by days sales.

OPERATIONAL STATISTICS

Service Level Statistics

Service level statistics include Agency activities reported by service level category.

SERVICE STATISTICS	2016	2017	2018
Bid opportunities	67	64	58
Fleet unit acquisitions (Note 1)	182	265	328
Insurance, license and registrations	1,900	1,835	1,935
Repair transactions	35,536	33,779	35,373
Parts transactions	41,528	35,631	41,543
Repair labour hours	71,361	65,735	65,125
Fuel transactions	116,618	115,955	115,275
Total fuel liters provided (internal customers)	7,114,925	7,020,728	6,944,279
Total fuel liters provided (external customers)	751,296	749,340	774,752
Seasonal and short term rental days	103,518	108,489	109,069
Fleet unit dispositions	188	234	322
Fleet units managed (Note 2)	2,224	2,199	2,233

Notes:

1) Units acquired in 2018 are assigned and leased (or pre-leased) to City departments as follows:

Public Works	162
Winnipeg Police Service	57
Water & Waste	39
Winnipeg Fire Paramedic Service	34
Winnipeg Parking Authority	14
Community Services	6
Planning, Property & Development	5
Winnipeg Transit	5
Assessment and Taxation	3
Winnipeg Fleet Management Agency	2
Corporate I.T.	1

2) “Fleet units managed” is the count of units at the start of the report year. This figure includes vehicles (light fleet, heavy fleet, and specialty equipment) plus fleet-managed trailers plus attachments not attached to a chassis (spare attachments awaiting a chassis to be installed upon).

Fleet Average Age by Category

Fleet average Age is presented for light, medium and heavy municipal vehicle and equipment measured using MBNC/CANFM categorizations:

FLEET AVERAGE AGE *(in years)*	**2016**	**2017**	**2018**
Light municipal vehicles and equipment	7.1	6.4	6.7
Medium municipal vehicles and equipment	8.2	7.3	8.2
Heavy municipal vehicles and equipment	6.5	6.3	7.4

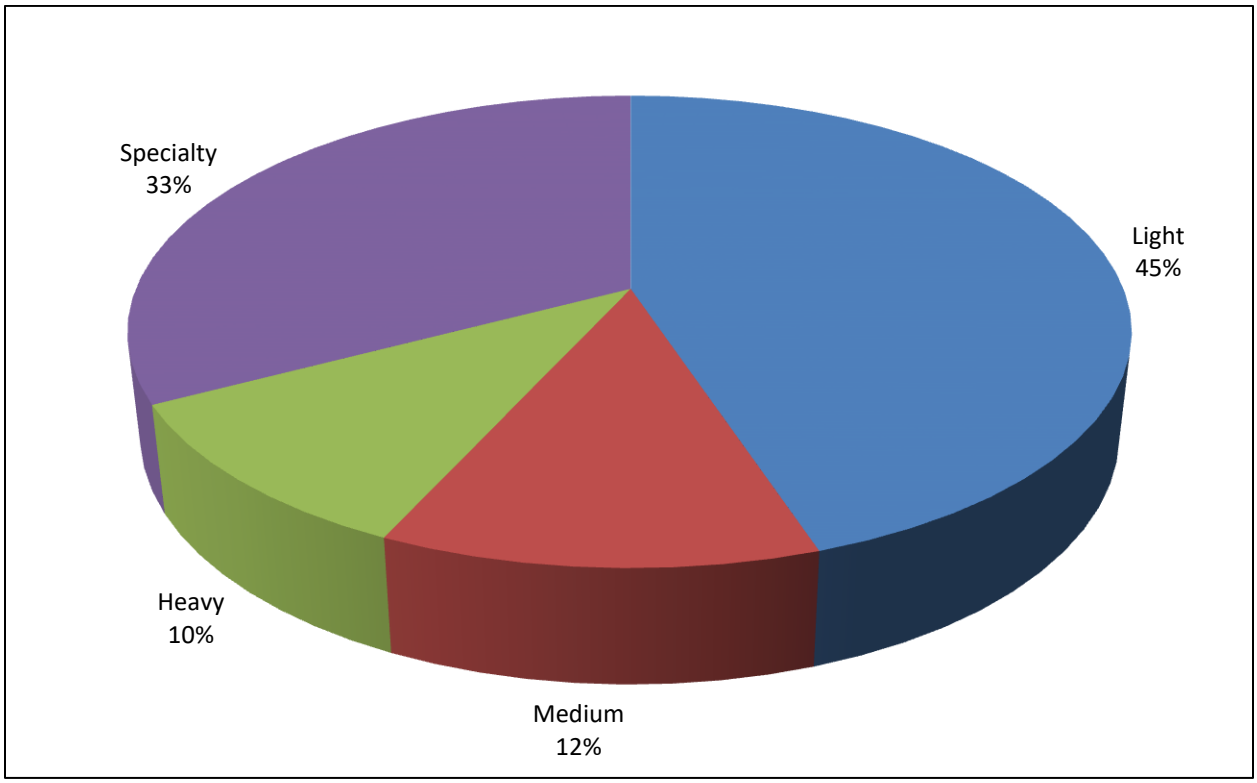
Service Request

Service request rate is determined by unscheduled work order hours, divided by total work order hours including unscheduled hours and preventative maintenance hours.

SERVICE REQUEST	**2016**	**2017**	**2018**
Service request rate	85%	84%	83%

CURRENT FLEET FACTS

Fleet Units by Category (chassis only)



Notes:

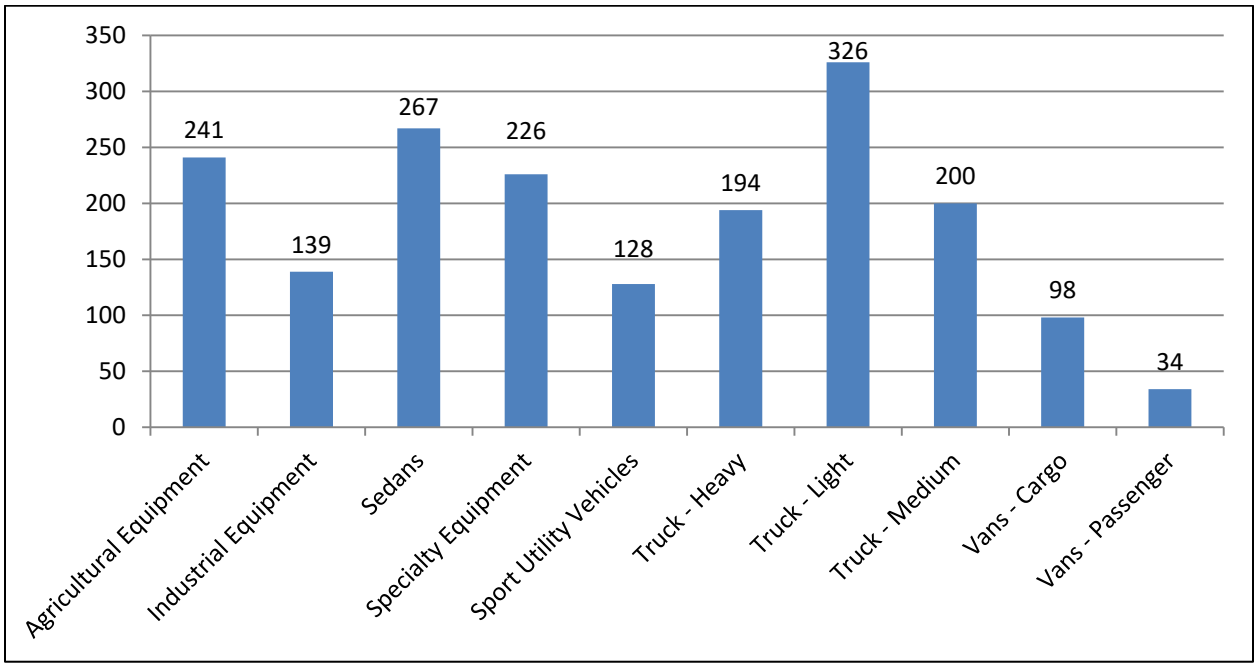
Light includes:
Light Duty Trucks,
Vans (Cargo and Passenger),
Sedans and SUVs with GVW < 4500 kg

Medium includes:
Medium Duty Trucks (and some Vans and SUVs) with GVW between 4500 kg and 9000 kg)

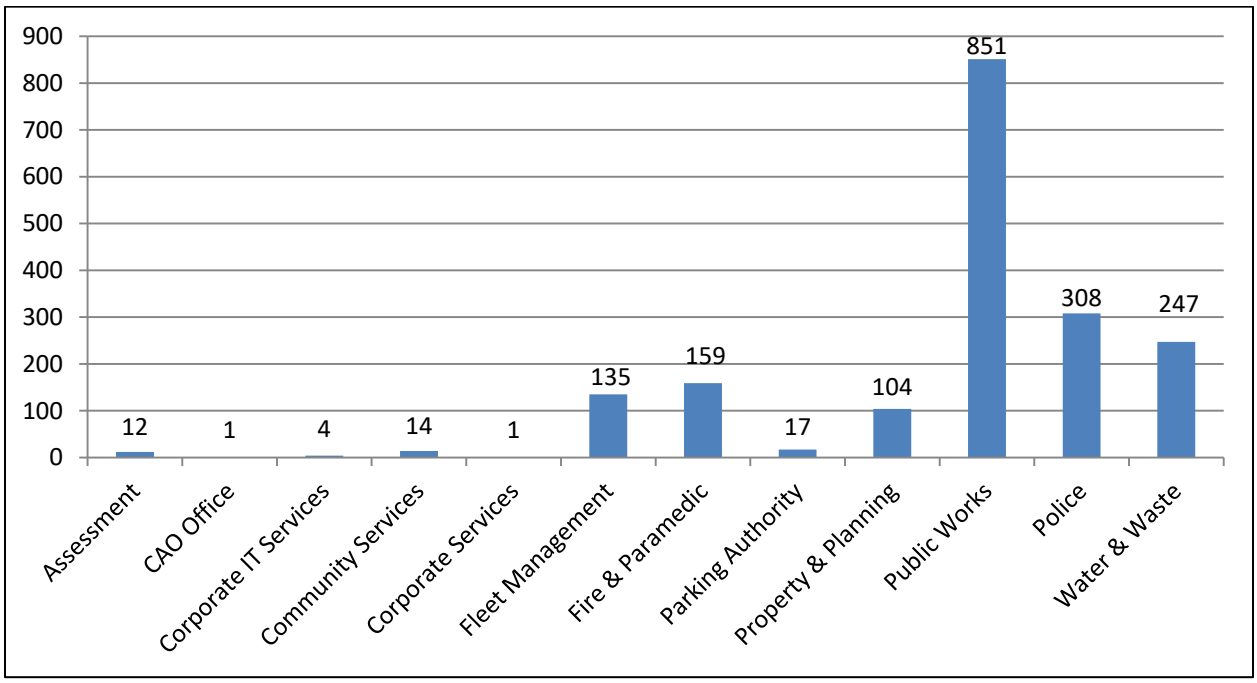
Heavy includes:
Heavy Duty Trucks with GVW greater than 9000 kg

Specialty includes:
Specialty Equipment,
Agricultural Tractors, and
Industrial Machinery

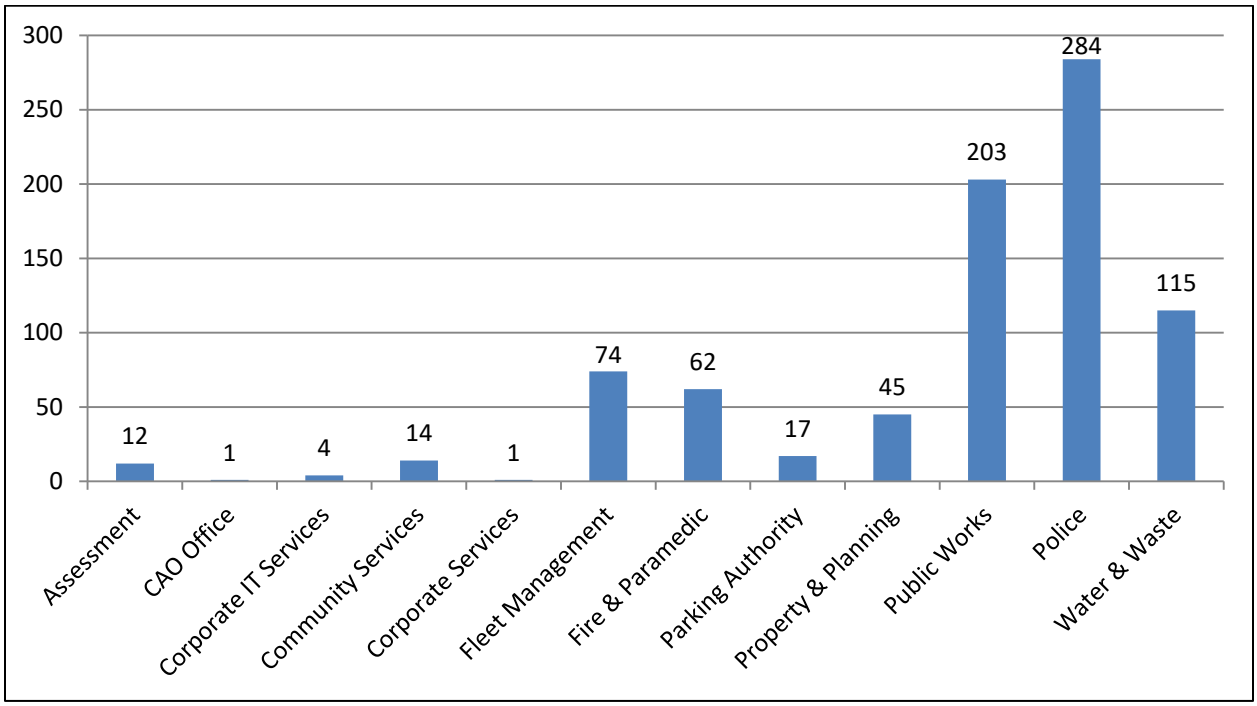
Fleet Units by Classification (chassis only) (Total: 1853)



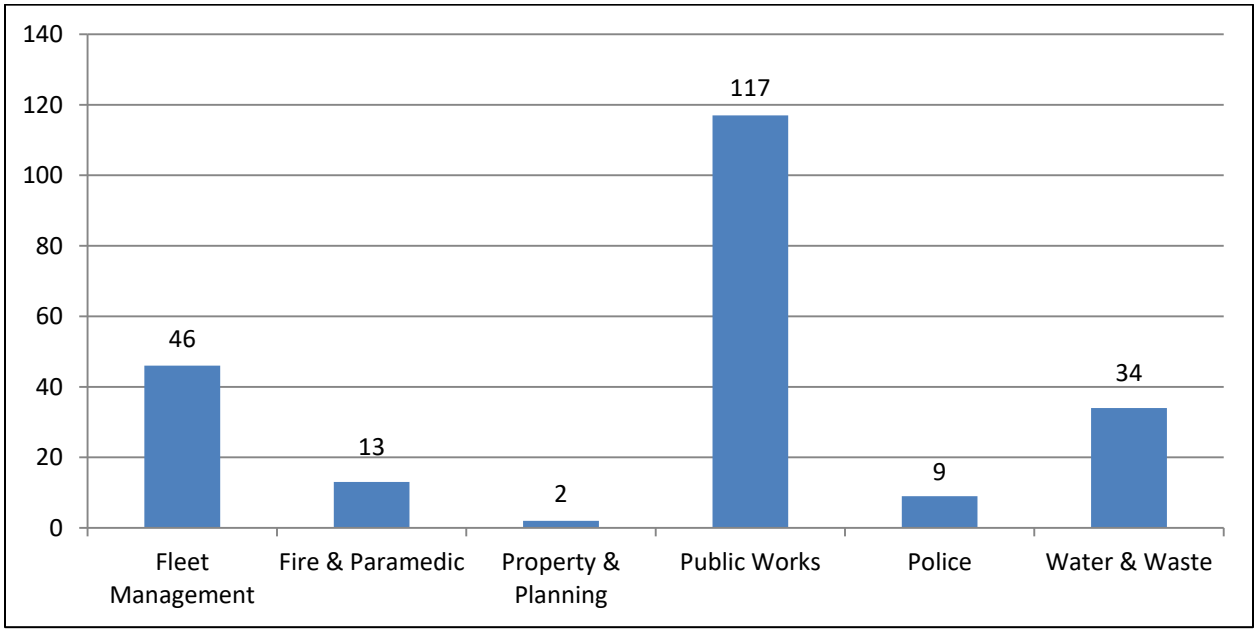
Fleet Units Assigned to City Departments (chassis only) (Total: 1853)



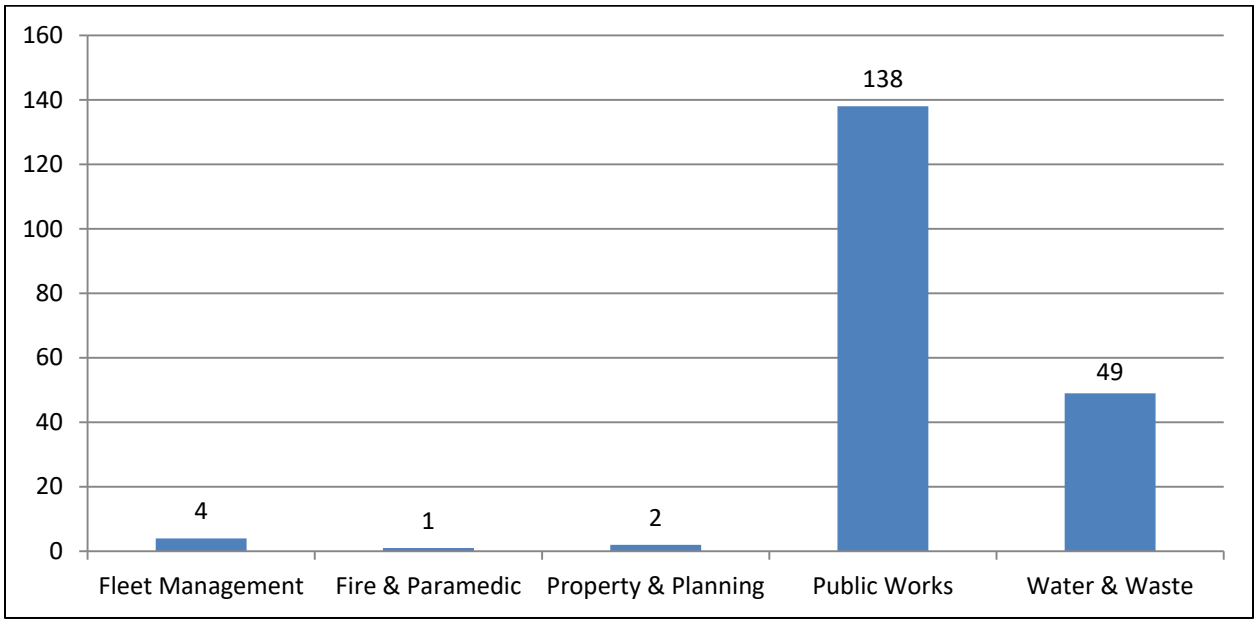
Light Vehicle Units Assigned to City Departments (Total: 832)



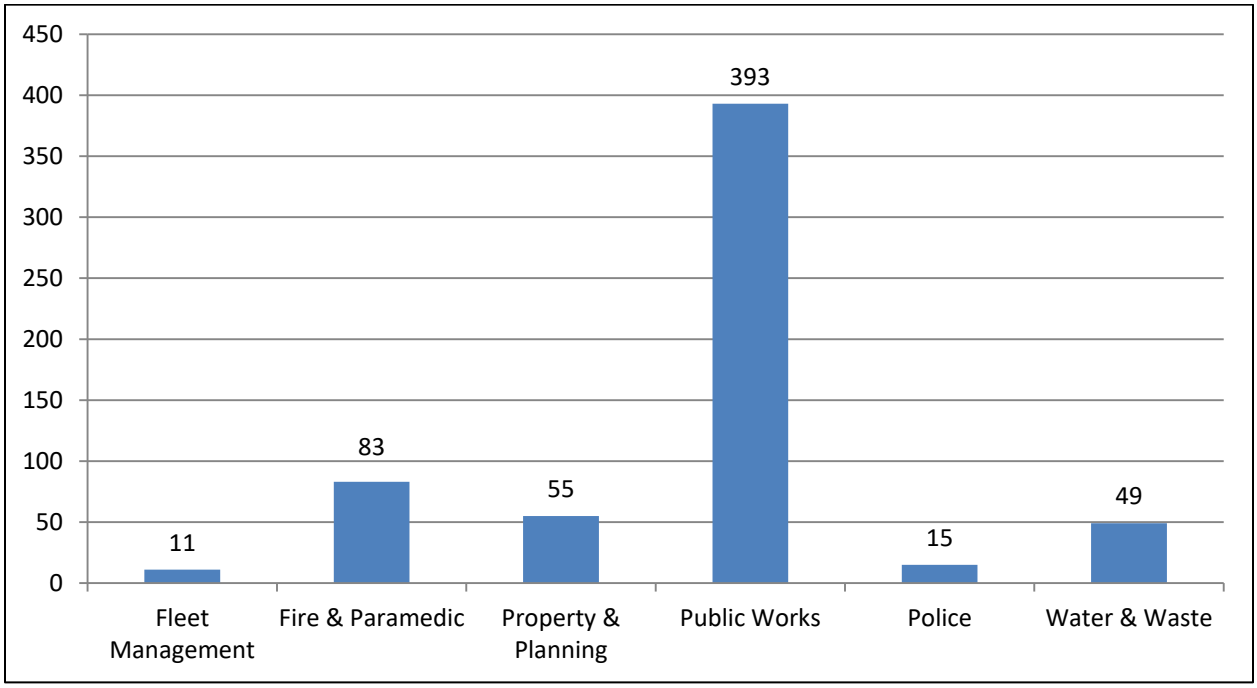
Medium Vehicle Units Assigned to City Departments (Total: 221)



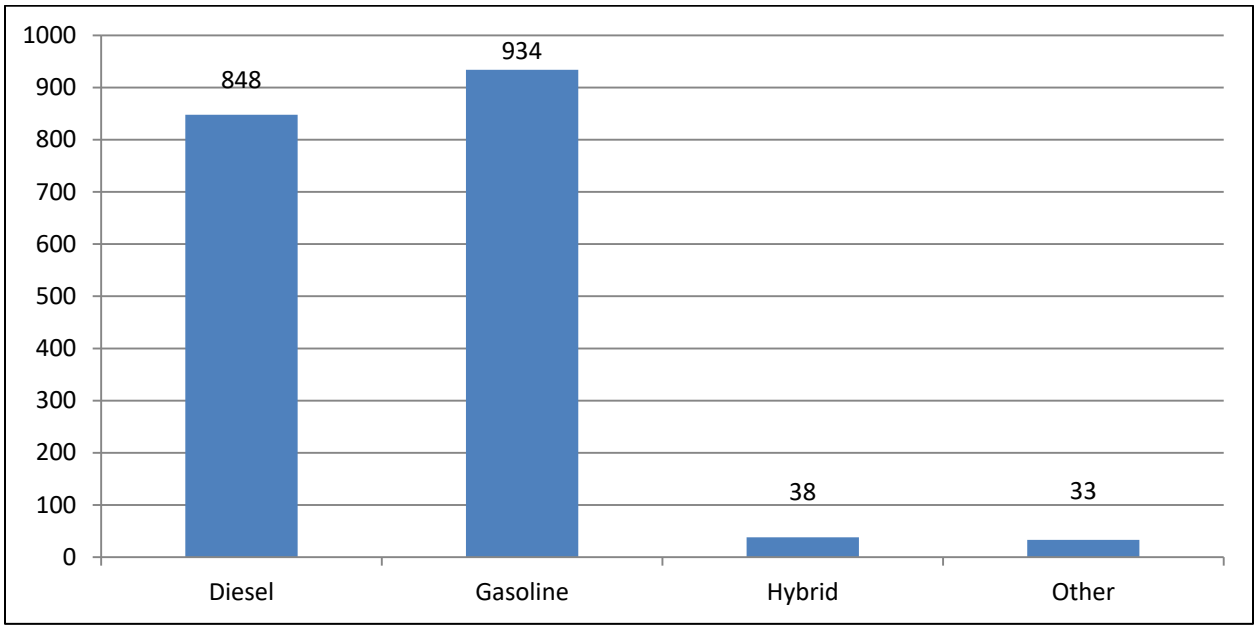
Heavy Vehicle Units Assigned to City Departments (Total: 194)



Specialty Equipment Units Assigned to City Departments (Total: 606)



Fleet Units by Engine Type (Total: 1853)



Notes:

Other includes:
Electric Mobile Specialty Equipment (Scissor Lift, Forklifts), and
Propane Specialty Equipment (Forklifts, Zambonis).

APPENDIX A-1

2020 to 2023 Projected Financial Statements and Notes

APPENDIX A-2

2018 Auditors' Report and Financial Statements

APPENDIX A-3

2019 Operational Review of Winnipeg Fleet Management Agency