Appendix B - Full Costing Comparison - Car Model

Assumption: Cars delivered October 2024; implementation in December 2024

		Annualized Amount				
		2025 $'s	2026 $'s	2027 $'s	2028 $'s	NOTES
Operating Costs						
Initial Set Up Costs - Amortized over 5 years	$ 931,982	$ 186,396	$ 186,396	$ 186,396	$ 186,396	1
Salaries and Benefits		4,060,221	4,389,157	4,789,453	4,967,817	2
Fleet		334,075	351,891	370,349	380,936	3
Other Operating		140,826	143,643	149,017	151,998	4
Total Operating Cost		**$ 4,721,518**	**$ 5,071,087**	**$ 5,495,215**	**$ 5,687,147**	
Capital Costs	Investment Amt					
Car Purchase	$ 2,400,000	480,000	480,000	480,000	480,000	5
Car Storage Space	$ 3,250,000	-	108,333	108,333	108,333	6
Total Annual Capital Amortization		**$ 480,000**	**$ 588,333**	**$ 588,333**	**$ 588,333**	
Interest on Long Term Debt - Cars						
Interest on Long Term Debt - Car Storage/Fueling		107,250	162,500	162,500	162,500	
Total Financing Cost (Interest)		**$ 107,250**	**$ 162,500**	**$ 162,500**	**$ 162,500**	7
Full Annualized Cost		**$ 5,308,768**	**$ 5,821,921**	**$ 6,246,049**	**$ 6,437,980**	
Savings - Comparable Car Contractor Costs		**$ (2,051,165)**	**$ (2,159,987)**	**$ (2,337,364)**	**$ (2,572,220)**	8
Net Additional Cost of Providing Service In-House		**$ 3,257,604**	**$ 3,661,934**	**$ 3,908,685**	**$ 3,865,760**	
				3 year average	$ 3,812,126	

NOTES

1 One time set up costs include initial training for operators, uniform costs for operations and plant/equipment staff, system requirements, other required parts and equipment as well as temporary staff (3.0 FTEs) to manage initial recruitment and training efforts.

2 Salary and benefits reflect the cost of an additional 55.3 permanent FTEs. The costing reflects the terms of the current collective agreement and subsequent inflation at 2% per year. However the terms of future collective agreements may include wage concessions at different rates.

3 Fleet costs include fuel (unleaded), annual maintenance, car servicing and insurance costs. Fuel reflects an estimated rate of $1.72/L including carbon tax for gasoline in 2025, $1.83/L in 2026 and increased by inflation thereafter. Fuel budgets are updated annually to reflect market conditions as part of the annual budget process.

4 Other operating costs include the ongoing annual training, uniform and software licensing costs.

5 Car purchase costs and estimated useful life were provided by City of Winnipeg Fleet Management Agency. Cost reflects a fleet of twenty (20) cars with an estimated useful life of 5 years.

6 Cost estimates to provide garage space and additional fuel tank for the new fleet assume square footage would be added to the construction footprint for the planned new garage. Building costs are amortized over 30 years.

7 Financing costs reflect the interest expense on the external financing needed to fund the garage and vehicle storage requirements. The purchase of the vehicles would be funded through the Canada Community-Building Fund.

8 Contractor costs reflect savings based on the average annual cost for service hours provided by cars. The operation currently uses a combination of vehicle types. As such this amount does not reflect the current budget for this service but rather an estimate of what the contractor price would be for the comparable in-house service. Estimated budget savings based on the actual individual contracts that would be replaced are reflected on Appendix D. Assumptions reflect contractor costs on new bid opportunities at rates exceeding typical inflationary level.