

REPORT FROM THE ACTING DIRECTOR OF PUBLIC WORKS

Re: Capital Leasing for Light Duty Fleet

RECOMMENDATION

That the report from the Acting Director of Public Works be received;

AND THAT staff be directed to work with Enterprise Fleet Management Inc. to determine a fleet management and capital leasing solution for the City's light duty fleet;

AND THAT staff return to Council with a Light Duty Fleet Capital Leasing Plan for consideration before the 2024 budget approval;

BACKGROUND

Staff has been looking at municipal operations with the intention reducing costs. The currently approved 2023 capital budget identifies that there will likely be significant strain on the City's fleet reserve in the coming years, particularly considering planned equipment replacement.

ANALYSIS

Staff has invited Matthew Enright from Enterprise Fleet Management Inc. provide the Public Services Committee with a presentation detailing a program that seeks to his realize, overall cost savings with fleet procurement.

The program involves leasing light duty vehicles for use in City operations. Currently, the City purchases vehicles via tender process and disposes of them when Staff deems it appropriate to do so.

This program differs in that it would provide access to Enterprises' significant buying power and enhanced ability to monitor the used vehicle market to dispose of fleet vehicles at the optimal time. This would allow the City to minimize both ongoing maintenance and vehicle depreciation expenses.

Enterprise Fleet Management Inc. is recognized as a successful respondent to competitive processes undertaken by the Canoe group buying program, of which the city is a member. As such, accessing this program, directly with this vendor would be in compliance with municipal procurement requirements.

Staff expects this change to impact fleet maintenance operations within Public Works. Due to the critical nature of this operational centre, the intent is to shift the focus of maintenance activities to heavy equipment, light equipment and transit fleet maintenance duties rather than scaling back personnel.

FINANCIAL IMPACT

A preliminary analysis provided by enterprise based on staffs provided data indicates that there would be the ability to realize savings of approximately \$75,000 per year over a ten-year period by moving to this sort of program.

If the City was to move forward with this sort of initiative, a more comprehensive analysis of the City's fleet needs would be undertaken in order to maximize its impact. Therefore, more analysis is required to determine the specific financial impact of this sort of activity.

LINKS TO THE STRATEGIC PLAN

This project directly relates to the following key section of the strategic plan:

Strong municipal corporate administration and governance

Strong financial foundation for the municipality

SUMMARY

Staff seeks the public services committee's direction to develop a more comprehensive fleet management and capital leasing plan for the cities light duty vehicle fleet. Staff also proposes that this comprehensive plan be presented to Council for consideration.