

## CORPORATE POLICY



Policy Title: **Corporate Fleet Management Policy**  
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Author: Tracie Bell, Director Fleet and Procurement  
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Reserves and Reserve Funds Policy  
Fleet Financial Procedures  
Fleet Management and Maintenance  
Standard Operating Procedures

Key Word(s): Fleet Management; Preventative Maintenance

### 1. POLICY STATEMENT

The Corporation of the City of Waterloo (“City”) is committed to ensure that it undertakes its Fleet Management activities in a safe, reliable, environmentally sustainable and financially responsible manner. All employees operating or working with City Fleet Assets have a level of responsibility to ensure that the City continues to meet this commitment.

### 2. PURPOSE

This policy outlines the standards and practices for the key management activities relating to City Fleet Assets. This policy is also to ensure that the corporation, management, supervisors and employees understand their roles and responsibilities relating to the use and administration of City Fleet Assets.

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### 3. DEFINITIONS

**“Asset Custodians”** are the divisions and individuals who have the custody of and are responsible for the safe and proper operation and care of City Fleet Assets.

**“City Fleet Assets”** includes all vehicles and equipment in the City currently excluding, Fire Rescue Services vehicles, Building Standards vehicles and Community Programming vehicles.

**“Designated City Vehicle”** a vehicle that meets the necessary criteria and is assigned to a single position and not shared.

**“Expansion”** the purchase of new assets to accommodate a new or revised service level, a technological advancement, or to accommodate growth within the City of Waterloo.

**“Fleet Equipment Reserve”** is a source of funding for the replacement of City Fleet Assets.

**“Operational Damage”** means failures or damage resulting from misuse of a City Fleet Asset. Misuse is the improper use of or maintenance of equipment and includes, but is not limited to:

- failure to properly inspect equipment prior to use;
- failure to regularly wash and/or clean equipment resulting in excessive corrosion, paint, or other damage;
- leaving trucks loaded with sand and/or salt and resulting damage to truck suspension, box/sander, etc. components;
- overloading vehicles;
- continued operation of equipment with known pre-existing condition where further damage to the equipment is likely;
- failure to observe and react to symptoms of normal wear or breakdown that could result in further damage;
- use of equipment for purposes other than those for which the equipment was designed;
- operation of equipment in a manner that results in an incident, failure, other damage.

**“Operator”** A City employee holding the necessary license required to drive and operate City Fleet Assets. Only employees of the City are authorized to drive City Fleet Assets. Volunteers of the City are not permitted to drive City Fleet Assets unless prior written approval is obtained from the Commissioner of the Asset Custodian.

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“**Preventative Maintenance**” consists of scheduled servicing, inspections, and repairs to prevent potential problems and maximize vehicle and equipment availability. It is used to proactively avoid or reduce breakdowns and is based on time, mileage, engine hours, or amount of fuel used.

“**Re-Use**” are vehicles and equipment that have been replaced and declared surplus but that are retained by Asset Custodians for lighter application or occasional usage.

“**Unscheduled Maintenance**” is the correction of deficiencies that occur between scheduled services to maintain fleet in a safe, operable condition.

#### 4. SCOPE

This policy applies to all employees of the City of Waterloo operating or involved in the management and oversight of City Fleet Assets and their Operators. This policy does not apply to the vehicle allowance for the Mayor addressed through [Corporate Policy G-002 Member of Council Remuneration and Expense Policy](#).

#### 5. POLICY COMMUNICATION

The Policy will be posted on the City’s corporate intranet. Staff will be advised of the new Policy via distribution to the Operational Leadership Team and Corporate Management Team and Asset Custodians.

#### 6. OVERVIEW OF CITY FLEET ASSETS

##### 6.1. Ownership and Allotment of City Fleet Assets

The Corporation of the City of Waterloo owns all City Fleet Assets. While Asset Custodians retain operational oversight, the management of City Fleet Assets is a shared responsibility.

##### 6.1.1. Designated City Vehicles

City Fleet Assets are shared assets. An employee will only qualify for a Designated City Vehicle if the expected mileage attributed to work activities for the staff position, will exceed 7500 km per year **and** the position meets at least three (3) other criteria detailed below:

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1. Position is directly responsible for field staff day-to-day operations;
2. Position has requirements for “off road use” on a regular basis and to visit multiple work locations on a daily basis;
3. Position has the need to meet with members of the public at various locations during non-working hours throughout the year;
4. Position has a requirement to carry tools (e.g. pickaxe, snow fence, survey equipment) to job sites on a daily basis;
5. Position is expected to respond to emergency calls (e.g. snow clearing, spills, etc.) directly from home during non-working hours, when required;
6. There is a need for the employee to be recognized as a City employee;
7. Provision of a Designated City Vehicle is included in an employee’s terms of employment with the City.

#### 6.1.2. Personal Use of Designated City Vehicles

Employees in positions assigned Designated City Vehicles may use the vehicle to travel to and from home provided that:

1. The employee lives within the borders of the Regional Municipality of Waterloo;
2. The vehicle remains at the City when the employee is on vacation or on compressed work weekdays. The exception to this are vehicles that are provided to employees as part of their terms of employment and where there is a written agreement that the employee has access to the vehicle 365 days per year.
3. No personal use of the City vehicle, other than to and from work, will occur unless a written exemption exists from the Director of the Fleet Custodian division.

#### 6.1.3. Personal Use of City Vehicles for Field Operators on Stand-by

Field operators who are on standby are eligible to take a City vehicle home, upon approval from their supervisor and if a vehicle is available, during their standby coverage shift.

No personal use of the City vehicle, other than to and from work is permitted.

#### 6.1.4. Taxable Benefit

Since any personal use of an employee provided vehicle is considered to be a taxable benefit, all kilometer costs for “to and from home” must be claimed as a taxable benefit in accordance with Revenue Canada guidelines.

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Employees in positions assigned Designated City Vehicles that use their vehicle to travel to and from home provided must annually submit a records of their personal use kilometers to Finance as set out in the City's Vehicle Taxable Benefit Procedure.

Directors are responsible for annually providing Revenue and Payroll with a list of employees within their Division assigned a Designated City Vehicle.

## **7. OPERATION OF CITY FLEET ASSETS**

### **7.1. Asset Custodians**

Each City Fleet Asset will have an assigned Asset Custodian. Asset Custodians are responsible for ensuring that:

1. City Fleet Assets are operated in a safe and responsible manner in accordance with all applicable laws, regulations and City policies and procedures;
2. City Fleet Assets are maintained and that they project a professional image;
3. Operators have a current and valid license as required for the City Fleet Asset being operated. Student drivers must have a full G License to operate a City Fleet Asset. G1 and G2 licenses are not acceptable for City Fleet Assets that will be operated on a public roadway;
4. Operators of City Fleet Assets are properly trained and instructed to use equipment in a safe and professional manner;
5. Steps are taken to minimize the Operational Damage to City Fleet Assets and to investigate and implement any required corrective action measures;
6. Preventative Maintenance, inspections and repairs are coordinated with the Fleet Supervisor; and
7. City Fleet Assets are made available for Preventative Maintenance when scheduled, or that alternate arrangements are made.

### **7.2. Fleet Operators**

Operators of City Fleet Assets are responsible for:

1. Complying with all applicable laws, regulations and City policies and procedures relating to City Fleet Assets;
2. Exhibiting professional behaviour at all times when using a City Fleet Asset;
3. Ensuring that all required documents (ownership, insurance, fuel cards, etc.) is available in the vehicle;
4. Ensuring that vehicle keys are kept in a safe and secure location

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- when not in use;
5. Properly maintaining City Fleet Assets, including but not limited to:
    - a. maintaining a clean vehicle exterior;
    - b. maintaining a clean interior of the cab, free of debris;
    - c. clearing the vehicle (roof, windshield, side windows and rear window) of snow and ice before driving;
  6. Providing accurate odometer readings when fueling;
  7. All parking fines and other traffic infringements attributed to them;
  8. Knowing how to operate City Fleet Assets in a safe and prudent manner;
  9. Operating City Fleet Assets in a manner that will optimize vehicle and equipment performance and reduce GHG emissions;
  10. Performing daily circle checks and keeping accurate time logs;
  11. Reporting known defects and other needed repairs to the Fleet Custodian and Fleet Supervisor; and
  12. Not allowing an unauthorized individual to operate a City Fleet Asset.

## **8. REPLACEMENT AND EXPANSION OF CITY FLEET ASSETS**

Fleet and Procurement is responsible for managing the acquisition process and reviewing the eligibility for the replacement and growth related expansion of City Fleet Assets. Expansion not related to growth is a separate process detailed in section 8.2 below. Asset Custodians should not purchase any City Fleet Asset without coordinating the purchase through Fleet and Procurement.

The replacement and Expansion of City Fleet Assets is subject to the City's Procurement By-Law.

### **8.1. Replacement of Existing City Fleet Assets**

City Fleet Assets are identified for replacement according to useful life replacement guidelines that take into consideration age, mileage, and repair and maintenance data.

As outlined in the Reserves and Reserve Funds Policy, the Fleet Equipment Reserve provides a source of funding for the replacement of vehicles and equipment using revenue generated through the application of an annual capital cost recovery charge per unit, as set out in the Fleet Financial Procedures document.

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## 8.2. Expansion of City Fleet Assets

A request made to Fleet and Procurement for any vehicles or equipment that would increase the current size of the City's fleet must be accompanied by a Fleet Justification Form outlining details of the equipment required and the funding source.

A "net new" vehicle or piece of equipment required due to city growth may be eligible for Development Charge (DC) funding.

When a "net new" vehicle or piece of equipment is requested that is **not** eligible for DC funding, the requesting division will need to budget the purchase through its capital budget process. An operating budget request (submitted during the budget process) will also be necessary if the division's operating budget cannot support the additional expense for ongoing costs required to maintain and repair the expansion unit, including annual cost recovery payments.

## 9. RETIRING AND DISPOSING OF CITY FLEET ASSETS

Once a City Fleet Asset is replaced, the original asset is declared surplus. Asset Custodians are required to return the original asset to Fleet and Procurement so that it can be disposed in a manner that is the most financially beneficial to the City. The salvage value received through the disposal is applied to the Fleet Equipment Reserve.

## 10. CONTINUED USE OF RETIRED CITY FLEET ASSETS

Should a Fleet Custodian wish to continue using a retired City Fleet Asset ("Reuse"), a request must be submitted to Fleet and Procurement outlining the rationale for retaining the surplus asset, and the length of time the surplus asset is required.

Reuse assets should represent no more than ten (10%) of the total number of City Fleet Assets by asset class. Reuse assets are available to fill seasonal gaps, for special projects or for equipment pool needs such as a backup unit, and the reduced usage of such Reuse assets must support reduced Preventative Maintenance needs.

Fleet and Procurement will determine the feasibility of any request for a Reuse asset based on existing percentage of Reuse assets within the City Fleet Asset compliment, mechanical history, downtime history and current asset condition.

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The Fleet Custodian is responsible for all costs associated with retaining and maintaining the asset. If Fleet and Procurement identify major repairs needed to maintain the equipment or any safety concerns, the Reuse asset will be put out of service.

Reuse assets must be returned on the agreed upon date. Reuse assets not returned as scheduled will be tracked by Fleet and Procurement and reported to the Corporate Management Team who will make the final determination on how to proceed.

### **GREEN FLEET INITIATIVES**

Staff are required to actively participate in green fleet initiatives, focusing on:

1. Lowering harmful emissions;
2. Optimizing efficiencies (e.g. fuel, route planning, driver behaviour, best practices, vehicle size etc.);
3. Incorporating new technologies, fuels and best management practices; and
4. Reporting on progress where data is available.

Asset Custodians and Operators are required actively support strategies that will lead to optimized performance and environmental benefits, including but not limited to:

1. The development of green fleet action plans;
2. Training operators and managers on fuel efficient driving and management techniques;
3. Implementing idling reduction strategies and technologies;
4. Purchasing fuel efficient vehicles where technically, operationally and financially feasible;
5. Undertaking fleet right sizing reviews;
6. Maintaining and reporting accurate and reliable fuel consumption data;
7. Optimizing vehicle and equipment performance through operating and maintenance practices;
8. Evaluating and using alternative fuels;
9. Optimizing vehicle routes planning; and
10. Maximizing equipment utilization.

### **MOTOR VEHICLE INSPECTION STATION (MVIS)**

Fleet and Procurement is responsible for maintaining valid licenses and records to enable the City to conduct mandatory vehicle safety and structural inspections and

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issue annual inspection certificates and stickers certifying that City Fleet Assets meet minimum safety requirements as directed by the Ministry of Transportation.

### **Preventative Maintenance**

Licensed fleet technicians will carry out Preventative Maintenance at predetermined intervals or according to prescribed criteria, aimed at reducing the failure risk or performance degradation of the equipment.

Asset Custodians must make every effort to ensure that a City Fleet Asset is available on the date it is scheduled for PM or inspection or arrange for a rescheduled date/time. The Fleet Supervisor will report any failure to make units available for PM or inspection on the scheduled date to the Fleet Custodian on the day following the “no show”.

### **Unscheduled Maintenance**

Asset Custodians should report defects immediately to Fleet to determine whether limited operation is feasible, whether the equipment can be repaired on the spot or whether it must be taken out of service to prevent further damage or cause safety hazards.

Fleet technicians will normally limit unscheduled maintenance to correcting specific items reported as deficient by the Fleet Custodian and confirmed by a fleet technician's diagnosis. However, Fleet will correct other deficiencies observed at the time of unscheduled maintenance, particularly those affecting safety. If an asset is brought in for unscheduled maintenance and is approaching a scheduled PM service, Fleet will perform this PM service along with the unscheduled maintenance.

### **Warranty and Outsourced work**

All City Fleet Asset repairs will be coordinated and completed by Fleet staff except for equipment that is under warranty or for hybrid vehicles if they require servicing through the dealership due to their unique components.

Services such as oil changes, tire changes and emissions testing may be outsourced by Fleet if more cost effective.

Other outsourced work is permitted at the discretion of the Fleet Supervisor when specialized repair equipment is needed, if it is more cost effective or if Fleet staff cannot accommodate due to workload demands.

Outsourced repairs and services will be coordinated by Fleet staff.

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### **Manufacturer Recalls**

Manufacturer recall notices will be forwarded by Fleet staff to the appropriate Asset Custodian. Asset Custodians are responsible for accomplishing recall work.

Once recall work is completed, Asset Custodians are required to deliver all paperwork to the Fleet Supervisor for filing in the vehicle history record.

### **FUEL MANAGEMENT:**

Fleet is responsible for monitoring and maintenance at City owned fuel sites through contracted vendors who specialize in fuel station management and TSSA compliance.

### **COMPLIANCE**

In cases of policy violation, the City may investigate and determine appropriate corrective action.