



CITY OF VANCOUVER

A12

ADMINISTRATIVE REPORT

Report Date: September 11, 2006
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Meeting Date: September 26, 2006

TO: Vancouver City Council

FROM: Police Chief, Vancouver Police Department
General Manager, Engineering Services

SUBJECT: Vancouver Police Department Fleet Review Update

RECOMMENDATION

- A. THAT, Council receives as information the joint Equipment Services Branch (EQS) and Vancouver Police Department (VPD) update on the justification of vehicle type, usage and fleet size for the VPD fleet.
- B. THAT, Equipment Services Branch and Vancouver Police Department staff update Council on the VPD fleet size following the upcoming joint City and VPD Operational Review.
- C. THAT, Council approve the reinstatement of twenty-seven (27) mid-size vehicles, deferred by Council on March 11, 2004, and staff be given authorization to replace the vehicles at a cost of approximately \$810,000 from the Truck and Equipment Plant Account;

FURTHER THAT, subject to Budget Review, \$97,500 be added to the VPD, without offset, to repay the capital and operating costs of these vehicles.

- D. THAT, Council instruct staff to report back on VPD vehicles listed in this report that are pending review, no later than March 2007. The report back is to include an assessment of the operational requirements of the vehicles and recommendations for additions to the fleet as well as agreements on any outstanding processes.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services and the Chief Constable support these recommendations. This report fulfils the recommendations of the 2004 Joint Fleet Review.

The Chief Constable acknowledges that further updates to Council will flow from the upcoming joint City and VPD Operational Review and that the VPD will report back to Council on pending matters no later than March 2007. The Chief Constable acknowledges the constructive and cooperative relationship that has evolved between the VPD and Equipment Service Branch since the 2004 Fleet Review.

CITY MANAGER'S COMMENTS

The City Manager is encouraged by the report as it is developing a long term strategy for a sustainable Police Fleet. There is identified concern in the report about the potential expenditures for 2006 as there is no budget for the unauthorized acquisition, donations and some leases. The Police are working to mitigate this impact in 2006.

The City Manager recommends approval of Recommendations A, B, C and D.

COUNCIL POLICY

Council approves expenditures from Reserves, including the Truck and Equipment Plant Account.

Council approves all increases in service levels, including the addition of vehicles and equipment to the fleet.

PURPOSE

The purpose of this report is to fulfil the Council requirement from the March 2004 Joint Police Fleet Review Report for an update on the following:

- Implementation of the fifty-seven (57) Fleet Review recommendations.
- Justification of the fleet size, vehicle type and usage.

As part of the justification of fleet size, this report seeks Council approval to reinstate and replace the twenty-seven (27) mid-size vehicles that were used to provide a budget offset for nineteen (19) additional full-size patrol vehicles in 2004.

This report will also document the status of the authorized vehicles and vehicles pending review in the VPD fleet and will propose processes that will assist in dealing with future VPD fleet issues.

BACKGROUND

In 2003 a Fleet Review was undertaken by the City in consultation with IBM Business Consulting Services. The primary objective of the study was to review the budgeting, acquisition, operation, maintenance and disposal of the Vancouver (VPD) fleet and to identify potential saving opportunities. The review included rationalizing the size of the VPD fleet as a means of meeting operational needs.

The results from the 2003 Fleet Review were submitted to Council. Council made four (4) recommendations that are listed below. The Table referred to in the recommendations is available for reference as part of the original report in Appendix A.

The recommendations were as follows:

- A. THAT sustainable Replacement Programs be established for the existing Police fleet, patterned after the Replacement Programs used for the City of Vancouver and Park Board fleets at an additional cost of \$314,000 in 2004 (projected in Table 4 for subsequent years), subject to Budget Review, with funding to be added to the Police Operating Budget and with capital purchases funded from the Plant Account.
- B. THAT 19 Crown Victoria Marked Police Vehicles be added to the Police fleet to address the existing marked vehicle shortage at an additional cost of \$320,000 in 2004 (as projected in Table 4 for subsequent years), subject to Budget Review, for capital, operating and maintenance and with funding to be added to the Police Operating Budget.
- C. THAT Council requests the Vancouver Police Board and the General Manager of Engineering Services to provide a status report on the implementation of recommendations in the Joint Police Fleet Review in January 2005.
- D. THAT the 27 unmarked mid-sized low mileage cars not be replaced to provide a budget offset for the increase of 19 marked vehicles in 2005 and beyond. Further, that the Vancouver Police Board be requested to provide budget justification for fleet size, vehicle type and usage prior to submission of the 2005 Budget request.

Recommendations A and B were approved and implemented in 2004. Recommendations C and D will be addressed in this report.

As a result of Recommendation A, the VPD fleet is now funded from the Truck and Equipment Plant Account and administered by the Equipment Services Branch (EQS) in Engineering Services. The Truck and Equipment Plant Account provides a funding mechanism that allows adequate capital funding of the VPD fleet through Corporate Budget Services approved Vehicle and Equipment Replacement Programs.

The Replacement Programs were produced based on the service lives of the different classes of vehicles and equipment in the VPD fleet. Marked patrol vehicles and motorcycles now have a five (5) year service life, unmarked patrol vehicles now have a six (6) year service life and most other vehicles in the VPD fleet now have an eight (8) year service life. Due to special operational requirements, covert vehicles are replaced after a three (3) year service

life. The service lives are determined by Equivalent Annual Cost (EAC) techniques that were verified to be correct in the 2003 Fleet Review and are periodically reviewed.

Seed funding was incorporated into the base budget request in 2004 and will continue until 2009. The seed funding is used to supplement the Truck and Equipment Plant Account to ensure sufficient funding is available for the replacement of the VPD fleet. The seed funding collected to date is on target with original projections and as such no additional change in seed funding is required at this time.

A spreadsheet called the Master Schedule was also developed during the 2003 Fleet Review. The Master Schedule consists of Key Vehicle Ratios (KVR) that were developed to equate sworn members to vehicle requirements for each of the sections or squads within each division of the VPD. The KVR were used to reflect the nature of the work performed by the different operating areas and account for the various shift configurations of the members. Other demands on the fleet, such as unplanned special and long-term projects and task forces, were also taken into consideration. The Master Schedule was also designed to adjust the fleet size according to downtime due to fleet maintenance and repairs.

Since the KVR are detailed and vary among different sections and squads within each of the divisions within the VPD, a range of the KVR for the different applications are listed below. The 2003 Review resulted in an average KVR of approximately 2.5 members to 1 vehicle across the entire VPD fleet.

Table 1: 2003-2005 Key Vehicle Ratios

Sections	Use	Range of Key Vehicle Ratios (members to 1 vehicle)
Motorcycles	Traffic Enforcement	1
*Patrol	Marked & Unmarked Enforcement	2.4
**Surveillance	Covert Operations	1 - 1.5
Non-Patrol Units	Administration & Investigation	1- 5
Special Purpose	Specialized Equipment for Non-Patrol Use	1- 5

*The KVR calculation is based on member count, 15% absenteeism, 60% of vehicles requiring 2 officers as per union agreement and anticipated downtime.

**This section includes 14 authorized leases.

DISCUSSION

Since the move to the Truck and Equipment Plant Account for the funding of the VPD fleet there have been noticeable improvements in terms of the quality of police vehicles on the road in Vancouver and the general attitude towards the need for more transparent fleet management. Corporate Budget Services, EQS and the VPD have formed a good partnership to ensure everyone understands each other's needs, which include financial accountability, procedural requirements and well maintained modern vehicles.

The following sections of this report will provide a status update on the implementation of the fifty-seven (57) fleet review recommendations, justification of the fleet size, vehicle type and vehicle use. The report will also document new processes that will be used for donated and leased vehicles for the VPD.

FLEET REVIEW RECOMMENDATIONS

The 2003 Fleet Review presented fifty-seven (57) recommendations that were to be implemented by the VPD and EQS to address fleet management, vehicle maintenance and fleet funding issues with the VPD fleet. These recommendations can be found in Appendix B. Of these fifty-seven (57) recommendations, fifty-five (55) have been completed to date. The two (2) outstanding recommendations are listed below:

- VPD Planning and Research to justify Master Schedule demand for full size marked and unmarked vehicles for special projects originating both internal and external to the organization. Demand levels are to be established based on forecasted requirements or historical usage.
- VPD Fleet Supervisor to establish and track "daily" demand for all requests for vehicles by type from internal and external VPD parties to determine demand levels as an input into the Master Schedule to determine fleet size requirements.

The forecasting of internal and external demand will require a working group to be formed within the VPD. This work is anticipated to be complete and implemented by March 2007.

The demand for vehicles located at the 312 Main Street Station is currently being monitored through the use of a key tracking machine. The tracking of demand for the rest of the VPD fleet will be an ongoing task that will be managed by VPD Fleet Kiosk staff. This is a labour intensive task and automated options are being reviewed.

FLEET SIZE

With the inclusion of the twenty-seven (27) mid-size units that were deferred in 2004, the authorized fleet size based on the KVR from the Master Schedule is adequate. There are, however, existing units in the fleet pending review that will require an assessment of operational need and associated KVR before being presented to Council for approval.

Authorized Fleet

Changes to the VPD fleet are made via fleet addition Council Reports or through Vehicle and Equipment Replacement Programs as set out in the 2003 Fleet Review Process Flow Diagrams. The Process Flow Diagrams for replacements, additions, outfitting, decommissioning, and modifications can be found in Appendix C.

The authorized fleet count for 2005 was three hundred and ninety-three (393) units. Table 2 shows the composition of the VPD fleet in 2003 and 2005.

Table 2: Fleet Composition Summary

	2003	2005	Difference	% Change
No. of Members	1124	1174	50	4%
Authorized Fleet				
Covert Operations	20	21	1	5%
Special Purpose & Support	51	61	10	20%
Patrol	187	193	6	3%
Motorcycles	35	35	0	0%
Investigative & Administrative	67	69	2	3%
Authorized Leases	14	14	0	0%
Total Authorized Fleet	374	393	19	5%
Average Authorized KVR	3.0	3.0	0.0	0.0%
Unauthorized Fleet				
Mid-Size Vehicles (Deferred from 2003)	27	27	0	0%
Duplicate Units	4	4	0	0%
Authorized Acquisitions	1	1	0	0%
Donations	32	41	9	28%
Leases	20	17	-3	-15%
Total Vehicles Not Authorized	84	90	6	7%
Total Fleet Size	458	483	25	5%
Average Total KVR	2.5	2.4	-0.02	-1%

Note: Totals from 2003 & 2005 are year-end figures as recorded in the City Fleet Management System.

The 2003 Fleet Review, via the Master Schedule, rationalized three-hundred and forty-one (341) City owned vehicles and fourteen (14) leased vehicles as authorized units for the VPD. The leased vehicles are used for covert fleet operations. The 2003 Fleet Review also determined through the use of the KVR in the Master Schedule that the VPD fleet was undersized by nineteen (19) full-size patrol vehicles. As such, the nineteen (19) units were included as part of the patrol vehicle count for 2003 in the above table for a grand total of three-hundred and seventy-four (374) authorized vehicles.

The twenty-seven (27) mid-size units that were used for budget offset for the additional nineteen (19) full-size patrol units were removed from the authorized fleet list and added to the Pending Review fleet list. The Pending Review units listed in the above table are for comparative purposes and will be discussed in detail later in the report under Vehicles Pending Review. The net result of the review was that three-hundred and seventy-four (374) units were recommended to be funded fleet additions.

Since addition of the nineteen (19) full-size patrol units in 2004, an additional twelve (12) mid-size units and another seven (7) full-size patrol units were added in 2005 based on the Master Schedule to match approved staffing increases (RTS 4908). As shown in Table 2, the average KVR for the authorized fleet have remained constant at 3 members to 1 vehicle since the completion of the Review.

Supplemental fleet composition data from a previous Fleet Review in 1992 has been included with data from the 2003 Fleet Review along with data from this Update Report for information purposes. This supplemental data can be found in Appendix D.

The VPD is currently conducting an Operational Review. Potential changes to shift deployment patterns and organizational structure will require staff to revisit the Master Schedule. It is recommended that staff provide Council with an update on the impact of the proposed operational changes on the size of the fleet upon completion of the Operational Review.

Vehicles Pending Review

Midsize Fleet

When the 2003 Fleet Review was approved, Council recommended that twenty-seven (27) mid-size low mileage cars not be replaced subject to a review of their use. The decision not to replace these vehicles was based on data that showed that the vehicles had low mileage when compared to other fleet vehicles. Data was not available at that time to justify the frequency of use and therefore the vehicles were not replaced. The funding from the twenty-seven (27) vehicles was then used to offset the increase in nineteen (19) full-size patrol vehicles that were to be added to the patrol fleet. However, the Master Schedule and operational needs dictated that some mid-size vehicles were still required to perform investigative duties and therefore the vehicles could not be decommissioned.

In September 2005, VPD fleet staff started to track the frequency of use of the mid-size vehicles to determine operational need. The availability of vehicles on weekdays was recorded three (3) times a day over a six (6) month period. In an effort to increase overall fleet availability and to maximize vehicle use, vehicles dedicated to investigative VPD sections were gathered to form an investigator pool fleet. Ten (10) vehicles that were assigned to dedicated sections at the 312 Main Street Station were combined with the twenty-seven (27) mid-size vehicles. This resulted in a pool of thirty-seven (37) vehicles being shared by one hundred and twelve (112) investigators. Fleet staff continually reviewed vehicle usage of the pooled vehicles to ensure keys were being returned and vehicles were being made available for the pool. These reviews included physically checking to see that vehicles that were parked at the Station had keys returned to a Central Kiosk.

During this Vehicle Use Review, pool vehicle availability varied from a maximum of thirty-five (35) vehicles being available at the start and end of shifts to a minimum of no vehicles being available during peak vehicle demand. The shortage of vehicles during peak demand resulted in investigators and officers encountering delays in performing operational duties. The unique office and on-road investigative work environment makes it difficult to predict vehicle demand. This was evident during the review as on some days all of the vehicles were out on the road and on certain days there was an abundance of mid-size vehicles because investigators were performing office duties. This is typical of a fleet that supports office type functions.

A few of the twenty-seven (27) mid-size vehicles are now approaching ten (10) years old and many are past their economic life of eight (8) years and therefore require replacement. According to the KVR for the 312 Main Street Station, there should be two (2) investigators to one (1) vehicle. Since there are one hundred and twelve (112) investigators that are based

out of the 312 Main Street Station, the KVR suggest that there should be fifty-six (56) vehicles on location. Though the Station has a KVR deficit of nineteen (19) mid-size vehicles, the existing thirty-seven (37) vehicles are deemed sufficient when the vehicles are pooled and dedicated vehicles are made available for back-up purposes.

Though the type of tasks these vehicles are used for do not result in high mileage use compared to other VPD vehicle classes, data collected shows that the vehicles are being utilized on a daily basis and are essential. The mid-sized vehicles are used for the following:

- Transportation of detectives to serious crime scenes,
- Criminal investigations,
- Interviewing and transporting victims, and
- Transporting evidence collected by primary investigators.

Due to the ongoing need for investigators to have access to transport and based on the data that shows that the vehicles are being used, it is recommended that funds to purchase these vehicles be provided from the Truck and Equipment Plant Account and that there be an increase to the VPD Operating Budget for associated operating costs. Details on the financial implications of this recommendation are discussed later in this report.

Duplicate Units

The four (4) duplicate units listed in Table 2 were replaced with new vehicles sometime during the completion of the Fleet Review but the old vehicles were never retired and decommissioned. The four (4) non-decommissioned or "duplicate" vehicles however are currently being used by the VPD in permanent full-time use in special purpose capacities: two (2) vehicles for the Counter Attack Programs, one (1) vehicle for Crowd Control and one (1) vehicle for covert operations. Upon entering the Truck and Equipment Plant Account, a more concentrated effort was made to ensure vehicles that were replaced were retired upon replacement and as such no duplicate vehicles have been added to the fleet since. Council Reports listing the vehicle requirements, operational need and budget implications of the four (4) duplicate units will be presented to Council by March 2007 as a means of obtaining authorization for these vehicles.

Unauthorized Units

There is a HAZMAT truck that was purchased by the VPD during the completion of the Fleet Review. The truck was purchased prior to the Fleet Review and was not captured during the Fleet Review. A Council Report listing the operational requirement for this vehicle and the associated budget implications will also be presented to Council by March 2007.

Donations

There are currently forty-one (41) donated vehicles in the VPD fleet. The fleet has grown by nine (9) donated units since the 2003 Fleet Review. The VPD has acquired corporate sponsorship of vehicles as a means of reducing fleet costs for temporary programs or for programs with special vehicle requirements. Although the vehicles donated to the City by corporate sponsors significantly reduces the capital cost of the vehicles, there are however, operational costs such as insurance, fuel, outfitting and maintenance that are required to operate the vehicles. These costs are currently being absorbed by the VPD.

Additionally, the VPD faces challenges when the temporary donations need to be returned and vehicles are not available for the various programs. The programs that depend on the donated vehicles are left without a source of transport. For example, there were fifteen (15) donated vehicles that had been used by the School Liaison Officers (SLO) Programs since 2004 which were returned to the donator at the end of June 2006; though the SLO Program is still active. The specifics of the SLO vehicles will be addressed in an upcoming report.

In the future, all additions to the VPD fleet related to corporate partnerships will be presented to Council for authorization via Fleet Addition Reports. The reports will include the operational justification for the vehicle(s) and the financial implications of the vehicle(s) as regular fleet additions or donated additions.

Donations through a formalized Fleet Partnership Program will give vehicle manufacturers and dealers an opportunity to provide vehicles to the City and cover partial or full capital costs of the vehicles. The process will help reduce costs for the City and give vehicle manufacturers the benefit of contributing to the community and the opportunity for corporate marketing. The intent is that there would be no sponsorship advertising on the vehicles and the City will not be obligated to endorse donated products, but the sponsors could advertise independently that they are partners with the City of Vancouver.

If vehicle sponsorship that is financially beneficial to the City can not be obtained, the City would proceed with the purchase of City owned vehicles through regular competitive bidding processes.

Vehicle Addition Reports complete with operational justification(s) and financial implication(s) for the existing forty-one (41) donated vehicles will be presented to Council by March of 2007 and will be used to obtain Council authorization for all future donated vehicles additions.

Leases

The 2003 Fleet Review included thirty-one (31) leased vehicles that were used for covert operations. Fourteen (14) of these units were deemed permanent authorized leases belonging to the Criminal Investigation Section and as such were acknowledged during the Fleet Review. The remaining seventeen (17) units are unauthorized leased vehicles but are used in permanent Programs. There is a need to establish a formal process in which the VPD lease vehicles are procured and funded. Currently the VPD procures leases on an as needed basis but the Programs have the potential to become permanent in scope.

Appendix E contains a draft process flow chart for the acquisition of approved lease vehicles that will need to be reviewed, accepted and approved by VPD, EQS and Corporate Budget Services. This leasing process will be formalized by March of 2007 and vehicles requiring Council authorization as permanent additions to the fleet will be presented at that time.

ADDITIONAL FLEET INFORMATION

Fleet Usage

For the purpose of this report, VPD vehicles were grouped into compact and mid-size, van and truck, sedans, and full-size vehicle classes and annual average use was observed. The results are shown in Table 3. Non-enforcement or special vehicles such as boats and all terrain vehicles were not considered in this review due to the specialized application of the units.

Table 3: VPD Fleet Usage (2005)

Vehicle Class	Use	2005 Mileage (km)	Vehicle Life (Years)	Average Life Cycle Use (km)
Vans & Trucks	Special Purpose, Support	15,500	8	124,000
Sedans	Covert Operations	15,500	3	46,500
Compacts & Mid-size	Administration & Investigation	11,000	8	88,000
Full-Size	Patrol & Investigation	20,200	5 - 6	101,000 - 121,200

VPD truck and van usage exceeded comparable truck and van usage for other corporate fleet vehicles as shown in Table 4 and is considered acceptable.

The usage and service life of the sedans and full-size units is also deemed acceptable due on the emergency response and severe workload of the vehicles.

Compact and mid-size vehicle usage was approximately 11% lower than similar corporate fleet vehicles but found to be acceptable due to the specialized and unpredictable nature of work being performed, the extended service life of the vehicles and emergency response workload of the vehicles.

Table 4: Municipal Vehicle Usage (2005)

Vehicle Class	Municipal Fleet	
	City Mileage (km)	End of Life Mileage (km)*
Compacts & Mid-size	14,500	116,000
Van & Truck	12,400	99,200

*based on an eight (8) year life and vehicles in the Engineering Services and Park Board fleet.

Vehicle Type

Vans and Trucks for the VPD are purchased through competitive bidding processes or through existing City contracts. Specifications for the trucks and vans are based on payload, interior ergonomics and power requirements and as such there is a variety of different makes and models within this class of vehicles. EQS works with VPD to ensure the appropriate vehicles are chosen for each type of use.

Sedans for covert operations are purchased or leased through competitive bidding processes. Due to the nature of work, there is a requirement for a wide array of different makes, models and ages of sedans for the covert VPD fleet. EQS works with VPD to ensure the appropriate vehicles are chosen for each type of use.

The current full-size marked and unmarked patrol fleet is comprised entirely of V8 Ford Crown Victoria's. The Crown Victoria has proven to be safe, reliable and operationally advantageous over other makes and models of available police vehicles. Other makes and models of police vehicles suitable for enforcement use offer inferior ergonomics for occupants, less room for mounting interior equipment and poor visibility for drivers. Additionally, the standardized Crown Victoria patrol fleet saves the City on inventory costs and technician training, while ensuring drivers have a common vehicle type. The cost of a Crown Victoria is comparable to the competition. This vehicle class is reviewed continuously by VPD and EQS to ensure best value for the City.

The existing mid-size fleet is comprised primarily of V6 Ford Taurus's. Since the 2003 Fleet Review, efforts have been made to right-size the entire VPD fleet. Vehicles in this class will be replaced with suitable smaller, more economical and environmentally friendlier vehicles. The Ford Fusion is smaller than a Taurus, has a smaller more fuel efficient 4-cylinder engine and is less expensive to purchase without compromising safety, ergonomics or performance. By right-sizing a Fusion for a Taurus, an anticipated savings of \$4,300 per vehicle can be realized over an eight (8) year life.

Further, non-operational areas such as VPD Information Technology and Recruiting have been right-sized from mid-size vehicles to compact vehicles. This has resulted in additional savings. A compact Ford Focus is estimated to cost \$19,600 per vehicle less than the existing Taurus's and \$15,400 less than a Ford Fusion over the life of the vehicle. Table 6 compares the costs of a Focus, Fusion and Taurus over an eight (8) year life and Table 6 compares the environmental impact.

Table 6: Mid-Size/Compact Fleet Cost Comparisons

Class	Model	*Capital Cost	Annual Cap Cost	Annual Mtce Cost	**Annual Fuel Cost	Annual Insurance Cost	Total Annual Cost	Life Cycle Costs
Compact	Focus	\$25,000	\$3,987	\$1,241	\$1,095	\$1,200	\$6,323	\$50,584
Mid-Size	Fusion	\$30,000	\$4,386	\$1,470	\$1,186	\$1,200	\$8,242	\$65,936
Mid-Size	Taurus	\$32,000	\$4,679	\$1,470	\$1,423	\$1,200	\$8,772	\$70,176

NOTE: Data based on available 2006 figures.

*Net applicable taxes

**Based on 2005 fuel consumption data with the cost of fuel at \$1.10/L.

Table 7: Mid-Size/Compact Fleet Environmental Impact Comparison

	Engine	*Fuel Consumption (L/100 km)	**Annual GHG's (tons)	Life Cycle GHG's (tons)
Focus	2.0L I4	9	3.0	24.0
Fusion	2.3L I4	9.8	3.2	25.6
Taurus	3.0L V6	11.8	3.8	30.4

NOTE: Data based on available 2006 figures.

*Actual fuel economy may be less than the published values.

Values are to be used for comparison purposes.

**GHG: Green House Gases

Table 8 shows savings of approximately \$374,000 and 205 tons of Green House Gases (GHG's) over the next eight (8) years as a result of right-sizing the mid-size fleet. The table below compares the life cycle costs of the current right-sized fleet to a fleet that is entirely made up of mid-size Taurus's.

Table 8: Life Cycle Savings Achieved by Downsizing

		Life Cycle Per Unit		Units	Life Cycle for Mid-Size Fleet	
		Cost (\$)	GHG (tons)		Costs (\$)	GHG's (tons)
2003 Fleet	Taurus	\$70,176	30.4	107	\$7,508,832	3253
2005 Fleet	Focus	\$50,608	24.0	14	\$708,512	336
	Fusion	\$66,013	25.6	24	\$1,584,307	614
	Taurus	\$70,176	30.4	69	\$4,842,144	2098
Totals				107	\$7,134,963	3048
				Difference	\$373,869	205

NOTE: Data based on 2006 available figures.

The right-sizing of vehicles and equipment will continue wherever operationally possible.

Changes to Operational Programs & Tactics with Fleet Implications

There is a need to formalize a process for tracking the fleet costs as a result of the introduction or revision of operational tactics and or programs. Quantifiable factors, including fleet costs, that measure the success of a proposed change should be identified before implementing changes and should be monitored during the Pilot stage of any tactical or program change.

For example, in 2005, a decision was made by the VPD to deploy the "pin and box" technique to apprehend suspects during vehicle pursuits. This change resulted in increased vehicle damage and decreased fleet availability but also resulted in a decrease in high speed pursuits. Programs like this can be very successful but full cost accounting should be included in its evaluation.

The anticipated benefits of future VPD Programs and or changes in operational tactics will be included with the financial and fleet availability impacts of the proposed changes and reported to the Police Board prior to changes in operational tactics or full and permanent implementation of the programs.

FINANCIAL IMPLICATIONS

2006 BUDGET

A fleet budget of \$5,660,000 was provided to the VPD in 2006. \$520,000 of the budget was Council approved seed funding for the Equipment and Truck Plant Account and \$129,300 was included in the 2006 Budget for the twenty-seven (27) midsize vehicles. There was however no provision for vehicles such as duplicate units, unauthorized acquisitions, donations and some leases.

As of July 31, the current expenditures for the VPD fleet are roughly \$3,600,000. Based on current spending, year end fleet expenditures are projected to be \$6,300,000; which will result in the VPD Fleet Operating Account to be over budget by \$640,000.

IMPACT OF VEHICLES PENDING REVIEW

Annual capital and maintenance budgets were not prepared for the vehicles in the fleet that are pending review. Many of these vehicles are used for specialized programs that may be temporary, and funded through Programs from existing VPD Operating Budgets and/or funded by external organizations.

In particular, leases are often associated with the covert fleet, where special assignments require the need for specialized vehicles. Donations are often supplied for programs such as the Bait Car Programs, and the Domestic Violence Programs that the VPD runs with support from other agencies.

The sixty-three (63) vehicles (ninety (90) minus twenty-seven (27) mid-size) are estimated to cost approximately \$807,000 in 2006. The costs for the twenty-seven (27) deferred mid-size vehicles are not included since a budget had been provided for them in 2006.

Table 9: Projected 2006 Costs for the Unauthorized Fleet

	Projected 2006 Costs
Leases	\$ 608,000.00
Donations	\$ 184,000.00
Duplicates & Unauthorized Acquisitions	\$ 15,000.00
Total	\$ 807,000.00

MID-SIZE VEHICLES

The twenty-seven (27) existing Taurus's that are past their economical lives can be replaced with smaller more economical and environmentally friendly Fusions. The Fusion costs approximately \$30,000 net applicable taxes, environmental levies and outfitting costs. The recommendation to re-instate the twenty-seven (27) mid-size vehicles requires Council authorization to reallocate approximately \$810,000 from the Truck and Equipment Plant Account.

Reinstating the twenty-seven (27) mid-size vehicles will require an annual operating budget of approximately \$226,800 (\$8,400 per vehicle based on \$4,400 for plant account repayment, \$1,500 for maintenance, \$1,300 for fuel, and \$1,200 for insurance). Since the existing twenty-seven (27) mid-size cars are still in service due to operational necessity, a budget increase of \$97,500 is required as the existing twenty-seven (27) units have an existing budget of \$129,300 for maintenance, fuel and insurance expenses. Provisions for plant account repayment were not included in the existing budget because they were fully paid for from the NNR fund at the time of purchase.

Details on the changes in VPD fleet budget and actual spending between 2003 and 2005 is available for informational purposes in Appendix F.

CONCLUSION

The 2003 Joint Police Fleet Review resulted in a change in funding methodology and fleet administration, the creation of fifty-seven (57) recommendations and a Master Schedule which detailed the Key Vehicle Ratios (KVR) for each of the units or squads within the VPD. Since the completion of the Fleet Review, the fleet has increased by 5% and the number of officers has by 4%. Additionally, the KVR for the authorized fleet has remained constant between 2003 and 2005 at 3.0 and the KVR for the overall fleet has slightly decreased from 2.5 members to 1 vehicle in 2003 to 2.4 members to 1 vehicle in 2005. The increase in the fleet not directly related to staff increases is attributed to donations, leased units and the use of non-retired units. Supplemental reports that address these vehicles as well as the approval process for authorizing leased units will follow shortly for Council approval.

Additionally, it is recommended that the twenty-seven (27) mid-size vehicles deferred by the City Services and Budgets Committee on March 11, 2004 be reinstated and replaced due to the age and the need for these vehicles with funds of approximately \$810,000 to come from the Truck and Equipment Plant Account. Also, an increase of approximately \$97,500 to the VPD operating budget be provided starting in 2007 to cover the capital and operating costs of the twenty-seven (27) vehicles.

* * * * *

APPENDIX A

ADMINISTRATIVE REPORT

Date: January 16, 2004
Author: J. Dobrovolny
Phone No.: 604.323.7791
RTS No.: 03973
CC File No.: 3700
Meeting Date: March 11, 2004

TO: City Services and Budgets Committee

FROM: General Manager of Engineering Services
Chief Constable

SUBJECT: Joint Police Fleet Review

RECOMMENDATION

- A. THAT a sustainable replacement program be established for the existing Police fleet, patterned after the replacement programs used for the City of Vancouver and Park Board fleets, at an additional cost of \$314,000 in 2004 and as projected in Table 4 for subsequent years, subject to Budget Review, with funding to be added to the Police Operating Budget, and with capital purchases funded from the Plant Account.
- B. THAT 19 Crown Victoria Marked Police Vehicles be added to the Police fleet to address the existing marked vehicle shortage, at an additional cost of \$320,000 in 2004 and as projected in Table 4 for subsequent years, subject to Budget Review, for capital, operating and maintenance, with funding to be added to the Police Operating Budget.
- C. THAT the replacement of 27 mid-sized vehicles be delayed for two years and that the Vancouver Police and Engineering Departments report back in 2005 on the appropriate utilization of these vehicles including their on-going funding needs.

GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services and the Chief Constable are in support of these recommendations.

The Chief Constable acknowledges that further study around the replacement of the 27 mid-size vehicles is required. It is also important, however, that no related budget reductions be considered until such study is completed.

Page 2

Accordingly, the Chief Constable RECOMMENDS no change to the proposed recommendations of the Joint Police Review.

CITY MANAGER'S COMMENTS

The Police Fleet review was a joint project between Police and Engineering Services. The report reflects a significant step forward in the understanding and management of the Police fleet, and will result in a Police fleet that is sustainable from a funding and operational perspective. Staff from both the Police and Engineering departments have done a good job in concluding such an important review.

The report identified 56 recommendations to be implemented by either Police or Engineering Services to improve Police Fleet operations and provide for the long-term replacement of vehicles. It is necessary to review the implementation of these recommendations, therefore, Recommendation D is provided by the City manager to require a report back in 2005 from both departments on implementation of the report's findings.

The report identified an increase of 120 vehicles or 45% in the number of Police vehicles between 1992 and 2002, with the greatest increase in mid-size vehicles for investigations. By comparison, the sworn Police staff has increased by 51 members, or 5% over this same period. In addition, the report identified 27 mid-sized vehicles with very low usage, and trucks, vans and four wheel drive vehicles which are more expensive to operate than cars. The City Manager suggests that Council should be provided with a clear justification for fleet size, vehicle type and usage, before any budget increase is approved beyond that recommended in 2004. Recommendation E is provided as an alternative to the report Recommendation C.

The City Manager RECOMMENDS approval of recommendations A and B and does not Recommend C.

The City Manager provides the following recommendations to more appropriately deal with the long-term budget impacts:

- D. THAT Council requests the Vancouver Police Board and the General Manager of Engineering Services to provide a status report on the implementation of recommendations in the Joint Police Fleet Review in January 2005.

- E. THAT the 27 unmarked mid-sized low mileage cars not be replaced to provide a budget offset for the increase of 19 marked vehicles in 2005 and beyond. Further, that the Vancouver Police Board be requested to provide budget justification for fleet size, vehicle type, and usage, prior to submission of the 2005 Budget request.

COUNCIL POLICY

The addition of funding to the Operating Budget is approved by Council.

The addition of vehicles to the fleet is approved by Council.

PURPOSE

The purpose of this report is to brief Council on the results of the Joint Police Fleet Review that was undertaken by Police Services and Engineering Services, and to bring forward recommendations to Council that will address the deficiencies that were identified. This report has been reviewed by the VPD Board in consultation with city staff and the VPD Board recommends approval of recommendations A, B & C.

BACKGROUND

The Vancouver Police Department (VPD) operates a fleet of approximately 400 vehicles which consists primarily of marked and unmarked full-sized vehicles, unmarked mid-sized vehicles, motorcycles and specialty vehicles. Over the past 10 years, a number of new initiatives have been implemented by the VPD that required specialty vehicles such as covert vehicles, transport vans and trucks, and mid-sized investigation vehicles. Due to budget limitations, funding was not available for both the addition of these specialty vehicles as well as the regular replacement of the patrol fleet. As a result, the planned economic replacement of the patrol fleet has been delayed, and the patrol fleet has aged beyond its economic life. Also, the size of the patrol fleet was reduced as funding was redirected to address other fleet needs.

DISCUSSION

The Joint Police Fleet Review, which has been ongoing for the past year, was initiated to address issues around the timely replacement of police vehicles, the appropriate composition of the Police fleet, and the funding needed to sustain the vehicle fleet.

- a) Replacement Program

The Joint Fleet Review has identified several deficiencies in the funding of the Police fleet. Unlike the rest of the City and Park fleet, the Police fleet has not been replaced based on a planned economic life. Replacement of the Police fleet has occurred sporadically based on available funding since the capital replacement is not managed as part of a comprehensive annual replacement strategy. This is partly because funding within the Operating Budget has remained fixed over the years rather than fluctuate on the basis of replacement need.

In contrast, the rest of the City fleet, including Fire and Parks, is replaced on a planned economic life, with capital funding provided by the plant account. The plant account in turn is funded through “pay as you go” monthly payments during the life of the individual vehicles that ensures adequate funding is available at the time replacement is needed.

One of the fundamental recommendations of the review is that the Police fleet be brought into the plant account so that consistent economic replacement of the fleet takes place. Because the plant account operates on a “pay as you go” philosophy, the Police Operating Budget will require additional funding so that the plant account will have sufficient resources to replace the police vehicles at the most economical times.

The estimated year over year funding requirements to bring the existing fleet into the Plant Account, based on the 2004 Preliminary Budget, is summarized below in Table 1.

	2004	2005	2006	2007	2008
Existing Fleet	\$364,000	\$380,000	\$620,000*	\$296,000	\$393,000

Table 1

* Related to the Council approved purchase of 100 vehicles in 1999.

b) Fleet Composition

The Vancouver Police Department fleet has changed in the last ten years. (See Appendix A) There has been a shift away from Patrol vehicles and an increase to Investigation and Support Vehicles.

The Joint Vehicle Review has identified a shortage of 19 marked patrol vehicles. The patrol fleet provides the most visible presence of police in the city, and the current shortage creates a number of operational difficulties for the police. For example, at times officers ride two to a vehicle simply because there are not enough patrol vehicles available for individual use. Also, fleet maintenance becomes a challenge as it becomes more difficult to schedule regular preventative maintenance as the vehicles are in continuous use. The additional cost of adding 19 patrol vehicles is approximately \$320,000 in 2004.

The estimated, additional year over year funding requirements to increase the number of patrol vehicles by 19 is summarized below in Table 2.

	2004	2005	2006	2007	2008
19 Patrol Vehicles	\$320,000	\$25,000	\$27,000	\$30,000	\$35,000

Table 2

To reduce the magnitude of this increase, a partial offset has been identified in the mid-sized VPD vehicle fleet. Several of the mid-sized vehicles, due to their specialized use, are not as heavily utilized as other vehicles in the Police fleet. A savings of \$50,000 per year for two years can be achieved by delaying the replacement of 27 mid-sized cars. Table 3 shows the expected savings out to 2008. The savings are reduced as maintenance expenses grow. By incorporating these savings, the net additional cost required for the Police Operating Budget in 2004 is \$314,000 to make the existing fleet sustainable.

	2004	2005	2006	2007	2008
27 Mid Size (delay)	(50,000)	(50,000)	(\$46,000)	(\$40,000)	(\$33,000)

Table 3

The Vancouver Police Department will report back in the beginning of 2005 on the anticipated use of these mid-sized vehicles including on-going funding needs.

If the recommendations are approved, the total impact to the 2004 Police Operating Budget would be an increase of \$634,000. This would include \$314,000 to make the replacement of the existing fleet sustainable, plus \$320,000 for the addition of 19 patrol vehicles. This includes the \$50,000 offset from delaying the replacement of 27 mid-sized vehicles. As the entire Police fleet is brought into the plant account, additional funding will be required over the next several years to fund the ongoing police replacement program. Table 4 below shows the estimated year over year funding requirements to the year 2008.

	2004	2005	2006	2007	2008
Rec. A	\$314,000	\$330,000	\$574,000	\$256,000	\$360,000
Rec. B	\$320,000	\$25,000	\$27,000	\$30,000	\$35,000
Total	\$634,000	\$355,000	\$601,000	\$286,000	\$395,000

Table 4

The use of the mid-sized fleet will be reviewed over the next two years to determine if fleet utilization can be improved, allowing the mid-sized fleet to be reduced. The annual cost of 27 mid-sized vehicles is approximately \$230,000.

FINANCIAL IMPLICATIONS

The Preliminary 2004 Police Budget for fleet related expenses totals approximately \$4.78 million. This includes funding for capital replacement (\$1.32 million), maintenance (\$2.06 million), fuel (\$0.91 million) and insurance (\$0.48 million) The recommended increase of \$634,000 to the 2004 Police Operating Budget will provide funding for the economic replacement of the existing fleet, as well as provide funding for 19 additional patrol vehicles.

The plant account will be used to fund all new police vehicle purchases and monthly charges will flow from the Police Operating Budget back to the plant account on a pay as you go basis. This is the same model used for the rest of the city and park fleets.

When the Fire Department fleet was brought into the plant account in 1996, a projected cash flow challenge was identified for the plant account in 2014. This was due to the high capital cost of the required fire apparatus, overlapping with the planned replacement for existing city equipment in 2014. The addition of the Police fleet to the plant account will exacerbate this projected cash flow challenge. With the Police fleet included in the plant account, it is projected that a cash flow shortfall may occur in both 2013 and 2014.

Each year, vehicle and equipment replacements are reviewed individually, and whenever feasible, the economic life of vehicles and equipment are extended. Over the next ten years, this approach will continue to be used, and the projected cash flow challenge may not occur. However, at this time, it is prudent to identify to Council that the possibility of a cash flow shortfall in the plant account could occur in 2013 and 2014.

CONCLUSION

It is recommended that the existing police budget be increased by \$634,000 in 2004 and as shown in Table 4 for subsequent years to provide funding for the economic replacement of the existing fleet, as well as provide funding for 19 additional patrol vehicles.

* * * * *

		1992		2002		CHANGE	
		# of Units	% of Total Fleet	# of Units	% of Total Fleet	# of Units	% CHANGE
Patrol	Marked	81	30%	97	36%	16	20%
	Unmarked	92	35%	48	18%	-44	(48%)
	ERT Unmarked	6	2%	6	2%	0	0%
	Canine	8	3%	8	3%	0	0%
	Motorcycles	32	12%	35	13%	3	9%
		219	82%	194	73%	-25	(11%)
Investigation	ICBC	0	0%	15	6%	15	-
	Covert	27	10%	48	18%	21	78%
	Mid-Size	0	0%	86	32%	86	-
		27	10%	149	56%	122	452%
Support Services	Vans & Trucks	8	3%	32	12%	24	300%
	Prisoner Wagons	9	3%	9	3%	0	0%
	Counter Vans	3	1%	2	1%	-1	(33%)
			20	8%	43	16%	23
Total		266	100%	386	100%	120	45%

APPENDIX B

2003 FLEET REVIEW RECOMMENDATIONS

GENERAL RECOMMENDATIONS	Responsibility	COMPLETED
1 EQS and VPD to develop a dedicated Police Plant Account funding model for procuring, outfitting, maintaining and decommissioning of vehicles	EQS	✓
2 Develop and maintain an annual fleet master schedule to equate VPD membership strength to vehicle requirements based on defined criteria	VPD Planning & Research	✓
3 Define roles and responsibilities for all parties involved in the administration of the Police Plant Account	EQS	✓
4 Adopt the proposed business process flows and defined roles and responsibilities of all parties that encompasses the total life cycle of the VPD fleet from determining fleet vehicle specifications, acquisition, maintain and operate, replacement and authorization for repairs.	All parties; EQS, VPD Finance & Fleet, CoV Budgets	✓
5 VPD Planning and Research department to develop a policy statement for the deployment of vehicles across the organization.	VPD Planning & Research	✓
6 VPD short-term lease policy to be developed by Fleet Manager and Planning, Research and Audit Section.	VPD Planning & Research	✓
7 All VPD purchased vehicles to be aligned with City of Vancouver purchasing policy. CIS vehicles to be identified as a CoV asset within EQS CCG for licensing purposes only. All other operating and maintenance related issues of CIS vehicles to be the exclusive responsibility of the VPD Fleet Manager. VPD Fleet Manager to decommission and dispose of all vehicles with EQS and Central Stores.	VPD Fleet Manager	✓
8 VPD union to be included in discussions re: implementation /change management strategy	VPD Management	✓
9 VPD Fleet Manager to draft policy regarding renegade spending of VPD members re: all vehicle unauthorized acquisitions and enhancements.	VPD Fleet Manager	✓

FLEET MANAGEMENT	Responsibility	COMPLETED
10 Optimize the total life cycle cost of maintaining the VPD fleet based on the economic life model	EQS & VPD Fleet Manager	✓
11 VPD to justify master schedule demand for full size marked and unmarked vehicles for special projects originating both internal and external to the organization. Demand levels to be established based on forecasted requirements or historical usage.	VPD Planning & Research	Ongoing – requires further work before complete. Focus group will be formed and will report back to Council after completion of this report.
12 Adopt the proposed fleet size and composition as determined by the master schedule	EQS & VPD Fleet Manager	✓
13 Conduct an annual review of the fleet composition mix to ensure optimal fleet usage 7x24	VPD Planning & Research Currently underway	✓
14 Update the VPD fleet master schedule on a “as needed” basis when major operational or service level changes occur or on an annual basis at a minimum	VPD Planning & Research	✓
15 Police plant account (rental rate) to allow for 1-2 cars per year to be damaged in collisions beyond economic repair for replacement within the same calendar year.	EQS	✓
16 Establish a Service Level Agreement (SLA) between both customer (VPD) and supplier (EQS) encompassing expectations and requirements with regard to quality, cost, service, and timelines.	EQS & VPD Fleet Manager	✓
17 Establish reporting aligned to the SLA operational and customer service requirements to monitor performance against plan and to identify corrective action on a timely basis	EQS	✓
18 Maintain the strategic negotiated purchasing agreements to standardize the procurement and maintenance of the current full size fleet.	EQS & VPD Fleet Manager	✓
19 VPD Fleet Management non-vehicle assets (i.e. patrol boat, horse and other support trailers) to be identified, tracked and incorporated into the Police Plant Account model to ensure appropriate funding levels to allow for capital replacement.	EQS	✓
20 All VPD fleet management assets to be associated to the VPD organization by division, section and unit e.g.) Investigation Division, Vice.	EQS VPD keeps records	✓
21 All future funding requests to City Council for additional VPD Vehicles to include " ... operating, maintenance and replacement costs" to ensure accumulation of a capital reserve fund for replacement at the end of the vehicles economic life	VPD Fleet Manager	✓
22 Ownership of reassigned vehicles across divisions to be updated monthly by VPD in an Excel spreadsheet provided to EQS for uploading in CCG. Vehicle reassignment and billing statement to be reviewed on a monthly basis.	EQS	✓
23 EQS monthly statements to be provided to VPD Fleet Manager and distributed to the fleet owner/operators (Inspectors) for information only	EQS	✓

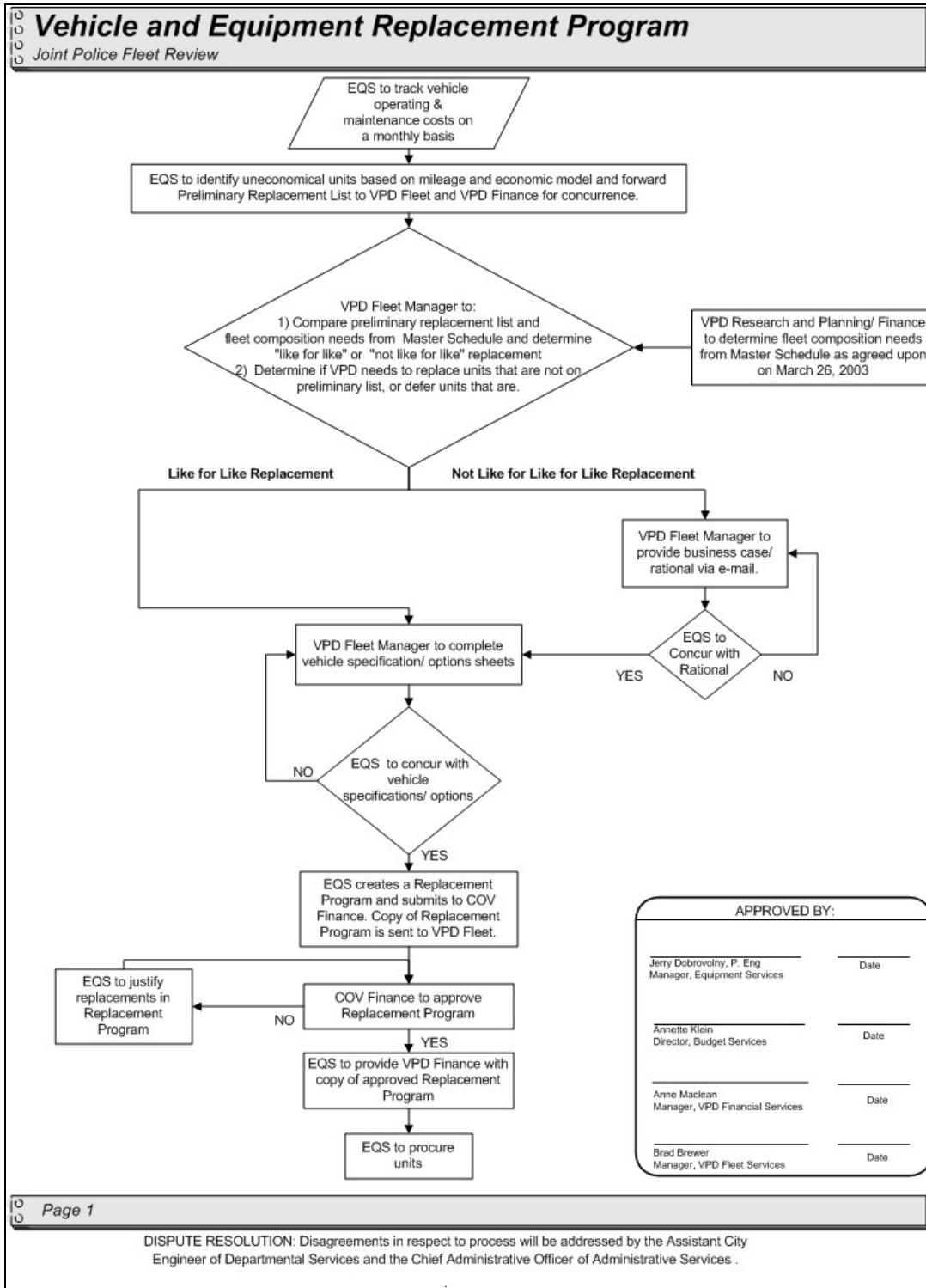
FLEET MANAGEMENT	Responsibility	COMPLETED
24 Establish a minimum annual number of vehicles purchased and decommissioned each year to ensure optimum fleet life cycle costs and steady state outfitting capacity requirements	VPD Fleet Manager	✓
25 Radio Shop management to be advised and consulted for all vehicle-outfitting schedules and updated on a monthly basis or as required.	EQS	✓
26 VPD Fleet Manager to authorize all Radio Shop overtime associated with outfitting of new vehicles	VPD Fleet Manager	✓
27 Establish annual bench marking of costs and service for radio and outfitting for comparison purposes.	Radio Shop Management	✓
28 Fleet Manager and Planning, Research and Audit in consultation with VPD Finance to develop policy regarding vehicle modifications and enhancements with outside service providers.	VPD Fleet Manager	✓
29 Investigate potential for outfitting of canine patrol units with pre-fabricated kennel inserts for cost avoidance savings of custom installations	VPD Fleet Manager	✓
30 CIS designated vehicles to be identified as a city asset with all budgeting and maintenance to be managed by CIS VPD personnel	VPD Fleet Manager	✓
31 Establish a VPD garage loaner pool of unmarked vehicles to "loan out" during periods vehicles are being serviced (preventative maintenance or scheduled repairs) as a customer service offering and method to ensure compliance by vehicle owners to maintain garage repair appointments	VPD Fleet Manager	✓
32 VPD Fleet Manager to have access to EQS fleet maintenance system CCG for tracking of vehicles and cost reporting	EQS	✓
33 EQS and VPD Fleet Manager to advise COV and VPD Finance of all vehicles donated to the VPD (e.g. Ford Canada) requiring maintenance and operating funds for the current year	VPD Fleet Manager	✓
34 PHH cards to be administered within EQS - SAP for inflation indexing	EQS	✓
35 VPD Fleet Manager and EQS Manager to meet on a monthly basis to review fleet management issues and EQS customer service levels	VPD Fleet Manager	✓

VEHICLE MAINTENANCE AND OPERATIONS	Responsibility	COMPLETED
36 CIS (Criminal Intelligence) and special projects leased/purchased vehicles to be identified by EQS as a City asset but operated and maintained by the VPD members exclusively. EQS to decommission and return/dispose of vehicles.	VPD Finance.	✓
37 Investigate potential to develop PRIME electronic reporting capability to allow VPD members on patrol to report vehicle complaints electronically during the shift in "real time" to Kiosk staff.	VPD Fleet Manager	✓
38 EQS to supply list of PM vehicles to kiosk staff as per the SLA for scheduled servicing. Kiosk staff to prioritize past due vehicles for PM service.	EQS	✓
39 Cambie garage personnel and Radio Shop to schedule fleet maintenance and repair to optimize availability of patrol vehicles for start of "Charlie" shift each day to meet peak load demands on the fleet	EQS	✓
40 Kiosk staff to make available to VPD members "Loaner vehicles" for planned scheduled maintenance and repair to be made available. Vehicles to be "owned and assigned" by VPD.	EQS	✓
41 CCG to track both garage mechanical and Radio Shop vehicle downtime and associated non-operational time such as vehicle shuttling time between facilities to feed fleet master schedule in determining vehicle burden and fleet size	EQS, Radio Shop, Fleet Supervisor	✓
42 Compliance to preventative maintenance schedules to be measured (% attainment, age of past-due outstanding services) and reported to VPD Fleet Manager, VPD Fleet Supervisor and to VPD management operating sections	EQS	✓
43 Kiosk Supervisor to establish and track "daily" demand for all requests for vehicles by type from internal and external VPD parties to determine demand levels as an input into the master schedule to determine fleet size requirements	VPD Fleet Supervisor Only midsize is tracked?	Ongoing – a tracking machine has been purchased in an attempt to track the mid-size fleet.
44 "Outlook" to be used to track and reserve Fleet Services general "pool" of vehicles.	VPD Fleet Supervisor	✓
45 Method to control work authorization for modifications	VPD Fleet Manager	✓
46 "Conduct a position review for Fleet staff (Kiosk) to ensure the current position profile accurately reflects their duties and responsibilities; and that compensation is appropriate."	VPD Fleet Manager & VPD Fleet Supervisor	✓
47 Investigate use of card swipe in patrol vehicles to report vehicle assignment, inventory of equipment, vehicles, with member logging in with swipe card identification card.	EQS	✓
48 "Identify a reliable method to track damage to vehicles and fleet issued equipment to ensure that accountability and VPD reporting needs are met."	EQS	✓

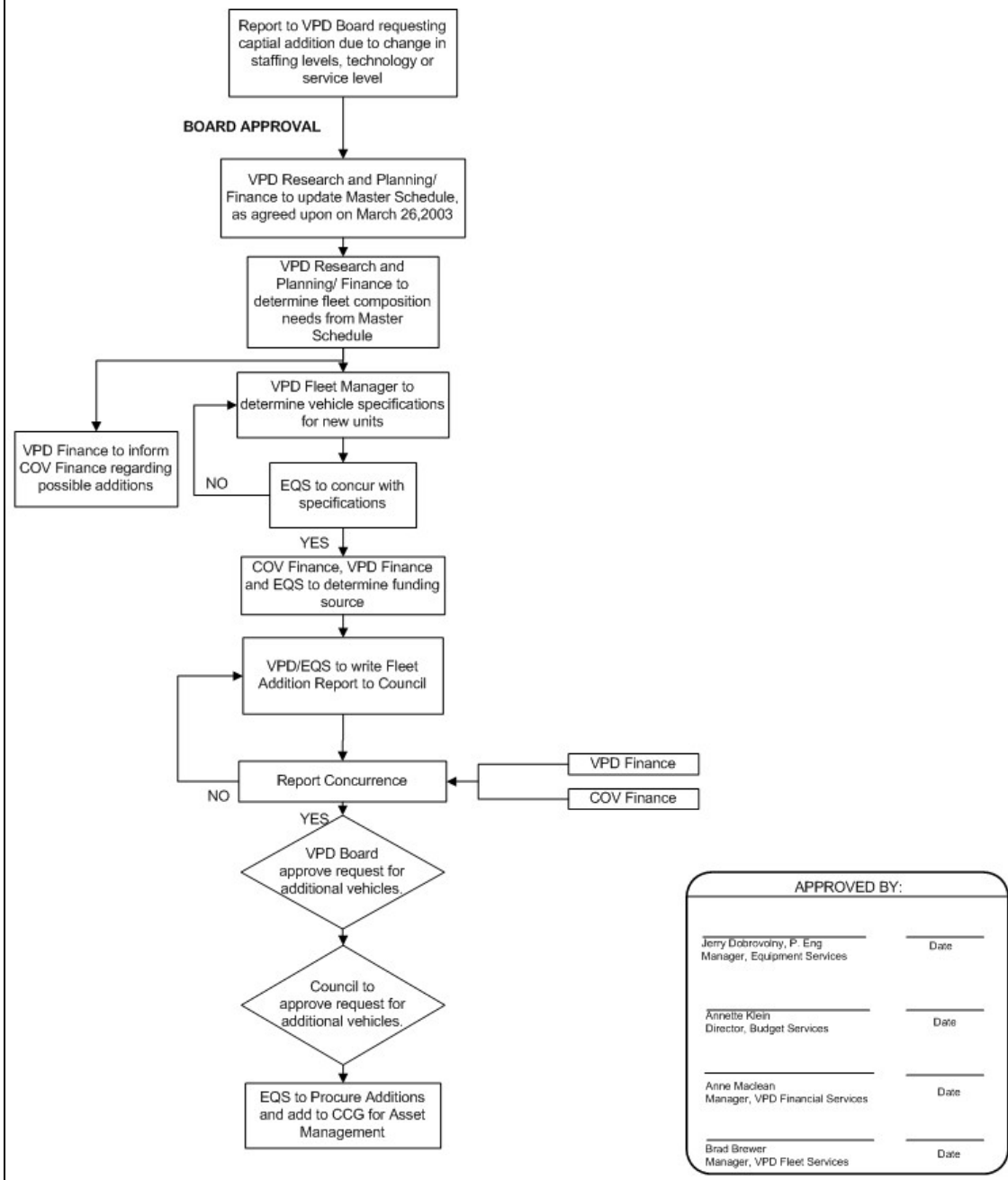
FLEET FUNDING MODEL	Responsibility	COMPLETED
49 VPD Finance, EQS, and City of Vancouver Budgets to develop a strategy to adopt a dedicated Police Plant Account funding model	EQS	✓
50 Identify funding/ budget resources for vehicles (ICBC, donated vehicles) not identified or budgeted within the same operating year as per Fleet Recommendation #24	VPD Finance Manager	✓
51 VPD Finance to establish budgetary process for Fleet operations and maintenance	VPD Finance Manager	✓
52 VPD Finance in consultation with Fleet Manager and executive to ensure long-term fleet requirements are aligned to strategic plan	VPD Finance Manager	✓
53 VPD Fleet Manager to draft a policy statement confirming that all capital, maintenance, and vehicle modifications/enhancements spending will require prior approval by the Fleet Manager. Equipment Services personnel (Cambie and Manitoba Garages) to inform member of policy and proceed with request only upon receiving written approval authorizing work.	VPD Fleet Manager	✓
54 VPD Fleet Manager to update the assignment of vehicles by section monthly and provide this information to EQS by spreadsheet.	VPD Fleet Manager	✓
55 EQS to provide Fleet Manager monthly cost statements of all vehicles sorted and summarized by VPD section	EQS	✓
56 "When VPD requests new staff positions, the report to City Council to incorporate impacts on funding, additional vehicles and on-going capital, maintenance and operating costs, including impacts on the E-Comm levy through hardware, software and user agreement costs."	VPD Fleet Manager	✓
57 VPD report to City Council requesting additional VPD members to incorporate request for additional vehicles and on-going capital, maintenance and operating funding	VPD Management	✓

APPENDIX C

PROCESS FLOW CHARTS



Vehicle and Equipment Capital Additions
Joint Police Fleet Review

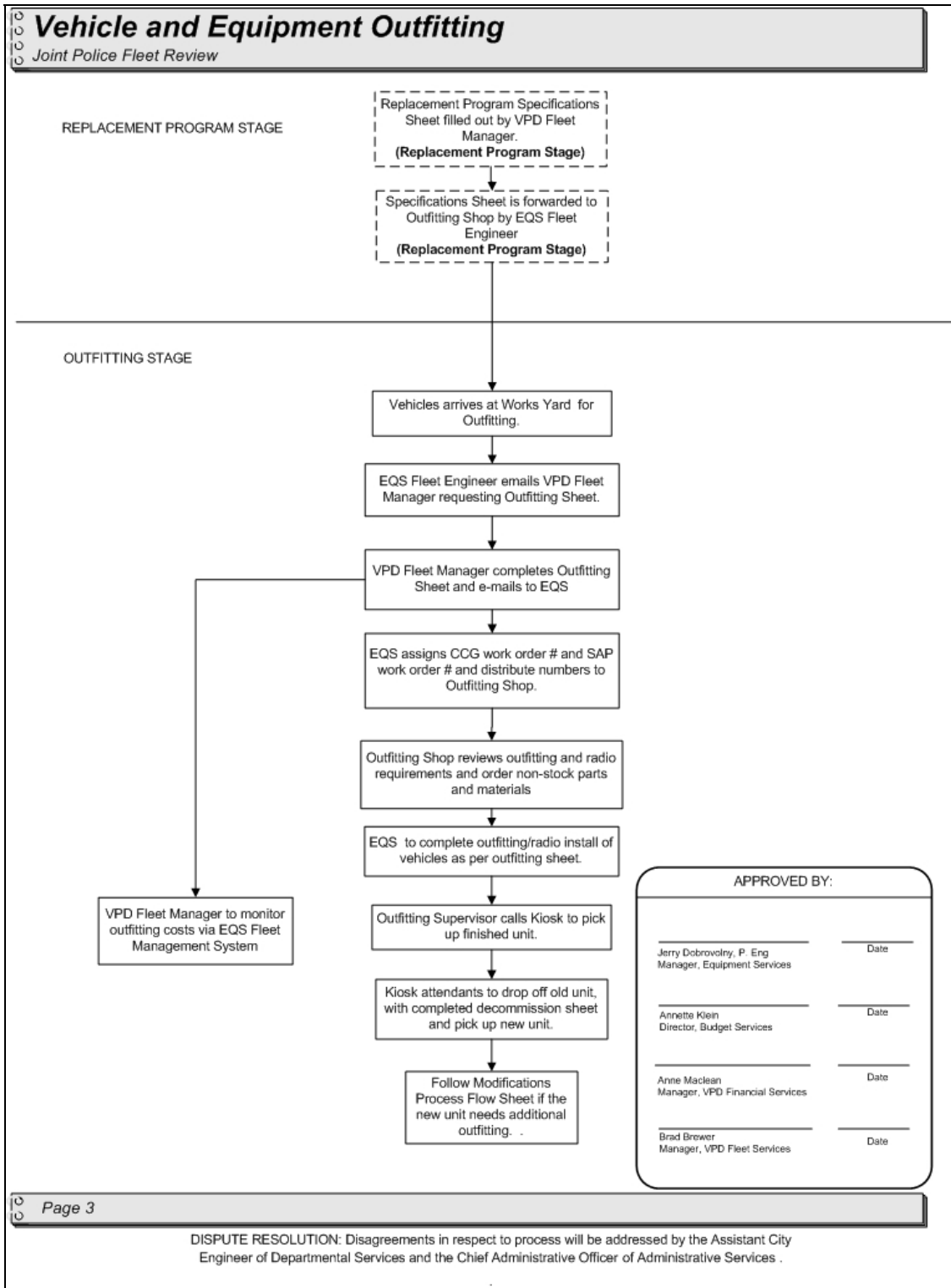


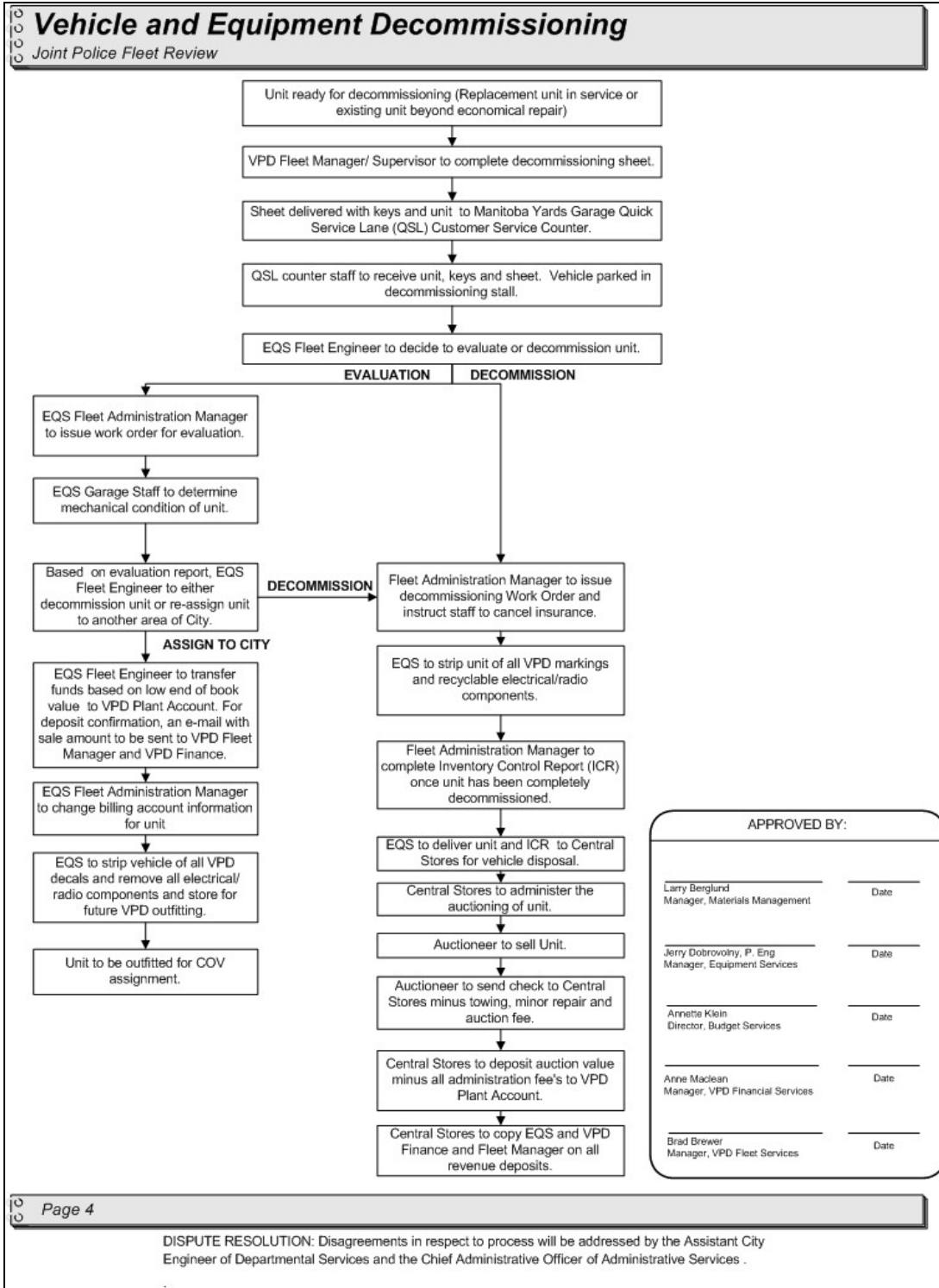
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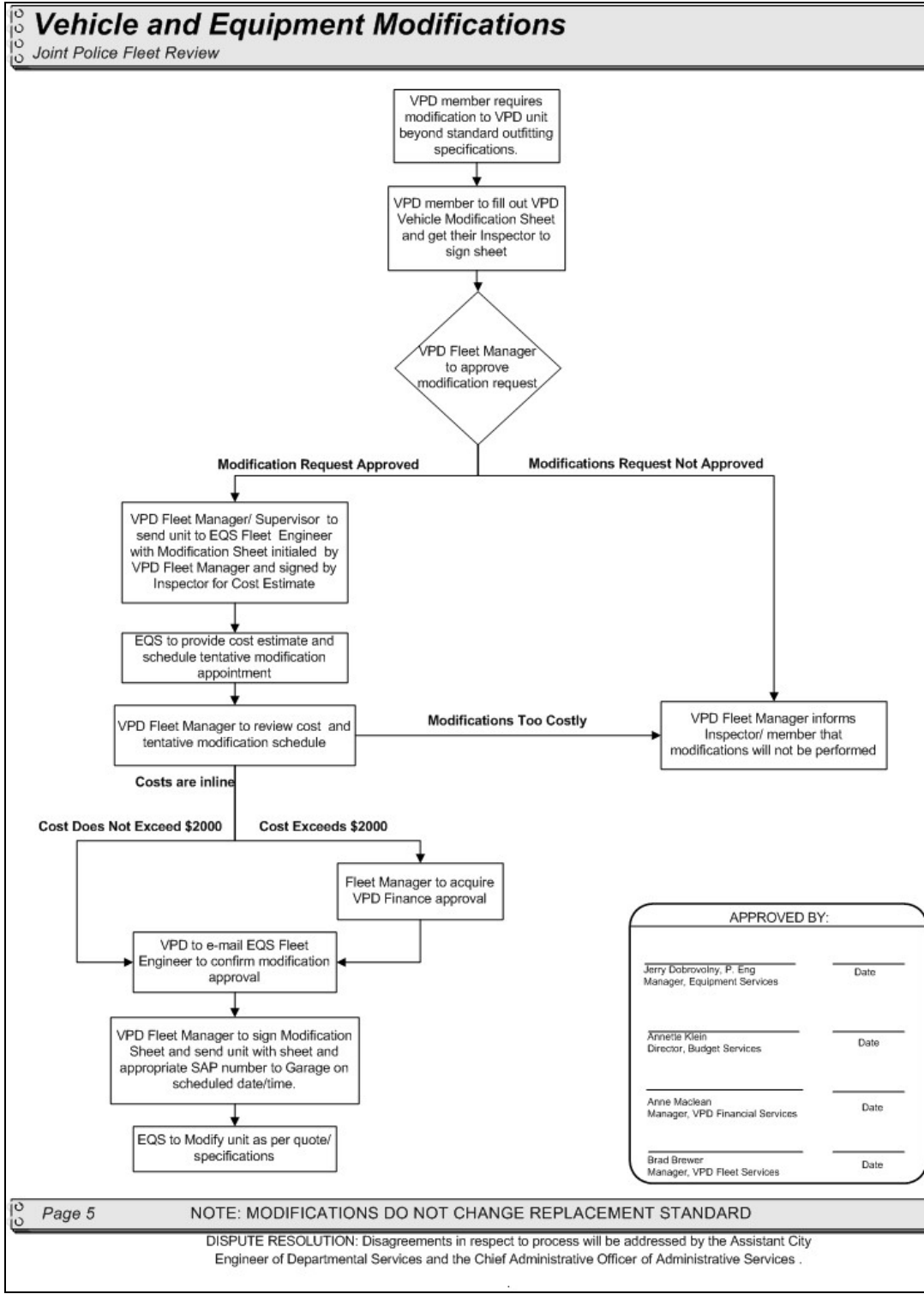
Jerry Dobrovolsky, P. Eng Manager, Equipment Services	_____	Date
Annette Klein Director, Budget Services	_____	Date
Anne Maclean Manager, VPD Financial Services	_____	Date
Brad Brower Manager, VPD Fleet Services	_____	Date

Page 2 NOTE: CHANGES TO THE MASTER SCHEDULE ASSUMPTIONS NEED TO BE CONCURRED BY CORPORATE BUDGET SERVICES AND EQS.

DISPUTE RESOLUTION: Disagreements in respect to process will be addressed by the Assistant City Engineer of Departmental Services and the Chief Administrative Officer of Administrative Services .







APPENDIX D

VANCOUVER POLICE FLEET HISTORY/TRENDS SINCE 1992

A comprehensive review of the VPD fleet was performed in 1992 by an external group of consultants. The number and type of vehicles required for the Vancouver Police Department (VPD) were considered and Key Vehicle Ratios (KVR) were developed to calculate vehicle requirements based on VPD deployment patterns.

The result of the study found that there was an average of 3.6 members to 1 vehicle across the entire department. It was recommended that the fleet be increased to support an average of 3 members to 1 vehicle based on the 1992 deployment patterns. Furthermore, the report broke the fleet up into five (5) categories and provided recommended KVRs for different applications.

Table 1: 1992 Recommended Key Vehicle Ratios

Application	Use	Key Vehicle Ratios (members to 1 vehicle)
Motorcycles	Traffic Enforcement	1
Patrol	Marked & Unmarked Enforcement	1.6
Surveillance	Covert Operations	2.8
Non-Patrol Units	Administration & Investigation	4.8
*Special Purpose	Specialized Equipment for Non-Patrol Use	Individual justification was required

*includes buses, trailers, emergency response vehicles, vans, trucks

From 1992 to 2003 the VPD received annual funding to purchase vehicles through the New and Non Recurring (NNR) budgeting mechanism. The amounts approved fluctuated significantly from year to year based on budget considerations and historically the total amount approved was not adequate to replace the VPD fleet at an appropriate rate based on its age. After the 2003 Fleet Review, the recommendation to move to a more sustainable replacement and funding model was accepted and the VPD fleet started to receive funds from the Truck and Equipment Plant Account.

Fleet Composition

In the thirteen (13) years from 1992 to 2005, the fleet increased by 68 % while membership increased by 12%.

Table 2: 1992, 2003, & 2005 Fleet Composition

	1992	2003	2005
No. of Members	1,045	1,124	1,174
Authorized Fleet			
Covert Operations	26	20	21
Special Purpose & Support	41	51	61
Patrol	72	187	193
Motorcycles	32	35	35
Investigative & Administrative	101	67	69
Authorized Leases		14	14
Total Authorized Fleet	272	374	393
Average Authorized KVR	3.8	3.0	3.0
Unauthorized Fleet			
Leases	5	20	17
Donations	5	32	41
Unfunded Mid-Size		27	27
Duplicates		4	4
Unfunded Additions	5	1	1
Total Vehicles Not Authorized	15	84.0	90.0
Total Fleet Size	287	458	483
Average Total KVR	3.6	2.5	2.4

Note: Totals from 2003 & 2005 are year-end figures as recorded in the CCG Fleet Database.

Financials

1992 capital costs are not available because the funding model was provided on an annual basis from the NNR fund and only total costs are available from the accounting system of the time. More over, the annual budget provided was not necessarily used within the approved budget year but carried through subsequent years. Therefore, tracking the actual costs spent in a given year is difficult.

Table 3 below shows the operating costs for 1992, 2003 and 2005 equalized to 2005 dollars. The cost of operating a vehicle in the VPD fleet was reduced by 52% through best practice fleet management and maintenance operations between 1992 and 2003. Since 2003, the operating cost has remained generally constant at roughly \$7,500 per each vehicle.

Table 3: Operating Costs Equalized to 2005 Dollars

	1992	2003	2005
No. vehicles	287	458	483
Fuel	\$1,604,000	\$1,050,000	\$1,323,000
Insurance	\$314,000	\$506,000	\$470,000
Maintenance	\$2,458,000	\$1,472,000	\$1,113,000
Additional Charges	-	\$336,000	\$653,000
Operating Subtotal	\$4,376,000	\$3,363,000	\$3,559,000
Per Unit Cost	\$15,247	\$7,343	\$7,369

Factors Contributing to the Increase in Fleet since 1992

The VPD is a dynamic organization. Sections and squads are formed, combined, removed and transferred to other divisions constantly which prove to be a challenge when tracking and ensuring that sufficient and appropriate resources are available.

The VPD Operation has changed considerably in the years since 1992. Some of the factors that have contributed to these changes are discussed below.

1.0 Change in Shift Patterns

In 1992 there were three (3) patrol shifts and each shift consisted of ten (10) hours of duty. Currently, there are five (5) shifts and the duration of overlap between each shift has increased to eleven (11) hours. The peak hours of operations are between the hours of 14:00 to 18:00 and 19:00 to 01:00 and consist of an overlap of three (3) shifts. In 1992, only 2 shifts overlapped between the hours of 21:00 and 03:00.

Currently, the minimum number of patrol officers during the peak shift hours is approximately one hundred and fifty-five (155), however, other sections such as firearm callout, counter attack and special events also require vehicles. Table 3 shows the shift patterns in 1992 and 2005.

Table 3: Shift Patterns

1992	Shift	Start	End
	Day	0700	1700
	Afternoon	1700	0300
	Night	2100	0700

2005	Shift	Start	End
	Alpha	0500	1600
	Bravo	0700	1800
	Charlie	1400	0100
	Delta	1600	0400
	Echo	1900	0600

2.0 Reduction in Poolable Non-Patrol Vehicles

In 1992 the VPD fleet consisted primarily of marked and unmarked full size vehicles. The full sized unmarked vehicles were used by investigators during the day shift hours and by patrol constables during the night shift when demand is at its peak.

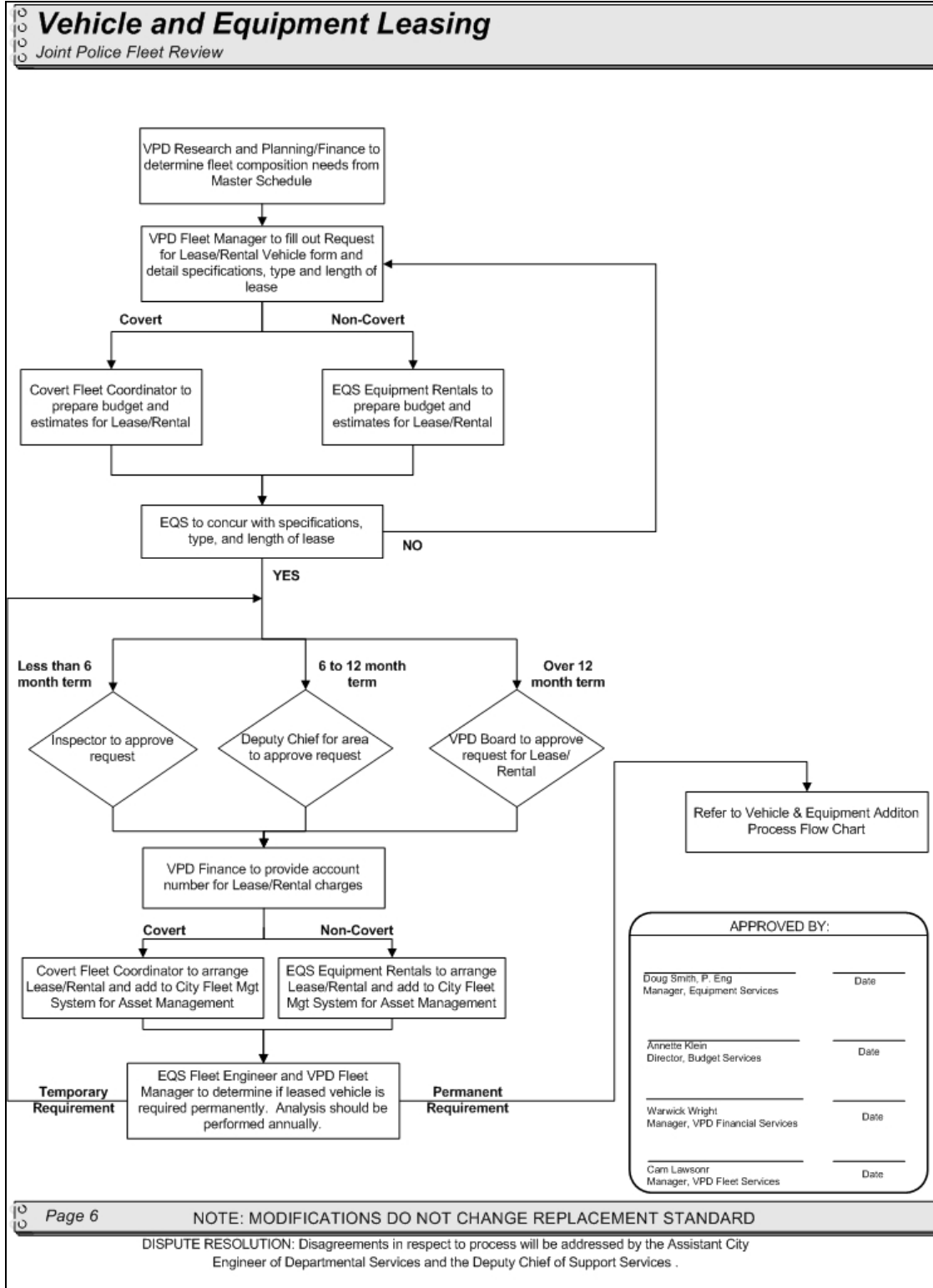
In the mid 1990's the VPD began utilizing midsize vehicles for investigators in an effort to reduce capital costs. Mid-size vehicles are not suitable for patrol duties and consequently there were an insufficient number of vehicles to address the needs of a modified patrol shift pattern as discussed above. This ultimately necessitated an expansion of the general patrol fleet between 1992 and 2003.

Since 1992 the VPD has created or augmented various specialty units to investigate and target serious and violent crimes and problems that have emerged in Vancouver. Examples of these specialty units include the expansion of the Strike Force, Criminal Intelligence Section, Sexual Offence Squad, Homicide and Robbery Squads. The KVR developed in 2003 does not address vehicle allocation when members move between different sections or squads. As a result, poolable vehicles as originally intended from the fleet review become difficult to apply to modified squads and contributes to a lack of suitable operational vehicles.

Some sections require specialized vehicles that limit the number of available pool vehicles. For example, surveillance vehicles can not be readily identifiable as police vehicles and must "blend" with civilian vehicles while still being capable of withstanding the rigours of surveillance driving. This completely eliminates the opportunity to share a vehicle between a covert section and a conventional investigation section. Again, this has resulted in a need for additional vehicles capable of meeting the unique requirements of each specific section.

APPENDIX E

DRAFT VEHICLE & EQUIPMENT LEASING PROCESS FLOW CHART



APPENDIX F

FLEET COST SUMMARY

As a result of the 2003 Police Fleet Review, funding was moved from annual New and Non-Recurring Budget approvals to a more sustainable funding model that used the plant account to finance the purchase of vehicles. When the VPD fleet was brought into the Plant Account, the Police Operating Budget received additional seed funding so that the Plant Account would have sufficient resources to replace the police vehicles at the most economical times.

Table 1 and 2 below compares the cost associated with operating the fleet in 2003 and 2005 equalized to 2005 dollars. The fuel, insurance, regular maintenance expenses, capital costs and seed funding are shown. Additional charges include costs associated with user requested add-ons, accidents, operator responsible damage, operational environment damages and vandalism. The expenditures between 2003 and 2005 have increased by 5% in correlation with a fleet increase of 5%.

Table 1: VPD Fleet Costs Equalized to 2005 Dollars

	2003	2005
No. vehicles	458	483
Fuel	\$1,050,000	\$1,323,000
Insurance	\$506,000	\$470,000
Maintenance	\$1,472,000	\$1,113,000
Additional Charges	\$336,000	\$653,000
Operating Subtotal	\$3,363,000	\$3,559,000
Capital Rate	\$1,344,000	\$911,000
Seed Funding	not applicable	\$493,000
TOTAL	\$4,707,000	\$4,963,000
Approved Budget	\$4,143,000	\$5,610,000
Within Budget	-\$564,000	\$647,000

Covert vehicle costs are not included.

Table 2: VPD Fleet Cost Comparison

	2003 & 2005	
	Increase	% Increase
No. of Vehicles	25	5%
Total Cost	\$ 256,000.00	5%