



Fleet Maintenance

Audit No. 2603

WHY WE DID THIS AUDIT

This audit evaluates the effectiveness and efficiency of fleet maintenance practices, including review of policies, procedures, and performance over the past three fiscal years as well as a limited review of the parts supply and fuel programs as they related to maintenance.

BACKGROUND

Fleet Management maintains all vehicles and major equipment used by City departments. In FY 2024/25, it maintained over 1,400 assets. To support this function, the department two service facilities and manages six fueling sites.

Fleet Management operates as an internal service, fully funded through internal service charges to the City departments it serves.

WHAT WE FOUND

Staffing, bay availability and parts management challenges have contributed to delays in services.

The average wait time for initial bay and mechanic assignment increased about 44% and the overall time a vehicle spends in the shop has increased 33%. These outcomes are impacted by a limited number of bays per mechanic, delays in obtaining parts, and ongoing mechanic vacancies and turnover.

A strategic approach to workforce development and monitoring of productivity and performance would enhance operational efficiency.

- A strategic approach to assessing existing skillsets against operational goals is needed, followed by the development of targeted training plans.
- Existing performance measures need to be further refined to effectively measure performance.

Policies for assigning preventive maintenance frequency are needed to ensure consistent application and alignment to recommended practices.

Most vehicles are maintained on a fuel consumption-based cycle, but lack of defined policies or methodology for assigning these cycles or aligning them with recommended practices could result in inappropriate maintenance intervals that could lead to inefficiencies or larger repairs.

Improvements needed on fuel program controls and the M&R cost allocation methodology.

- Controls over the use of fuel keys and cards, such as written policies and procedures, periodic review of active keys/cards, client department verification of usage details, are needed.
- Further, though internal service rates are determined based on city-level objectives, defining a pricing methodology and analyzing cost recovery would support internal service rate proposals.

WHAT WE RECOMMEND

- Expand service capacity through an evaluation of service bays needed, focus on recruitment efforts, and enhance parts inventory management.
- Adopt a strategic approach to staff development as well as better define performance measures, validate calculation accuracy, and adopt targets.
- Adopt standardized preventive maintenance policies aligned with industry guidance, then realign existing asset maintenance cycles to the updated policies.
- Implement robust fuel program policies, provide fuel usage data to client departments to enhance monitoring activities, and incorporate cost-based pricing in the development of internal service rates.