

# City of Wetaskiwin Council Policy

# Fleet Management Equipment Pool



Policy Number:	CO-022
Effective On:	February 10, 2026
Approval History:	November 11, 2011
Review Frequency:	Every (4) years
Division Responsible:	Corporate Services
Cross-Reference:	CO-013 Reserve policy CO-023 Asset Management CO-016-1 Tendering CO-024 Disposal of Surplus HR-017 Use of City Vehicles

## 1. Policy Statement

To ensure the City of Wetaskiwin maintains a safe, reliable, and cost-effective fleet, the City will manage its equipment through standardized practices for procurement, maintenance, lifecycle replacement, sustainable funding, and performance monitoring.

Fleet management will be guided by the principles of cost transparency, accountability, and fiscal responsibility, ensuring that all user departments are fully informed of the annual internal chargeback rates, which include the full costs associated with the acquisition, operation, maintenance, and replacement of fleet assets.

All municipal Fleet assets will be managed in alignment with Council's Asset Management Policy (CO-023) and Reserve Policy (CO-013), ensuring integration of financial planning, risk management, and municipal service level delivery objectives.

## 2. Definitions

**"Fleet Asset"** Any vehicle, trailer, or mobile equipment unit owned, leased, or operated by the City of Wetaskiwin for the delivery of municipal services.

**"Light-Duty"** Cars, vans, SUVs, and pickup trucks with a GVWR of 4,500 kg or less used primarily for administrative or operational support functions.

**"Heavy-Duty"** On-road and off-road equipment with a GVWR of over 4,500 kg, including dump trucks, graders, loaders, tractors, and construction equipment.

**"Asset Class"** A category of assets grouped within the Fleet Lifecycle Matrix by shared characteristics such as type, function, utilization, maintenance strategy, or lifecycle.

**"Auxiliary/Seasonal Equipment"** Small motorized or tow-behind units such as trailers, mowers, and attachments that support operations on a seasonal or task-specific basis.

**"Equipment Pool Reserve"** A capital reserve established under Policy CO-013 for the replacement, purchase, or emergency repair of fleet assets.

**"Lifecycle Replacement"** Planned replacement of an asset based on age, condition, utilization, and maintenance cost benchmarks established by the Fleet Lifecycle Matrix.

**"User Department"** The City department assigned primary operational responsibility for a fleet asset and charged usage rates to recover capital and operational costs.

**“Chargeback Rate”** The internal rate applied to user departments to recover the lifecycle replacement and operational costs of each assigned asset.

**“Fleet Lifecycle Matrix”** A planning tool maintained by the Fleet and Facilities Department that establishes target replacement timelines for each asset class based on age, condition, usage, and operational criticality.

### 3. Responsibilities

#### 3.1. Council

Council is responsible for approving this policy and any subsequent amendments. Council reviews and adopts the annual Fleet Management Report and associated funding requirements through the budget process, ensuring that fleet operations align with the City’s strategic priorities and service level expectations.

#### 3.2. City Manager

The City Manager is responsible for ensuring corporate compliance with this policy and continuous alignment with both the Asset Management Policy (CO-023) and the Reserve Policy (CO-013). The City Manager provides oversight of lifecycle planning, funding, and performance reporting, and delegates authority to administer fleet resources in accordance with approved budgets and applicable policies.

#### 3.3. Fleet & Facilities Department

The Manager of Fleet and Facilities is responsible for the execution and administration of this policy on behalf of the Office of the City Manager. The Fleet and Facilities Department is accountable for the ownership and overall management of the municipal fleet, including preventive maintenance programs, regulatory compliance, and maintenance performance oversight.

The Fleet and Facilities Department shall ensure that fleet maintenance activities comply with all applicable legislation and recognized standards, including the Traffic Safety Act, maintaining a valid Commercial Vehicle Inspection Program (CVIP) accreditation, and managing the Fleet in accordance with National Safety Code (NSC) requirements.

Specific responsibilities include maintaining the Fleet Lifecycle Matrix, preparing and presenting the annual Fleet Management Report, ensuring accurate recovery of capital and operational costs through internal chargeback rates, and coordinating Fleet utilization, condition assessments, and performance monitoring across all departments.

#### 3.4. User Departments

User departments are responsible for ensuring that assigned Fleet Assets are used responsibly, maintained in good condition, and operated safely in compliance with City standards. Departments must also budget annually for capital replacement and

operational chargeback rates and report any damage, excessive wear, or underutilization for review and potential reallocation by Fleet and Facilities.

All equipment shall be used only for its intended operational purpose and in compliance with all applicable policies, standards, and legislation, including City Policy HR-017 (Use of City Vehicles), National Safety Code (NSC) standards, and the Traffic Safety Act as it pertains to carriers.

Department Managers are responsible for ensuring that all staff operating municipal vehicles and equipment hold the appropriate licenses, certifications, and training, are deemed competent in accordance with City policies, and that all usage complies with the City's health, safety, and regulatory obligations under Occupational Health and Safety (OH&S) legislation. Department Managers shall also ensure that all operators are provided with equipment-specific manufacturers operational guides and any supplemental City procedures required for safe and compliant operation of Fleet Assets.

#### **4. Standards**

##### **4.1. Scope**

This policy applies to all City-owned or leased vehicles, mobile equipment, and related Fleet Assets utilized by any City department or division. It governs the acquisition, maintenance, and replacement of these assets to ensure consistent and transparent management across the organization.

Fire and Emergency Services assets are expressly excluded from this policy. Due to the specialized regulatory and operational frameworks that apply to emergency response assets, these vehicles and equipment shall be managed under a separate Council Policy and funded through a dedicated capital reserve established within CO-013.

##### **4.2. Fleet Acquisitions, Replacements, Additions and Disposals**

###### **4.2.1. Acquisitions**

All vehicle and equipment acquisitions shall comply with legislated procurement requirements, including the New West Partnership Trade Agreement (NWPTA), the City's Tendering and Purchasing Policy (CO-016-1), and any other applicable legislation or administrative procedures. The acquisition process must ensure open, fair, and transparent competition, with due consideration for total lifecycle cost, operational efficiency, and alignment with approved service levels.

###### **4.2.2. Replacements and Additions**

Prior to any replacement-in-kind of existing fleet assets, the primary user department shall provide written justification demonstrating operational need, utilization, and alignment with current service-level expectations.

Where a new acquisition represents an addition to the overall fleet or an expansion of service levels, Council approval shall be required. Additions to the fleet shall not be funded through the Equipment Pool Reserve.

#### **4.2.3. Disposals**

Disposal of fleet assets shall follow the City's procedures for surplus property as defined in Policy CO-024 (Disposal of Surplus Property).

All proceeds from fleet disposals shall be allocated to the Equipment Pool Reserve, as defined by Council Policy CO-013, to fund future capital replacements and mitigate inflationary impacts on equipment replacement costs.

#### **4.3. Lifecycle Management**

Effective lifecycle management ensures that Fleet Assets are planned, maintained, and replaced in a manner that balances operational service delivery needs, financial responsibility, and asset performance. The Fleet and Facilities Department will maintain a Fleet Lifecycle Matrix that defines asset classes and replacement timelines based on age, usage, condition, and operational criticality. This approach establishes a forward-looking financial planning model that promotes stability in annual budgeting and minimizes fluctuations in annual capital requirements over time.

Each Fleet Asset will be reviewed every two years, or earlier upon reaching a threshold of sixty percent (60%) of its expected lifecycle, to determine whether replacement, life extension, or early disposal is appropriate. Fleet assets that continue to perform reliably and cost-effectively may have their service life extended beyond the established asset class benchmarking. Conversely, assets that experience excessive maintenance costs, safety concerns, operational redundancy or extended downtime may be reviewed and considered for early replacement.

Lifecycle decisions shall be supported by documented inspection data, telematics, maintenance history, and total cost of ownership analysis. The review process will align with the City's Asset Management Policy (CO-023) and support long-term fiscal planning under the Equipment Pool Reserve (CO-013).

#### **4.4. Fleet Capital Reserve Funding and End-User Department Operational Chargebacks**

Fleet operations shall be managed under a net-zero cost recovery model, ensuring that all capital and operating costs associated with the municipal fleet are fully recovered through internal chargeback rates applied to end-user departments. This model

ensures that fleet costs remain fiscally balanced, representing neither a burden nor a source of surplus within the City's operating budget.

#### **4.4.1. Fleet Capital Reserve Funding**

The Fleet and Facilities Department shall recover the full lifecycle capital replacement value of each asset through annual internal departmental chargebacks based on the individual asset and classification as follows:

- Fleet asset capital replacement contributions shall follow a straight-line funding model based on the anticipated service life of each asset as defined within its asset classification. This approach applies a consistent annual rate of recovery throughout the asset's lifecycle, ensuring each asset contributes proportionally toward its eventual replacement and provides predictable annual contributions to the Equipment Pool Reserve.
- Annual asset replacement contribution rates may be periodically reviewed by the Fleet and Facilities Department and adjusted in advance of the budget process to reflect changes in market conditions, inflationary trends, and updated asset acquisition costs.
- All existing fleet assets at the time of program implementation shall be charged proportionally to their remaining expected lifecycle as identified in the Fleet Lifecycle Matrix.
- A minimum annual replacement contribution of four percent (4%) of the original purchase cost shall continue to be applied to assets that have exceeded their expected lifecycle but remain in active service. This ensures continued reserve contributions and prevents funding gaps resulting from extended asset life.

As the Fleet Management Program and Lifecycle Matrix evolve, the Fleet and Facilities Department shall review and establish new asset classes and rates that more accurately reflect the City's equipment inventory, market conditions, and operational requirements. These classifications will be incorporated into the annual rate model prior to the annual budget cycle as required.

Capital replacement contributions shall be allocated to the Equipment Pool Reserve, as defined under Council Policy CO-013, to fund future replacements and maintain long-term capital sustainability. A program management allocation of five percent (5%) shall be applied to all capital replacement chargebacks to recover direct and indirect operational costs associated with program oversight, administration, and financial management.

All capital chargeback models, asset classifications, and lifecycle assumptions shall be reviewed annually by the Manager of Fleet and Facilities as part of the annual budget process to ensure program accuracy, transparency, and fiscal sustainability.

#### **4.4.2. End-User Department Operational Chargeback**

End-user departments shall be responsible for all costs incurred in the operation of their assigned Fleet Assets. These costs include, but are not limited to, preventive maintenance, repairs, fuel, insurance, licensing, consumables, telematics, and any damage beyond normal wear and tear.

Operational cost-recovery unit rates shall be established by the Fleet and Facilities Department using a full-cost recovery model that accounts for all direct and indirect expenses associated with the use and management of Fleet Assets. In developing chargeback rates, the Department may reference the current-year Alberta Roadbuilders and Heavy Construction Association (ARHCA) Equipment Rental Rates Guide, incorporate historical cost data, or apply hybrid forecasting and utilization models, including projected or front-loaded recovery approaches, to ensure fiscal accuracy. A program management allocation of five percent (5%) shall be applied to all operational chargebacks to recover costs associated with program oversight, administration, and management. Chargeback rates may be structured as hourly, mileage-based, or annual fixed charges depending on the nature and utilization of each Fleet Asset.

All chargeback rates shall be reviewed annually by the Fleet and Facilities Department to ensure alignment with program objectives, actual cost trends, and future operational forecasts.

#### **4.5. Reporting, Governance, and Continuous Improvement**

The Fleet and Facilities Department shall prepare and present an annual Fleet Management Report to Council prior to April 30<sup>th</sup> of each year summarizing the department's performance, capital forecast, and strategic direction of the City's fleet operations. The report will provide transparency in the use of reserve funds, capital planning, and service delivery outcomes.

The annual report shall include, at minimum:

- A minimum ten-year Fleet Replacement Plan outlining projected replacements, reserve contributions, and funding requirements.
- Year-end summaries of fleet condition, utilization, and maintenance performance.

- Financial reporting on Equipment Pool Reserve balances, contributions, and planned allocations.
- A summary of major initiatives, regulatory compliance activities, and continuous improvement actions undertaken within the reporting year.

In addition to the annual Council report, the Fleet and Facilities Department shall provide each end-user department with a chargeback summary outlining the annual costs allocated for operational recovery and capital replacement. These reports will support departmental budgeting, promote financial accountability, and ensure full transparency of fleet cost allocations.

All reporting shall align with Council's Asset Management Policy (CO-023) and Reserve Policy (CO-013), integrating lifecycle forecasting and risk management practices into the Fleet and Facilities Department planning and budget development. The Equipment Pool reserve funding shall be reviewed annually through the corporate budget process to ensure continued alignment with Council's strategic priorities, approved service levels, and long-term financial sustainability.

The Fleet and Facilities Department shall champion the efficient and sustainable use of Fleet Assets through data-driven management practices and continuous improvement initiatives. Telematics, fuel management systems, and utilization data will be strategically analysed to identify opportunities in reducing idling, optimizing equipment allocation, and improvements in overall operational efficiency. Fleet right-sizing, equipment standardization, and lifecycle analysis shall be employed to ensure assets are appropriate for their operational purpose, cost-effective, and deliver the best long-term value to the City of Wetaskiwin.

*Original Signed & Sealed*

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Joe Branco, Mayor

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Sue Howard, City Manager