



Office of the Auditor General

AUDIT OF OTTAWA POLICE SERVICE FLEET

2007 Report

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EXECUTIVE SUMMARY

Introduction

During 2006, the Office of the Auditor General performed a comprehensive Audit of Fleet Services, which was reported on as part of our annual report, in May 2007.

The 2006 Audit was intended to cover the management of Fleet Services, provided by both the Municipal Fleet Maintenance Division and the Transit Fleet Maintenance Division. Although, Ottawa Police Service (OPS) Fleet was never expressly mentioned, our analysis revealed that a different process was in place to manage police vehicles and that the City's Fleet Services Branch plays an important role in that process.

The Audit of Ottawa Police Service Fleet stemmed from our 2006 audit work.

Background Objectives

In 2006, Ottawa Police Service (OPS) has its own Fleet and Technical Services function accountable for a budget of \$8.7 million. The function has over 15 employees who manage a fleet of approximately 500 vehicles.

Scope

Data analysis covered the period November 2005 to October 2006 for fuel card transactions and January 2005 to August 2006 for the monthly recovery billing from the City's Fleet Services Branch.

The scope of the audit focused mainly on:

- **Roles and responsibilities** – City of Ottawa Fleet Services is a Centre of Expertise accountable for all vehicle expenses and also has the responsibility to supervise the mechanics. Yet, Ottawa Police Service has its own fleet function, and houses a dedicated internal repair shop run by the City of Ottawa Fleet Services. The audit will assess whether the roles and responsibilities as pertaining to fleet management are duplicated.
- **Fuel controls** – Ottawa Police Service uses a universal fuel card (PHH) for purchasing fuel at retail fuel stations. The audit will determine if proper controls are in place for that process.
- **Fleet size** - The number of police vehicles is growing and is now approaching 500. The audit will verify if fleet size is in line with industry standards.

- **Fleet Performance** – Ottawa Police Service annual fleet management budget was \$8.7 million. The audit will determine if performance measures are comparable with industry averages.

Objectives

The audit objective was to review all aspects of the Ottawa Police Service fleet management, including asset management, fuel management, vehicle maintenance and administration.

Audit Criteria and Approach

The audit criteria used concentrated on the aspects detailed in the audit scope, namely:

- Assessing roles and responsibilities of all employees involved in the process;
- Determining if fuel controls are adequate;
- Assessing fleet size and determining if rationalization is possible; and,
- Evaluating fleet performance mainly in terms of costs/kilometre as widely used in the industry.

The approach consisted of:

- Interviews with key personnel and stakeholders;
- Data gathering from OPS and the City's Fleet Services;
- Gathering benchmarking data from other jurisdictions; and,
- Evaluating performance and process gaps.

Key Findings

Our audit work identified the following six key findings:

1. Roles and responsibilities - Even though Ottawa Police Service has its own Fleet and Technical Services function, our analysis revealed that its role differs from Municipal Fleet Maintenance Division. Vehicle maintenance decisions are fully delegated to Municipal Fleet Maintenance Division whereas Ottawa Police Service Fleet and Technical Services concentrate mostly on asset management. Why vehicle acquisitions and replacements are treated separately from the rest of municipal vehicles remains to be justified.

Recommendations and Management Responses

Recommendation 1

That the Ottawa Police Service considers the full integration of its fleet within the Municipal Fleet Services.

Management Response

Management can support this recommendation provided that it results in significant financial savings for the Police Service and that it does not impact on Police operations. Accordingly a proposal from the City will be requested to outline the COE services that would be provided under a new fleet arrangement. It will be evaluated as part of the 2008 Strategic Deployment Review.

2. Fuel controls - Police officers use a universal fuel card to obtain fuel. Our analysis revealed that some controls are deficient and the card agreement is outdated.

Recommendation 2

That the Ottawa Police Service renews the fuel card agreement and assigns each card to a vehicle:

- **Gather all pertinent information on newer fuel management programs by issuing a Request for Information or meeting with potential suppliers;**
- **Go to tender to renew the outdated card services agreement;**
- **Assign each card to a vehicle. Attach each card to its matching set of vehicle keys if necessary. Continue signing off the cards if users keep losing them but the card has to be dedicated to a specific vehicle;**
- **Track fuel consumption systematically and identify exceptions; and,**
- **Require a credit card receipt for all miscellaneous expenses.**

Management Response

Management agrees with this recommendation, and a new fuel procurement plan is currently in the pilot program stage, with full implementation planned for May 2008. The new plan is twofold, and includes the use of City of Ottawa fuel depots, and Imperial Oil retailers. In both cases the former cards will be replaced with transponders, or "fobs", that can be affixed to the vehicle key chain enabling tracking of fuel consumption by vehicle, and reducing the occurrence of misplaced or damaged cards. This plan will provide significant fleet management reporting and administrative advantages. As well, the financial discounts achieved by either option are anticipated to be five times greater than with the previous universal fuel card plan. A budget efficiency of \$95,000 was approved in the OPS 2008 Operating Budget in anticipation of the new fuel plan.

3. Fleet Manager Position - Fleet managers have always been sworn positions at Ottawa Police Service. This is not uncommon in the industry but may be causing some problems. Staff turnover is very high. Five different sergeants have held the fleet management position in the last seven years. Different reasons explain the high turnover but most are related to the fact that the position is sworn, not directly related to police work and sergeants are upwardly mobile. Sergeants are not typically trained and experienced professional fleet managers so when they get appointed to the fleet management position, they would tend to continue what has been implemented prior to their appointment while they learn the trade. By the time they know enough to bring all processes up to industry standards, they often get posted to a new position or get promoted and that may be one of the reasons why the PHH contract has never been renewed.

Recommendation 3

That the Ottawa Police Service assures continuity of the OPS fleet management function by civilianizing the position.

Management Response

Management agrees that a review of the merits of civilianizing the fleet manager position should be completed, and is in the process of doing so as a component of the 2008 Strategic Deployment Review.

4. Fleet size - The number of police vehicles is comparable with other jurisdictions. We identified vehicles with low utilization data, which indicates that the fleet can be rationalized.

Recommendation 4

That the Ottawa Police Service identify supervisory and/or administrative positions that require a vehicle.

Management Response

Management agrees with the recommendation that such vehicles be identified, and has followed this practice.

5. Fleet Performance - Performance indicators are not measured systematically but overall costs are tracked each month and costs/kilometre are where we expect them to be.

Recommendation 5

That, for those supervisory and/or administrative positions with assigned vehicles with less than 20,000 km/year, the Ottawa Police Service reimburses the kilometres at a predetermined rate and de-allocates the vehicles.

Management Response

Management agrees with the intent of the recommendation, and will continue to review the fleet for opportunities to achieve efficiencies through mileage reimbursement as opposed to fleet allocation.

6. Tendering of Commercial Repairs – Commercial repair vendors for West Division have not been tendered in several years.

Recommendation 6

That the Ottawa Police Service tenders commercial repairs.

Management Response

Management agrees with this recommendation. A new tender and /or a review of options to expand the services provided by City Fleet Services in the West End is overdue. The need is enhanced by the fact that a new West Division facility is scheduled to open in the near future, which will likely increase the size of the fleet deployed from the west end of the city. OPS management will work with City Fleet Services and City Supply Management to complete this tendering process.

Conclusion

Ottawa Police Service fleet is managed differently from most municipalities with a unique arrangement with Municipal Fleet Services. Still, roles and responsibilities are clear and not overlapping as each group focuses on a different set of priorities.

Some opportunities for improvement were noted in the possible civilianization of the fleet manager position, in the fuel card management program, in the number of underutilized vehicles, in vehicles provided to supervisory and/or administrative staff and in the tendering for commercial repairs.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

1 INTRODUCTION

During 2006, the Office of the Auditor General performed a comprehensive Audit of Fleet Services, which was reported on as part of our annual report, in May 2007.

The 2006 Audit was intended to cover the management of Fleet Services, provided by both the Municipal Fleet Maintenance Division and the Transit Fleet Maintenance Division. Although, Ottawa Police Service (OPS) Fleet was never expressly mentioned, our analysis revealed that a different process was in place to manage the police vehicles and that City's Fleet Services Branch plays an important role in that process.

The Audit of Ottawa Police Service (OPS) Fleet stemmed from our 2006 audit work.

2 BACKGROUND

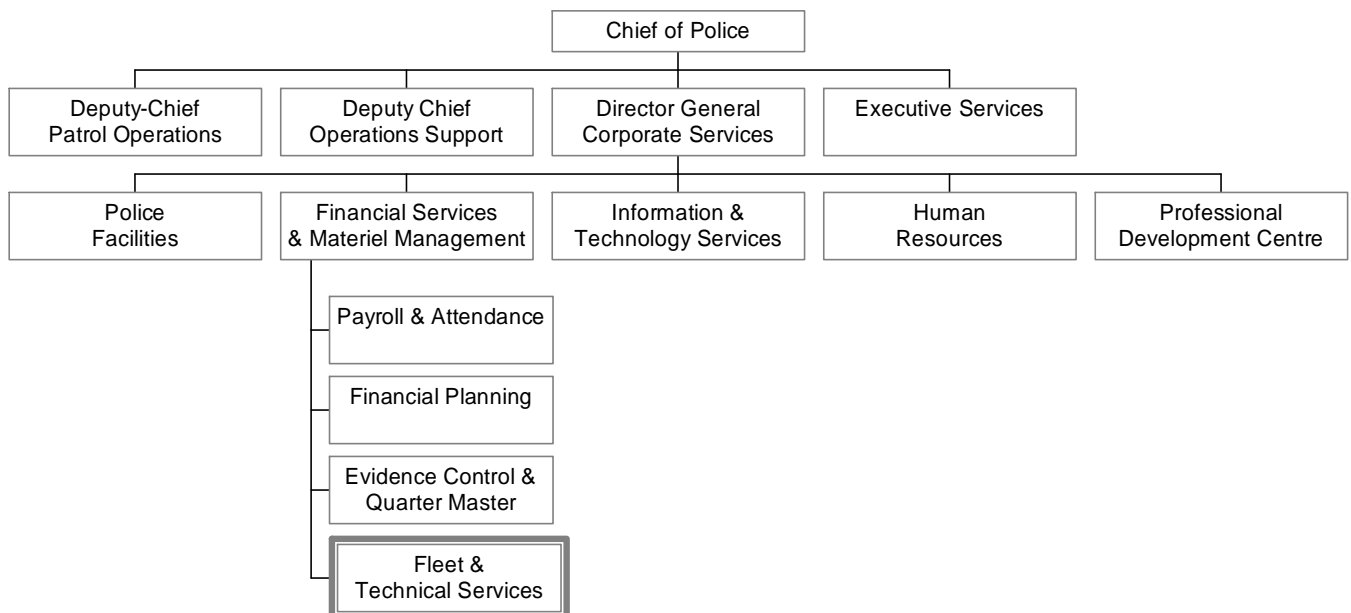
In 2006, Ottawa Police Service has its own Fleet and Technical Services function accountable for a budget of \$8.7 million. The function has over 15 employees who manage a fleet of approximately 500 vehicles.

2.1 Organizational structure

The Ottawa Police, Fleet and Technical Services reports to the Financial Services and Materiel Management Division as illustrated below:

TABLE 1

Ottawa Police Service Organizational Chart

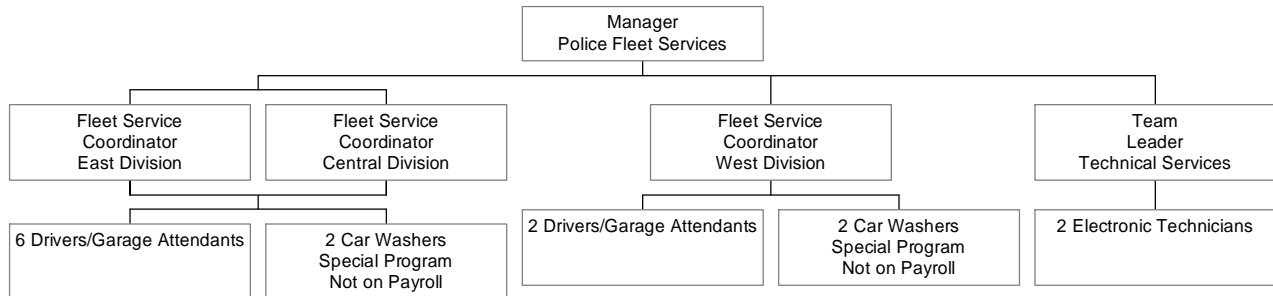


The Ottawa Police Service, Fleet and Technical Services employs 15 people mostly responsible for vehicle acquisitions and replacements, fuel provisioning, vehicle assignment, vehicle up fitting and vehicle transportation/ferrying. All staff are located

at the OPS Headquarters, at 474 Elgin Street except for the West Division’s Coordinator and two drivers who are located at 245 Greenbank Road.

TABLE 2

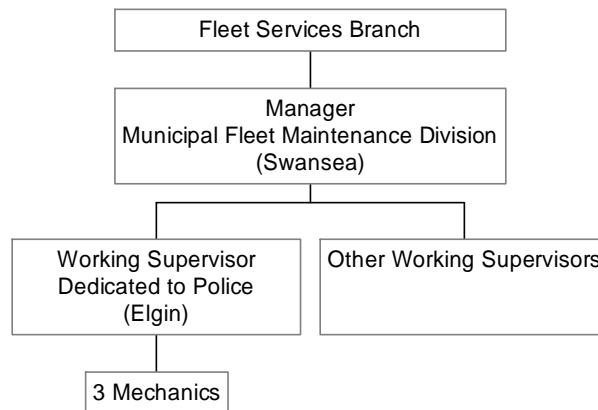
OPS Fleet and Technical Services Organizational Chart



In addition to Ottawa Police Service staff, the City’s Fleet Services also dedicates a total of four people, a working supervisor and three mechanics, for OPS on-site at 474 Elgin Street. These employees report to the daytime program manager located at Swansea as illustrated below.

TABLE 3

City’s Municipal Fleet Maintenance Organizational Chart



3 AUDIT SCOPE AND OBJECTIVE

Data analysis covered the period November 2005 to October 2006 for fuel card transactions and January 2005 to August 2006 for the monthly recovery billing from the City’s Fleet Services Branch. The scope of the audit focused mainly on:

- **Roles and responsibilities** – City of Ottawa Fleet Services is a Center of Expertise accountable for all vehicle expenses and also has the responsibility to supervise the mechanics. Yet, Ottawa Police Service has its own fleet function, and houses a dedicated internal repair shop run by the City of Ottawa Fleet Services. The audit will assess whether the roles and responsibilities as pertaining to fleet management are duplicated.
- **Fuel controls** – Ottawa Police Service uses a universal fuel card for purchasing fuel at retail fuel stations. The audit will determine if proper controls are in place for that process.
- **Fleet size** - The number of police vehicles is growing and is now approaching 500. The audit will verify if fleet size is in line with industry standards.
- **Fleet performance** – Ottawa Police Service annual fleet management budget was \$8.7 million. The audit will determine if performance measures are comparable with industry averages.

The objective of this audit was to review all aspects of the Ottawa Police Service fleet management, including asset management, fuel management, vehicle maintenance and administration.

4 AUDIT CRITERIA AND APPROACH

The audit criteria concentrated on the aspects detailed in the audit scope, namely:

- Assessing roles and responsibilities of all employees involved in the process;
- Determining if fuel controls are adequate;
- Assessing fleet size and determining if rationalization is possible; and,
- Evaluating fleet performance mainly in terms of costs/kilometre as widely used in the industry.

The approach consisted of:

- Interviews with key personnel and stakeholders;
- Data gathering from OPS and the City's Fleet Services;
- Gathering benchmarking data from other jurisdictions; and,
- Evaluating performance and process gaps.

5 OBSERVATIONS, FINDINGS AND RECOMMENDATIONS

5.1 Roles and Responsibilities

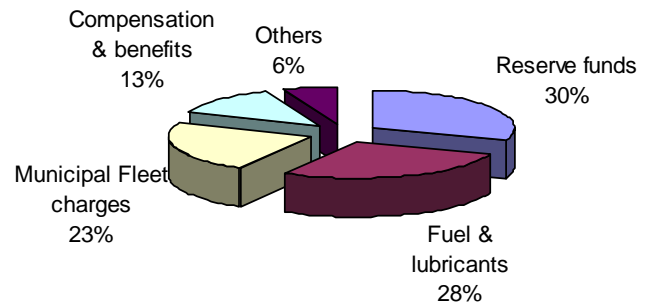
Interviews with OPS Director of Financial Services and Materiel Management, OPS Fleet Manager and the City's Municipal Fleet Maintenance Division working supervisor revealed the following:

- Vehicle acquisition costs are capitalized directly by Ottawa Police Service. They have their own capital budgets for vehicle replacements and/or additions. OPS owns all the vehicles.
- Other fixed costs like licensing and insurance are also assumed directly by OPS.
- Fuel charges are paid directly by OPS. OPS has a contract with PHH Fleet Services who provides universal fuel cards. All fuel transactions charged to individual cards are consolidated by PHH who then bills the OPS each month.
- External vehicle maintenance and repairs are under the responsibility of Municipal Fleet Services, a Centre of Expertise providing fleet services to all City departments. Municipal Fleet is paying all invoices related to police vehicles maintenance and repair and recovers all costs from OPS at the end of each month.
- OPS also has a garage located in the basement of the Elgin facility. This garage is supervised by a working supervisor of Municipal Fleet Maintenance Division and is staffed with three mechanics on the City's Fleet Services payroll. All parts stored or purchased by this garage are also under the responsibility of City Fleet Services. All expenses incurred by City Fleet Services for police vehicles are recovered from OPS on a consolidated monthly invoice.
- All decisions regarding maintenance or repairs are under the responsibility of City Fleet Services. They manage the preventive maintenance programs and they also determine where the vehicles will be serviced. Vehicles assigned to:
 - Central Division are serviced at the OPS garage (Elgin Street Headquarters);
 - East Division are serviced at the Municipal Fleet Maintenance garage (Swansea facility); and,
 - West Division are serviced by the private sector.
- Similar to patrol or any other units, maintenance and repairs to cover vehicles are serviced by their assigned location. That is, if assigned to Elgin Headquarters, serviced at Elgin garage.
- The Ottawa Police Service fleet manager oversees all fleet management operations with a budget of \$8.7 million in 2006 as illustrated below:

TABLE 4

2006 OPS Fleet Budget

Type of expenditure	2006 Budget
Reserve funds	\$ 2,625,000
Fuel & lubricants	\$ 2,455,000
Municipal Fleet charges	\$ 1,987,100
Compensation & benefits	\$ 1,086,600
Others	\$ 535,000
Total	\$ 8,688,700



- The *reserve funds* represent the capital allocated for vehicle replacements.
- *Fuel & lubricants* are the charges paid to PHH for the universal fuel cards.
- *Municipal fleet charges* are the internal transfers to the Fleet Centre of Expertise.
- The remaining expenditures are mainly for *compensation & benefits* of the 15 staff along with miscellaneous expenses like supplies or rentals.

OPS Fleet and Technical Services' role is mainly related to vehicle acquisition/replacement, vehicle resale, fuel card program coordination, daily vehicle assignment to officers/users, vehicle up-fitting (electronics and decals on new vehicles) and vehicle shuttling for maintenance needs. Vehicle shuttling actually generates most of the Services' workload and employs over half the staff with eight drivers/garage attendants and three coordinators.

Duplication of roles and responsibilities is not an issue. Our analysis revealed that the sergeant in charge of fleet management has a totally different function from Municipal Fleet Services. Vehicle maintenance decisions are fully delegated to Municipal Fleet Services and the only time when the OPS fleet manager will intervene in the process is to help determine whether a vehicle should be fixed or replaced based on age, condition, mileage, value and the replacement schedule.

The question of accountability has been clarified. Overall fleet management accountability is shared between OPS who concentrates mainly on asset management and Municipal Fleet Services who supervise the mechanics, determine where the vehicles will be serviced, assume all expenses related to maintenance and repairs and charge back all costs to OPS on a monthly basis.

That structure is relatively complex and unusual. OPS is a client of Municipal Fleet Services but its relationship with the Center of Expertise (COE) is quite different from all the other client departments. Municipal Fleet Services typically owns all vehicles, leases them back to the users and provides fuel from its internal fuel stations. In this case, it is acting as a sub-contractor for maintenance and repair services.

Municipal Fleet Services was originally set up as a COE for different reasons. Centralizing fleet management certainly has merit and offers many promising synergies like increased purchasing power, economies of scale, better expertise, better control, greater accountability and so on. Letting OPS function differently may be defeating the very purpose of creating that COE.

Recommendation 1

That the Ottawa Police Service considers the full integration of its fleet within the Municipal Fleet Services.

Management Response

Management can support this recommendation provided that it results in significant financial savings for the Police Service and that it does not impact on Police operations. Accordingly a proposal from the City will be requested to outline the COE services that would be provided under a new fleet arrangement. It will be evaluated as part of the 2008 Strategic Deployment Review.

5.2 Fuel Control

Data analysis and interviews with OPS Director of Finance and Materiel Management, OPS Fleet Manager and PHH representatives revealed the following:

- A contract was awarded to PHH in September 1997 for a volume of transactions estimated at \$830K/year at the time.
- The contract has no end date and is still in effect but the volume of transactions is now \$2.46M/year.
- A contractual clause mentions that prices are subject to change upon a 30-day notice and in fact, unit prices have increased by 75% since 1997 without returning to tender.
- The original card fees, which were \$1.00/card/month, are now invoiced at \$1.75/card/month. Each increase was negotiated directly with PHH.
- As at October 2006, over 556 fuel cards are in circulation whereas the original contract was for approximately 300 cards:
 - 57 cards for account no. 9299 (special undercover vehicles); and,
 - 499 cards for account no. 9250.

- There are a total of 496 vehicles in the “official” vehicle inventory. The undercover vehicles are also included in that inventory so the total number of cards (accounts 9250 and 9299) is exceeding the number of vehicles by 60 or by 12%.
- A total of 311 cards are assigned to a specific vehicle but 188 cards are not making fuel statistics very difficult to track, especially for patrol cars located at Elgin.
- Historically, a high number of cards were constantly reported lost or stolen for different reasons. The OPS fleet manager implemented a system where cards are now assigned to individual officers each morning along with two sets of vehicle keys from the pool of patrol cars. The cards and keys have to be signed off each morning so that the fleet manager can track who didn’t return the cards. According to the fleet manager, that system significantly decreased the number of lost cards.
- After analyzing the data from PHH, a total of 181 cards were reported lost or stolen between November 2005 and October 2006 despite that new system. Apparently, many of these cards are recuperated after a certain time but no data is available to verify that. Even though all lost cards are supposed to be cancelled immediately to mitigate the risk of fraud, a certain number of cards that can’t be accounted for do accumulate from time to time. Up to 17 lost cards were accumulated and cancelled in one single day December 1, 2005; 16 on June 21, 2006; 24 on September 14, 2006; etc.
- Once cancelled, transactions are no longer authorized on lost cards and after verifications, none were actually found in the invoices analyzed.
- Analysis of exception reports show annual expenses of \$63,807 mostly for premium fuel and miscellaneous expenses over \$10. The use of premium fuel does not seem excessive since Harley Davidson recommends premium fuel for its motorcycles but using premium fuel for regular cars like Impalas, Pathfinders and Astros is debatable.
- Fuel receipts are not collected so no details are available to challenge exceptional transactions.
- Fuel consumption per vehicle is not tracked so it becomes impossible to control idling time or control unauthorized fuelling.
- All fuel purchases are through the PHH program, but for the covert vehicles a variation of the program is used.

Best Practices

- Fleet management service providers like GE Capital, ARI or even PHH are not recommending the practice of assigning fuel cards to drivers. They prefer assigning all cards to specific vehicle numbers so that mileage and fuel transactions can be tracked properly.

- None of the fleet managers contacted support that practice either. Some may have spare cards that they can use in case of emergency but all fleet managers agree that fuel cards should always be assigned to specific vehicle numbers.
- Similarly to OPS, all public fleet managers who use universal fuel cards went on tender. However, unlike OPS they awarded a contract for a fixed period of time ranging from 3 to 5 years.
- Monthly card fees appear to be within standards at \$1.75 but fuel discounts seem quite low. The trend is to obtain discounts of \$0.01-\$0.03/litre. Fleet managers typically expect discounts ranging from 1% to 5%. The Quebec's SQ (La Sûreté du Québec) and Montreal Police, for example, are getting 3%-5% from over 50 fuel companies. There is no mention of fuel discounts in the PHH contract but after analyzing the monthly invoices, OPS is getting an average discount of 0.6% which could easily be doubled or even tripled. Considering that OPS is spending \$2.455 million per year in fuel, they would save \$34,000 per year if the average discounts were 2%, which represents a conservative estimate. In fact, based on more likely discounts of 4%, the savings would be \$68,000.
- The number of cards reported lost or stolen is expected to be less than 10% per year. OPS reports 33% of its fuel cards lost per year, which is considered unacceptable.
- Some organizations do keep all their fuel receipts but most don't anymore. Fuel receipts are normally required for miscellaneous charges only.
- Most fleet managers consider compiling mileage and litres, which allows them to calculate fuel consumption per vehicle, a top priority.

Continuing with the current practice may present the following risks:

- Risk of fraud
 - Many fuel cards are not assigned to vehicles and abnormal transactions or exceptional consumption is much more difficult to identify;
 - High number of cards reported are lost each month;
 - Receipts are not required to justify miscellaneous expenses.
- Risk of higher costs since card fees and fuel discounts have not been tendered since 1997 and they were based on volumes of transactions three times lower than actual, yet unit prices have increased by 75%.
- Risk of fuel over-consumption since litres/100 km are not measured systematically.

Recommendation 2

That the Ottawa Police Service renews the fuel card agreement and assigns each card to a vehicle:

- Gather all pertinent information on newer fuel management programs by issuing a Request for Information or meeting with potential suppliers;
- Go to tender to renew the outdated card services agreement;
- Assign each card to a vehicle. Attach each card to its matching set of vehicle keys if necessary. Continue signing off the cards if users keep losing them but the card has to be dedicated to a specific vehicle;
- Track fuel consumption systematically and identify exceptions; and,
- Require a credit card receipt for all miscellaneous expenses.

Management Response

Management agrees with this recommendation, and a new fuel procurement plan is currently in the pilot program stage, with full implementation planned for May 2008. The new plan is twofold, and includes the use of City of Ottawa fuel depots, and Imperial Oil retailers. In both cases the former cards will be replaced with transponders, or “fobs”, that can be affixed to the vehicle key chain enabling tracking of fuel consumption by vehicle, and reducing the occurrence of misplaced or damaged cards. This plan will provide significant fleet management reporting and administrative advantages. As well, the financial discounts achieved by either option are anticipated to be five times greater than with the previous universal fuel card plan. A budget efficiency of \$95,000 was approved in the OPS 2008 Operating Budget in anticipation of the new fuel plan.

5.3 *Fleet Manager Position*

Fleet managers have always been sworn positions at OPS, which is not uncommon in the industry but may be causing some problems. Staff turnover is very high; five different sergeants have held the position in the last seven years. Different reasons explain the high turnover but most are related to the fact that the position is sworn, not directly related to police work and sergeants are upwardly mobile. Sergeants are not typically trained and experienced professional fleet managers so when they get appointed to the fleet management position, they would tend to continue what has been implemented prior to their appointment while they learn the trade. By the time they know enough to bring all processes up to industry standards, they often get posted to a new position or get promoted and that may be one of the reasons why the PHH contract has never been renewed.

Recommendation 3

That the Ottawa Police Service assures continuity of the OPS fleet management function by civilianizing the position.

Management Response

Management agrees that a review of the merits of civilianizing the fleet manager position should be completed, and is in the process of doing so as a component of the 2008 Strategic Deployment Review.

5.4 Fleet Size

Data analysis and interviews with OPS Director of Finance and Materiel Management and OPS Fleet Manager revealed the following:

- The official inventory as of November 2006 lists 496 vehicles (vehicle assignment inventory.xls including undercover vehicles).

TABLE 5

2006 OPS Fleet by Vehicle Type

	Vehicle Type	Number of Vehicles
1	Crown Victoria Patrol	147
2	Impala	28
3	Other sedan	148
4	Van	49
5	SUV/Truck	38
6	Boat	5
7	Motorcycle	29
8	Snowmobile	4
9	ATV	4
10	Trailer	16
11	Specialty Vehicles	6
12	Prisoner transport	3
13	Crown Victoria Non Patrol	18
14	Charger	1
Total		496

- Of the 496 vehicles, there are 279 unmarked vehicles in the fleet, of which 53 are currently deployed in covert, undercover operations.
- The vehicles are assigned to 12 different divisions (vehicle assignment inventory.xls). Four vehicles did not have an assignment division.

TABLE 6

2006 OPS Fleet by Division

Users	Vehicle Types														Total	Percent
	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
Central division	48	3	19	5			4						3		82	17%
Corporate services			2												2	0%
Criminal Investigative		4	66	17	14					1			1		103	21%
East Division	37	6	17	4	1		2	2	2	2			4		77	16%
Emergency operations	9	3	3	8	19	4	21			9	6		2		84	17%
Executive Services			8	1											9	2%
Legal services		1	2												3	1%
Financial services	2			7	3					1					13	3%
Information and technology				1											1	0%
Professional development	1	1		1									2		5	1%
Support services		4	5	1		1				1		3	1		16	3%
West division	49	5	24	4	1		2	2	2	2			5	1	97	20%
Blank	1	1	2												4	1%
Total	147	28	148	49	38	5	29	4	4	16	6	3	18	1	496	
Percent	30%	6%	30%	10%	8%	1%	6%	1%	1%	3%	1%	1%	4%	0%		

- Patrol and Traffic Enforcement represent the two most important types of assignment with 187 vehicles. Different users as listed below share the rest.

TABLE 7

Assignment of Vehicles -- Ottawa Police Service

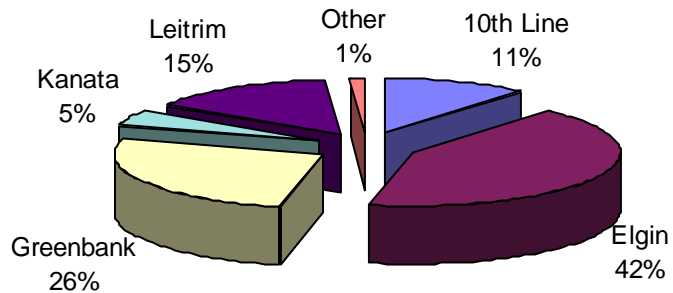
Assignment	Number of vehicles	Assignment	Number of vehicles	Assignment	Number of vehicles
Mobile Command Post	1	Deputy Chief	2	Courts	6
Pawn Shop	1	District Inspector	2	Robbery Squad	7
ViCLASS	1	ESU	2	Superintendent	7
Air Services	1	Mail Room	2	Surveillance	7
Arson	1	Missing Persons	3	B.E.R.T	8
Chief	1	Property	3	Fleet Services	8
Corporate Planning	1	Victim Crisis	3	Inspector	8
Director General	1	Duty Inspector	3	Paid Duty	9
District Supervisor	1	High Tech Crime	3	Canine	11
Executive Services	1	Other	3	Drugs	11
Facilities Section	1	Summons	4	Tactical	12
Firearm	1	Auto Theft	4	Marine	13
Hate Crime	1	District Supervisor	4	Youth	13
IT Support	1	EOD	4	District Investigator	13
Legal Services	1	Ident	4	Intelligence	15
Professional Standards	2	Partner Assault	5	CPC	19
Race Relations	2	S.A.C.A.	5	S.R.O.	20
Traffic Investigations	2	Fraud	5	N.H.O.	24
Airport	2	Major Crime	6	Traffic Enforcement	51
Collision Investigations	2	Professional Development	6	Patrol	136
	25		73		398
				Total	496

Almost half the fleet (42%) is located at the OPS Headquarters on Elgin Street.

TABLE 8

2006 OPS Fleet by Station

Station	Number of vehicles
10th Line	57
Elgin	207
Greenbank	130
Kanata	23
Leitrim	73
Other	6
Total	496



- Most vehicles are permanently assigned except for the patrol cars located at the OPS Headquarters. Out of the 207 vehicles stationed at Elgin, 40 are considered patrol vehicles and all get assigned by counter staff to sworn officers on a daily basis. In fact, based on a sample of 3 days, an average of 40 cars were assigned each day (3 shifts/day) along with 37 radios, 30 PHH cards, 10 cellular phones and 8 alcotests. There is always one garage attendant present at the counter on each of the three shifts.
- With 136 patrol cars and 420 members assigned to patrol, the ratio of officers per patrol car is 3.1.
- The global ratio of vehicles per employee falls within expectations. Ottawa compares with the average of jurisdictions sampled and outperforms Gatineau. In comparison, OPS has 33% more vehicles per employee than Montreal.

TABLE 9

Comparators of Police Services

Jurisdiction	Sworn	Total Members including Civilians	Vehicles	Sworn/ Vehicle	Employees/ Vehicle	Vehicle/ Sworn	Vehicle/ Employee
Montreal	4,330	5,427	1,123	3.86	4.83	0.26	0.21
Hamilton	758	1,028	280	2.71	3.67	0.37	0.27
Peel	1,678	2,269	620	2.71	3.66	0.37	0.27
Ottawa	1,251	1,773	496	2.52	3.57	0.40	0.28
Durham	827	1,099	327	2.53	3.36	0.40	0.30
York	1,251	1,673	580	2.16	2.88	0.46	0.35
Halton	531	725	270	1.97	2.69	0.51	0.37
Sudbury	255	357	104	2.45	3.43	0.41	0.29
Gatineau	348	423	169	2.06	2.50	0.49	0.40
Total	11,229	14,774	3,969	22.96	30.60	3.66	2.74
Average	1,248	1,642	441	2.55	3.40	0.41	0.30

The average utilization is 32,889 km/year, which is comparable to other large municipal police services.

TABLE 10

Ottawa Police Service – Mileage
November 2005 to October 2006

Period	Total km	Number of Vehicles	Average km/Vehicle
Nov-05	1,197,680 km	388	3,087 km
Dec-05	1,172,368 km	402	2,916 km
Jan-06	910,417 km	395	2,305 km
Feb-06	1,085,249 km	387	2,804 km
Mar-06	1,101,659 km	391	2,818 km
Apr-06	925,005 km	387	2,390 km
May-06	1,122,982 km	377	2,979 km
Jun-06	1,212,679 km	399	3,039 km
Jul-06	943,696 km	373	2,530 km
Aug-06	1,059,334 km	394	2,689 km
Sep-06	1,019,879 km	407	2,506 km
Oct-06	1,152,508 km	408	2,825 km
Total	12,903,456 km	392	32,889 km

- Approximately 20% of the vehicles are missing utilization data each month but may be normal since not all vehicles have odometers (trailers, ATV's), many vehicles are seasonal (motorcycles), many patrol vehicles are replaced each year and there may be a two-month period between vehicle retirement and actual disposal/deletion from the files.
- Even though the average usage falls within expectations, a significant number of vehicles appear to be underutilized as can be seen in the following fleet distribution. 33% of the fleet did less than 10,000 km during the last 12 months.
- Patrol vehicle lifecycle is 3-year/160,000 km. All other classes are 5-year/160,000 km except for specialty vehicles and boats, which generally follow a 10-year lifecycle.
- Other than odometer readings, OPS does not systematically keep track of which vehicles were used each day. A wireless fleet monitoring system is being tested with Netistix but so far, the pilot project does not appear to be conclusive.

Best Practices

- The fleet mix is typical of most police organizations with a large concentration of Crown Victoria police cars and sedans.
- Assignment of patrol cars to officers has historically been done by administrative staff as is the case at Ottawa. Larger police organizations are experimenting with computerized key management systems that assign vehicles to users based on set parameters. These systems also have the ability to keep track of utilization and assignment statistics.
- Annual utilization also varies significantly from one organization to another but the global average of over 32,000 km/year is within standards for an urban police force.
- The number of vehicles with less than 10,000 km of annual utilization may be a concern considering that the break-even point may very well be over twice that level of utilization.
 - In some cases, reimbursing employees for using their personal vehicle at \$0.427/km might represent a cheaper solution. Our previous analysis with other fleets have demonstrated that the break-even point - own vs. reimburse - is almost never below 20,000 km/year for a passenger car.
 - A rental car is another alternative. It would cost less than \$100 per day in most situations and the break-even point - own vs. rent - is rarely less than 100 days per year for a passenger car.
 - Keeping track of utilization systematically is also recognized as a best practice, especially on low utilization vehicles. Logbooks are standard and telematics is becoming increasingly popular.
 - The Authorized Vehicle Allocation Plan guides vehicle allocation. This plan is under review for update, as that has not been done for some time. The basis of the

allocation plan is still valid, but new exceptions have evolved in practice as new specialty units have been deployed. Similarly, non-patrol vehicle standards have evolved along with the emergence of specialty policing units.

- There are less than 30 vehicles in the OPS fleet that are assigned as exclusive use by policy. Similar to citywide policy, tax benefits for personal use have not been tracked and allocated as a taxable benefit. By Board direction, that practice has changed. Policy discussions have been undertaken, including with the CRA, and compliant practice is in place for the 2008 tax year.
- There may be an implied duty to continue allocating vehicles for personal use, as a result of custom and practice in an organisation. However, allocation of vehicles to higher-level officials may not always represent the best value for money. Alternatives, such as providing employees with a set taxable monthly mileage allowance or simply reimbursing actual kilometres (non-taxable) incurred at a predetermined rate, should be explored and carefully considered.

We identified 17 units that may have been assigned to management positions. We looked at the mileage incurred between November 2005 and October 2006 on these units. It should be noted that the analysis relies on the integrity of the data provided. Of these, we could find mileage data for 16 units. Results are as follows:

TABLE 11

Utilisation of Assigned Vehicles
For the mileage (in kilometres) incurred November 2005 to October 2006

Unit	YEAR	MAKE	MODEL	Division	Assigned To	Stationed	Total km ⁽¹⁾ Nov 05 to Oct 06
1 A3-9247	2003	BUICK	REGAL	Executive Servs.	Chief	Elgin	20,729
2 A3-9314	2002	VOLKSWAGEN	JETTA	Executive Servs.	Director General	Elgin	3,450
3 A3-9400	2006	HYUNDAI	SONATA	Executive Servs.	Deputy Chief	Elgin	30,255
4 A3-9401	2006	HYUNDAI	SONATA	Executive Servs.	Deputy Chief	Elgin	11,101
5 C1-9388	2002	FORD	WINDSTAR	Executive Servs.	Executive Services	Elgin	1,849
6 A3-9293	2004	NISSAN	ALTIMA	Central	Superintendent	Elgin	19,643
7 A3-9984	2001	CHEVROLET	IMPALA	CIS	Superintendent	Elgin	17,281
8 A1-9412	2006	SMART	FORTWO	Support Services	Superintendent	Elgin	0
9 A3-9254	2003	CHEVROLET	IMPALA	Executive Servs.	Superintendent	10 th Line	25,043
10 A3-9333	2004	CHEVROLET	EPICA	West	Superintendent	Greenbank	24,075
11 A3-9332	2004	CHEVROLET	EPICA	West	Superintendent	Greenbank	21,360
12 A3-9239	2002	CHEVROLET	IMPALA	Emergency Ops	Superintendent	Greenbank	15,233
13 A3-9310	2004	CHEVROLET	IMPALA	Legal Services	Legal Services	Elgin	10,629
14 A3-9978	2001	CHEVROLET	IMPALA	Legal Services	Professional Standards	Elgin	17,054
15 A3-9270	2003	CHEVROLET	IMPALA	Legal Services	Professional Standards	Elgin	22,926
16 C1-9233	2003	FORD	WINDSTAR	Info. & Tech.	IT Support	Greenbank	24,649
17 A3-9271	2002	NISSAN	ALTIMA	Corporate Services	Facilities	Leitrim	23,895
TOTAL							289,172 km

⁽¹⁾ Including personal use

Based on the premise, as previously mentioned, that break-even point is almost never below 20,000 km/year, 9 of the 17 units (53%) had mileage less than 20,000 km and could potentially benefit from mileage reimbursed per kilometres. A reimbursement rate of \$0.427/km, the City's rate, was assigned to mileage reports.

TABLE 12

Vehicles with less than 20,000/km
For the mileage (in kilometres) incurred November 2005 to October 2006

Unit	YEAR	MAKE	MODEL	Division	Assigned To	Stationed	Total km ⁽¹⁾ Nov 05 to Oct 06	Km/\$0.427 ⁽²⁾
2 A3-9314	2002	VOLKSWAGEN	JETTA	Executive Servs.	Director General	Elgin	3,450	\$1,473
4 A3-9401	2006	HYUNDAI	SONATA	Executive Servs.	Deputy Chief	Elgin	11,101	\$4,740
5 C1-9388	2002	FORD	WINDSTAR	Executive Servs.	Executive Services	Elgin	1,849	\$790
6 A3-9293	2004	NISSAN	ALTIMA	Central	Superintendent	Elgin	19,643	\$8,388
7 A3-9984	2001	CHEVROLET	IMPALA	CIS	Superintendent	Elgin	17,281	\$7,379
8 A1-9412	2006	SMART	FORTWO	Support Services	Superintendent	Elgin	0	\$0
12 A3-9239	2002	CHEVROLET	IMPALA	Emergency Ops	Superintendent	Greenbank	15,233	\$6,504
13 A3-9310	2004	CHEVROLET	IMPALA	Legal Services	Legal Services	Elgin	10,629	\$4,539
14 A3-9978	2001	CHEVROLET	IMPALA	Legal Services	Professional Standards	Elgin	17,054	\$7,282
TOTAL							96,240 km	\$41,094

⁽¹⁾ Including personal use

⁽²⁾ If mileage was reimbursed at the City rate

To summarize, after verification, the overall number of vehicles in the OPS fleet does not seem too high and global average utilization is within standards but some underutilized vehicles should be reviewed to determine best value for money.

Recommendation 4

That the Ottawa Police Service identify supervisory and/or administrative positions that require a vehicle.

Management Response

Management agrees with the recommendation that such vehicles be identified, and has followed this practice. The vehicles presented in Table 11 have been assigned for three distinct reasons. Executive Command (Chief, Deputies, and Director General) are assigned exclusive use vehicles by employment contract with the Police Services Board. Sworn Senior Officers (Superintendents and Inspectors) are assigned exclusive use vehicles by OPS policy. These vehicles are equipped with covert lighting and siren to enable operational response capability. The final reason for the allocation of supervisory or administrative vehicles is for an otherwise identified business need. Such requests come forward through Executive Command during the annual budget process, and if approved through both management review and Board review of the budget, the vehicle is added to the fleet complement.

Recommendation 5

That, for those supervisory and/or administrative positions with assigned vehicles with less than 20,000 km/year, the Ottawa Police Service reimburses the kilometres at a predetermined rate and de-allocates the vehicles.

Management Response

Management agrees with the intent of the recommendation, and will continue to review the fleet for opportunities to achieve efficiencies through mileage reimbursement as opposed to fleet allocation. With reference to Table 12, it should be noted that nine of the vehicles presented are allocated as a result of Executive Command employment contract or Senior Officer vehicle policy. It is also worth noting that the de-commissioning of a vehicle in lieu of mileage reimbursement is only a viable option if the function to which the vehicle is assigned is truly administrative, and not deployed for policing operations in any way.

5.5 Fleet Performance

Data analysis and interviews with OPS Director General Corporate Services and OPS Fleet Manager revealed the following:

- Performance indicators are not measured on a regular basis but OPS receives detailed monthly reports from Municipal Fleet Services for maintenance and repair costs. PHH Vehicle Management Services also sends detailed monthly reports on fuel costs.
- These reports are mostly used for planning and budget purposes but all the data is there to allow cost/km analysis.
- Based on 12 months of data, Ottawa's weighted average maintenance and repair costs per kilometre is \$0.13 as illustrated in the following table.

TABLE 13

2006 OPS Fleet – Maintenance and Repair Costs

	Light vehicles	Crown victoria	Medium vehicles	Harley	Smart	Van	4x4	Other categories	Total
Kilometers	4,423,443	7,110,095	378,756	187,951	9,245	868,893	1,310,091		14,288,474
average kilometer per year	24,719	41,277	26,356	6,265		26,911	38,205		
Maintenance cost	\$ 409,370	\$ 1,078,202	\$ 69,848	\$ 46,489	\$ 670	\$ 89,928	\$ 145,148	\$ 63,443	\$ 1,903,099
Average cost per kilometer	\$ 0.09	\$ 0.15	\$ 0.18	\$ 0.25	\$ 0.07	\$ 0.10	\$ 0.11		\$ 0.13

- Our data for other municipal jurisdictions indicate a benchmark of \$0.14 to \$0.19 per kilometre depending on the category as illustrated in this next table.

TABLE 14

2006 OPS Fleet Cost per Kilometre

Category	Rouyn Noranda	Amos	Val d'Or	Valleyfield	Sherbrooke	Beauharnois	Vancouver	Trois-Rivières	Shawinigan	Blainville	Average
Light vehicles	\$0.08	\$0.14	\$0.24	\$ 0.08	\$ 0.11	\$0.28	\$ 0.16	\$ 0.22	\$ 0.19	\$0.15	\$ 0.14
Patrol cars								\$ 0.19			
Mediums (Vans, 4x4,....)	\$0.13	\$0.10	\$0.14	\$ 0.12	\$ 0.18	\$0.11	\$ 0.16	\$ 0.32	\$ 0.15 \$ 0.27	\$0.31 \$0.12	\$ 0.16

- At \$0.13 per kilometre, Ottawa's costs are also exactly the same as Montreal's Police Department who spends \$2.7M on maintenance and repairs for a total of 21 million kilometres per year.

Even though performance measures are not tracked systematically, costs per kilometer do not seem to be problematic at this time. Furthermore, all the data is available for analysis and the fleet manager, who can easily spot exceptions, scans costs per vehicle monthly.

5.6 Tendering of Commercial Repairs

The commercial work in the West Division is apportioned to five vendors, including two Ford dealers. Some work is completed by the City's facility at Swansea Crescent. The primary commercial vendor has not been tendered in several years. City fleet staff have recently reviewed these and it was agreed at that time that the rates received would not likely be beat in a competitive process.

Recommendation 6

That the Ottawa Police Service tenders commercial repairs.

Management Response

Management agrees with this recommendation. A new tender and /or a review of options to expand the services provided by City Fleet Services in the West End is overdue. The need is enhanced by the fact that a new West Division facility is scheduled to open in the near future, which will likely increase the size of the fleet deployed from the west end of the city. OPS management will work with City Fleet Services and City Supply Management to complete this tendering process.

6 CONCLUSION

Ottawa Police Service fleet is managed differently from most municipalities with a unique arrangement with Municipal Fleet Services. Still, roles and responsibilities are clear and not overlapping as each group focuses on a different set of priorities.

Some opportunities for improvement were noted in the possible civilianization of the fleet manager position, in the fuel card management program, in the number of underutilized vehicles, in vehicles provided to supervisory and/or administrative staff and in the tendering for commercial repairs.

7 ACKNOWLEDGEMENT

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