

# Update on Federal Fleet Status and Treasury Board Policy Suite Reset



**2016 CIPMM National Workshop  
Working Group Breakfast  
June 8, 2016**

# Overview of GC Vehicle Fleet

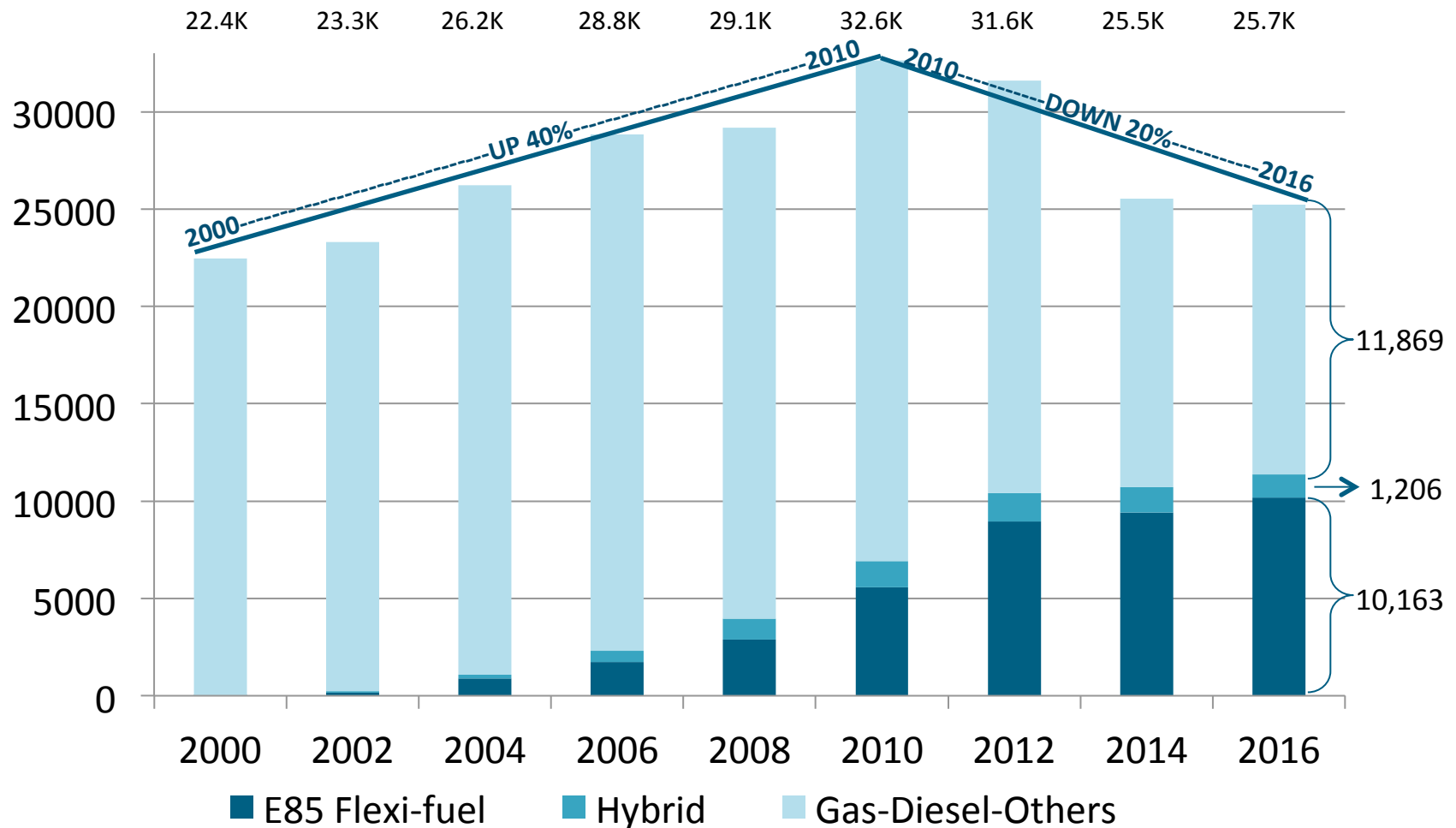
**Fleet consists of approximately 25,700 vehicles\***

- **Slowly decreasing in size**
  - Down from 26,000 vehicles in 2014/15
  - 2016 total is almost identical to 2005 total
- **Hybrids and conventional gasoline on decline**
  - Hybrids down 7% from 2014/15
  - Gasoline vehicles down 4.5% from 2014/15
- **Increase in E85 ethanol Flexible fuel and diesel**
  - E85 Flexible fuel up 3% from 2014/15
  - Diesel up 2% from 2014/15

\* According to ARI database

# Overview of GC Vehicle Fleet

## Fleet Size – 2000 to 2016\*



\* According to ARI database

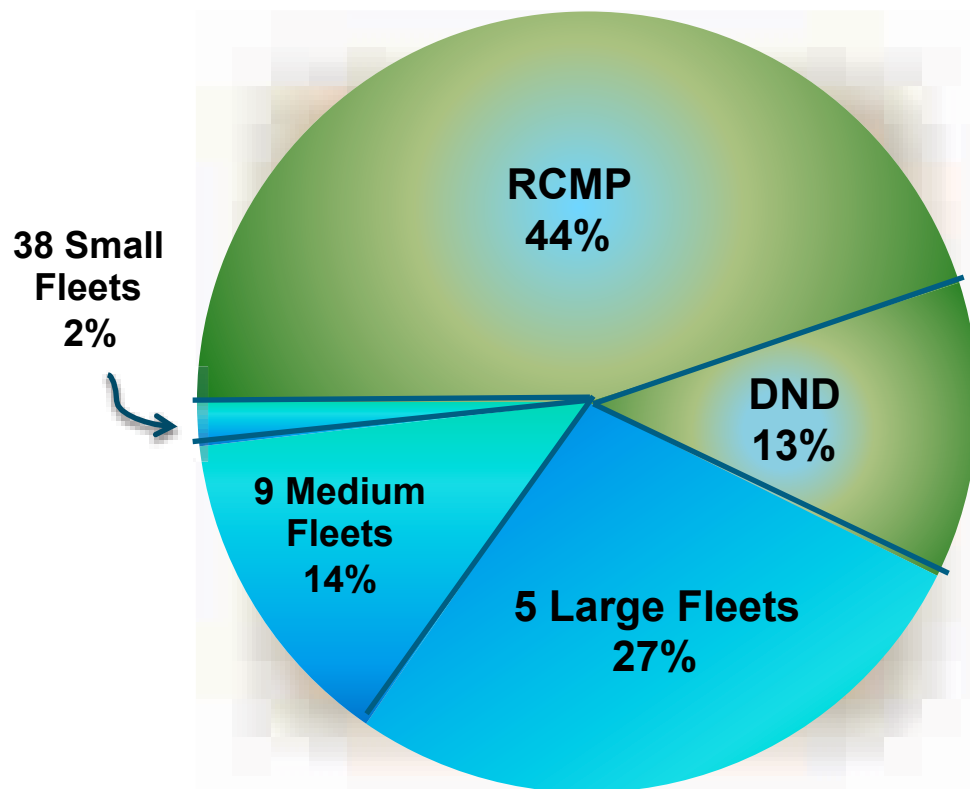
# Overview of GC Vehicle Fleet

## 54 departments and agencies own fleet vehicles\*

- **2 major fleet owners account for 57%**
  - RCMP and DND combined account for over 15,000 vehicles
  - Includes police cars; excludes military vehicles
- **5 organizations with large fleets account for 27%**
  - Between 1,000 and 2,000 vehicles per fleet
  - They are CSC, PCA, DFO, CFIA, and CBSA
- **47 organizations account for remaining 16%**
  - **9 medium fleets** (100 and above, but fewer than 1,000 vehicles)
  - **38 small fleets** (fewer than 100 vehicles)

# Overview of GC Vehicle Fleet

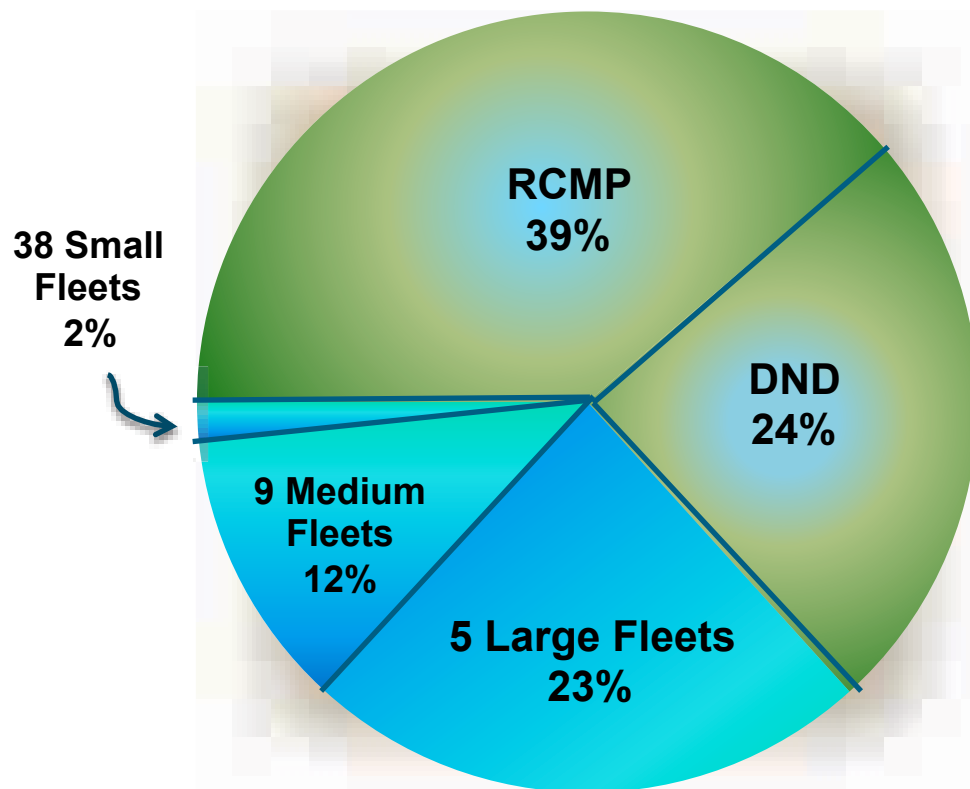
## Fleet Representation by Department based on ARI database



Fleet Size	Vehicles
RCMP	11,581
DND	3,157
5 Large Fleets (1K to 2K vehicles)	7,005
9 Medium Fleets (100 to 999 vehicles)	3,495
40 Small Fleets (1 to 99 vehicles)	466
Total	25,704

# Overview of GC Vehicle Fleet

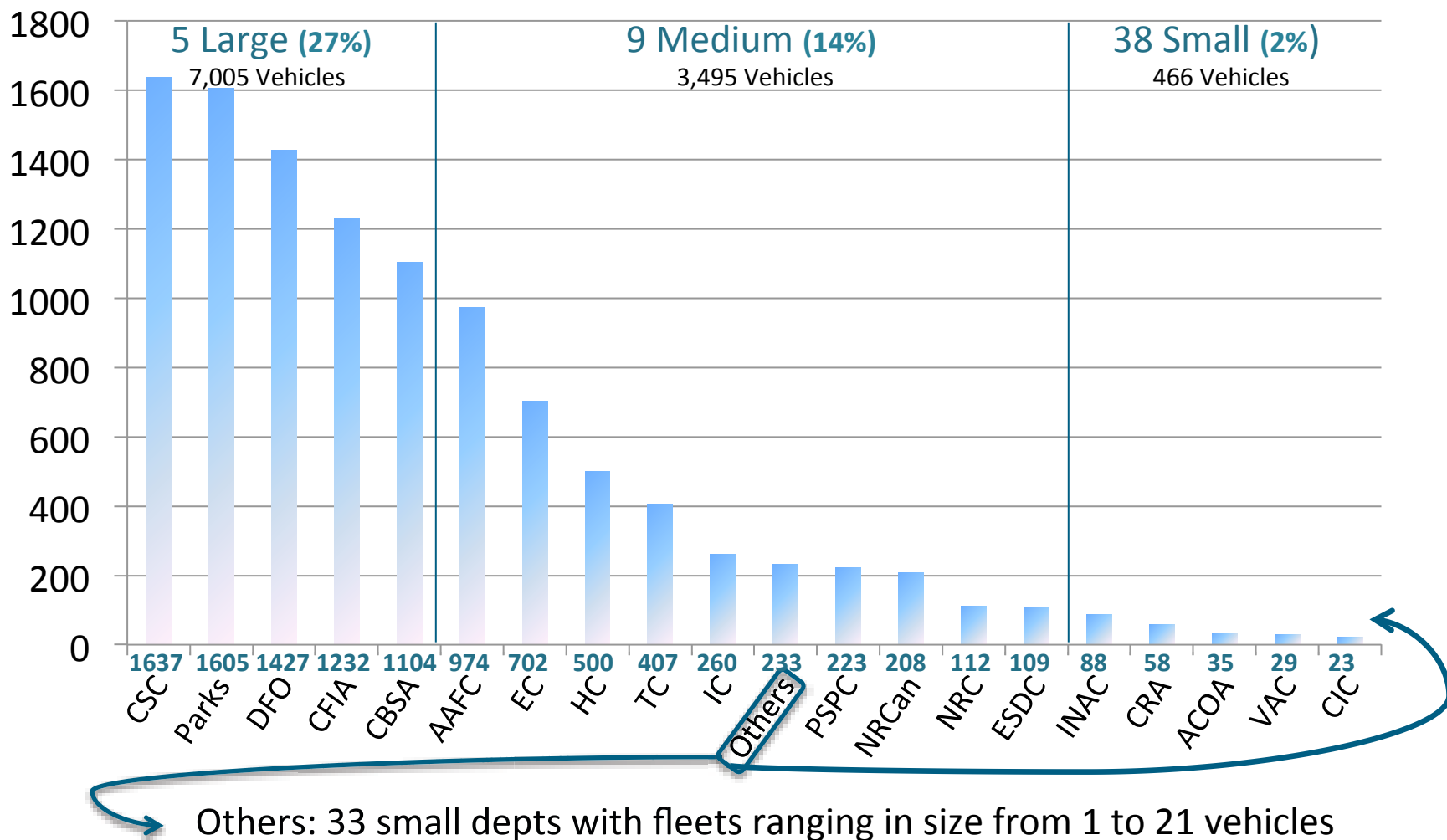
## Fleet Representation by Department based on ARI and DND databases



Fleet Size	Vehicles
RCMP	11,581
DND	7,328
5 Large Fleets (1K to 2K vehicles)	7,005
9 Medium Fleets (100 to 999 vehicles)	3,495
40 Small Fleets (1 to 99 vehicles)	466
Total	29,875

# Overview of GC Vehicle Fleet

## Number of Vehicles by Department (exc. RCMP & DND)



# Overview of GC Vehicle Fleet

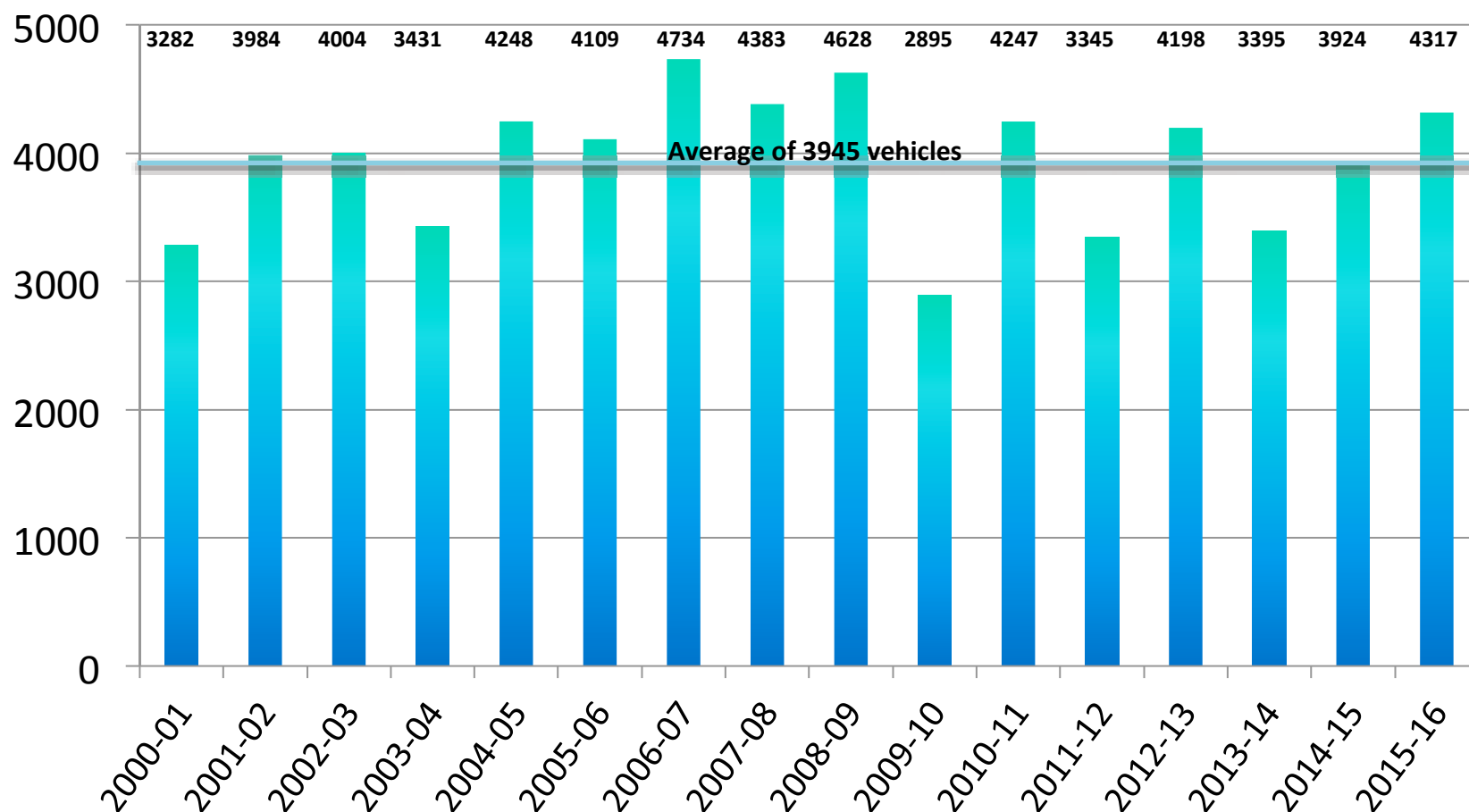
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- **On average, 3 940 light duty vehicles are purchased annually**
  - 4,317 light duty vehicles were purchased in 2015-16
    - Represents 10% above the average
  - Annual replacement cost estimated at \$110M
  - Annual O&M costs estimated at \$130M
  - Represents only 0.02% of total vehicle sales in Canada



# Overview of GC Vehicle Fleet

## Light-duty Vehicle Procurement – 2000 to 2016



# Overview of GC Vehicle Fleet

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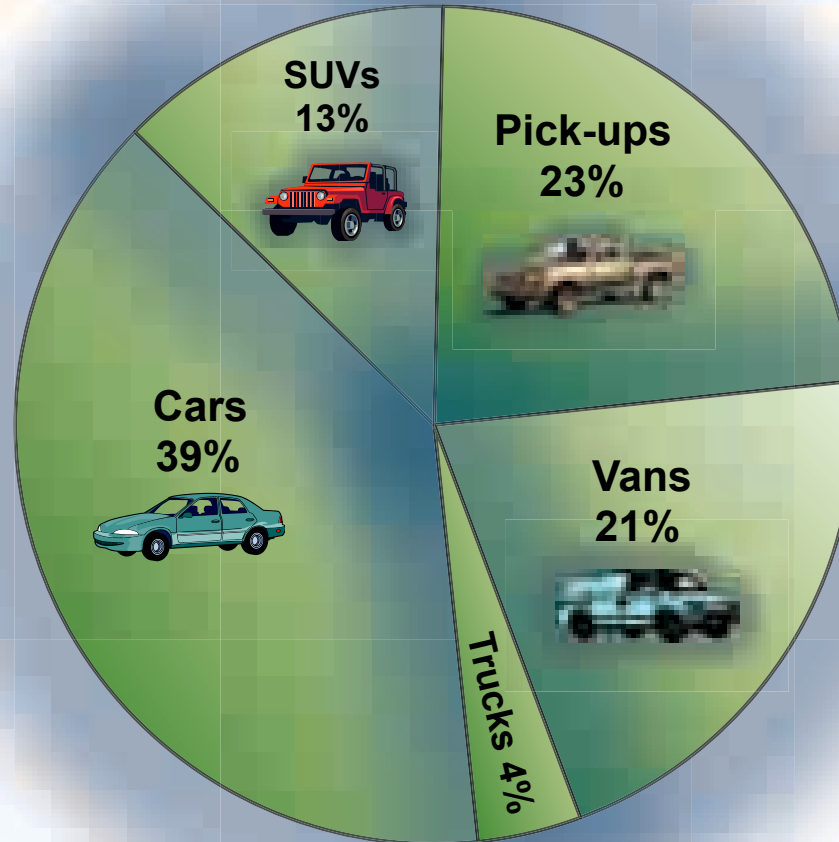
- **Average annual travel is 16,895 <sup>1</sup>**
  - 4% lower than the 2014-15 average of 17,603 km <sup>1</sup>
  - In 2013, 2,600 vehicles (10%) travelled fewer than 5,000 km<sup>1</sup>
  - In 2016, 2,094 vehicles (8%) travelled fewer than 5,000 km<sup>1</sup>
- **Average age is 4.9 years (59 months) <sup>1</sup>**
  - Fleet growing older – was 4.4 years (53 months) in 2012
  - 2,129 vehicles (8% of fleet) are older than 10 years
- **Average age at disposal is about 8 years <sup>2</sup>**

1 – Source: ARI database

2 – Source: PSPC's GCSurplus

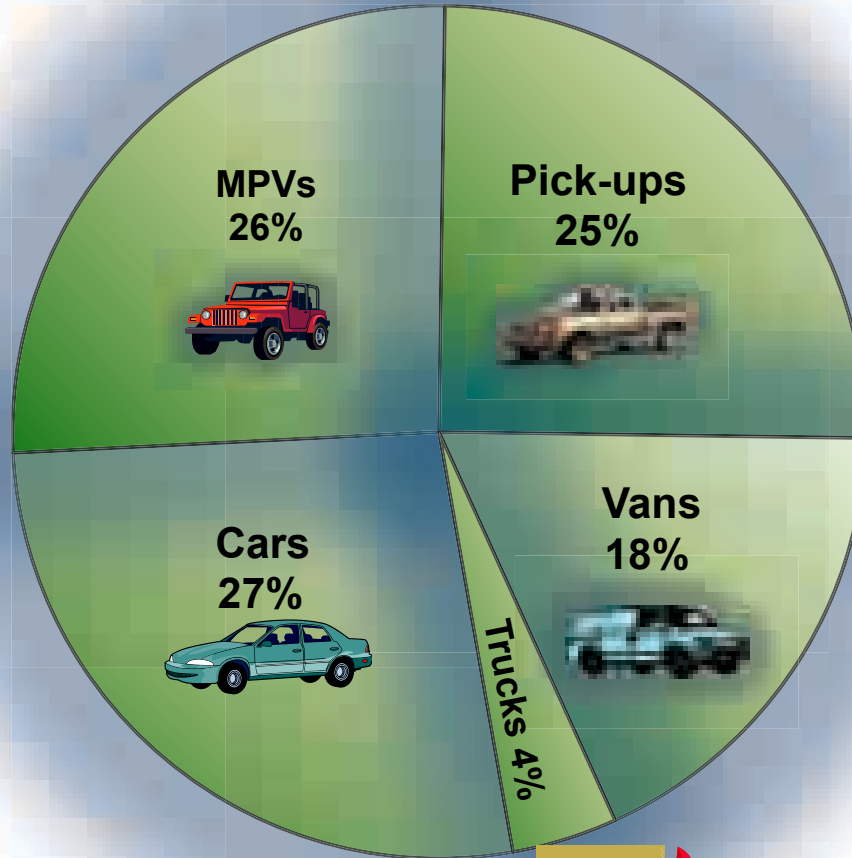
# Overview of GC Vehicle Fleet

Fleet Representation by Vehicle Class – 2014-15



# Overview of GC Vehicle Fleet

Fleet Representation by Vehicle Class – 2015-16



# TB Policy Suite

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# Existing Treasury Board Policy Suite

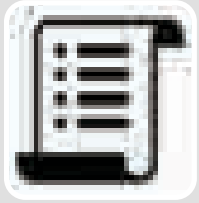
## Has Positive and Negative Elements

- Consultations with public servants have identified strengths and weaknesses with Treasury Board current policy suites

## Weaknesses include:

- **OVERBUILT**: there are still too many rules (over 8,000), many of them too prescriptive, creating undue burden
- **COMPLEX**: Rules are unclear with, at times, conflicting objectives
- **SILOED**: completing tasks requires public servants to understand multiple policies written narrowly by experts for experts, resulting in fragmented advice
- **RULEBOUND IMPLEMENTATION**: Focus is on compliance, rather than results
- **POOR SERVICE**: Public servants have identified internal red tape as one of their greatest irritants – defined as poor service and unclear direction

# Policy Suite Reset – A New Approach



## Streamline the Rules

Undertake a “reset” to streamline the rules, clarify accountability and improve alignment, consulting deputies, specialists and managers to ensure risks are mitigated and red tape is reduced



## Focus on the User

Improve access and understanding of the rules by using plain language and leveraging technology to meet the needs of users



## Improve Performance

Develop performance metrics for every “reset” policy and assess service standards for internal services



## Change the Culture

Use the “reset” to spur action on innovation and balanced risk-taking

- In October 2014, TBS received PSMAC support to undertake a “reset” to achieve a streamlined, user-centric policy suite with coherent policy requirements, within and between policies, without duplicating departmental policies

**TBS Review Process**

**Internal TBS Review**

- Triage of policy requirements
- Suite-wide analysis along themes
- Analysis of Five-Year Reviews and Implementation

**Completed Fall 2015**

**Revise Foundation Framework and simplify architecture of suite**

**Draft “Reset” Policy Instruments**

**Government-Wide Design In progress**

**Government-Wide Consultation**

**Treasury Board**

**End Date Winter 2016/17**

**We are here**

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# Policy Suite Reset – Streamlining the Rules

## Development of logic models (completed February 2016)

- Policy centres have developed logic models to communicate the objectives for their policies, making the assumptions of effectiveness explicit and articulating causal links
- Performance measurement strategies will be developed for every policy based on the logic models

## Drafting “reset” policy instruments for consultation (completed March 2016)

- Policy centres drafted new instruments, relying on the logic models and findings from various sources (e.g. signal checks with functional communities, TBS internal review, five year reviews)
- Rigorous internal review to identify and address alignment and clarity issues

## Government-wide engagement (completed by June 2016)

- Policy centres undertake traditional consultations with their functional communities
- These will be supplemented with coordinated cross functional consultations to ensure clear alignment from a user-focussed perspective

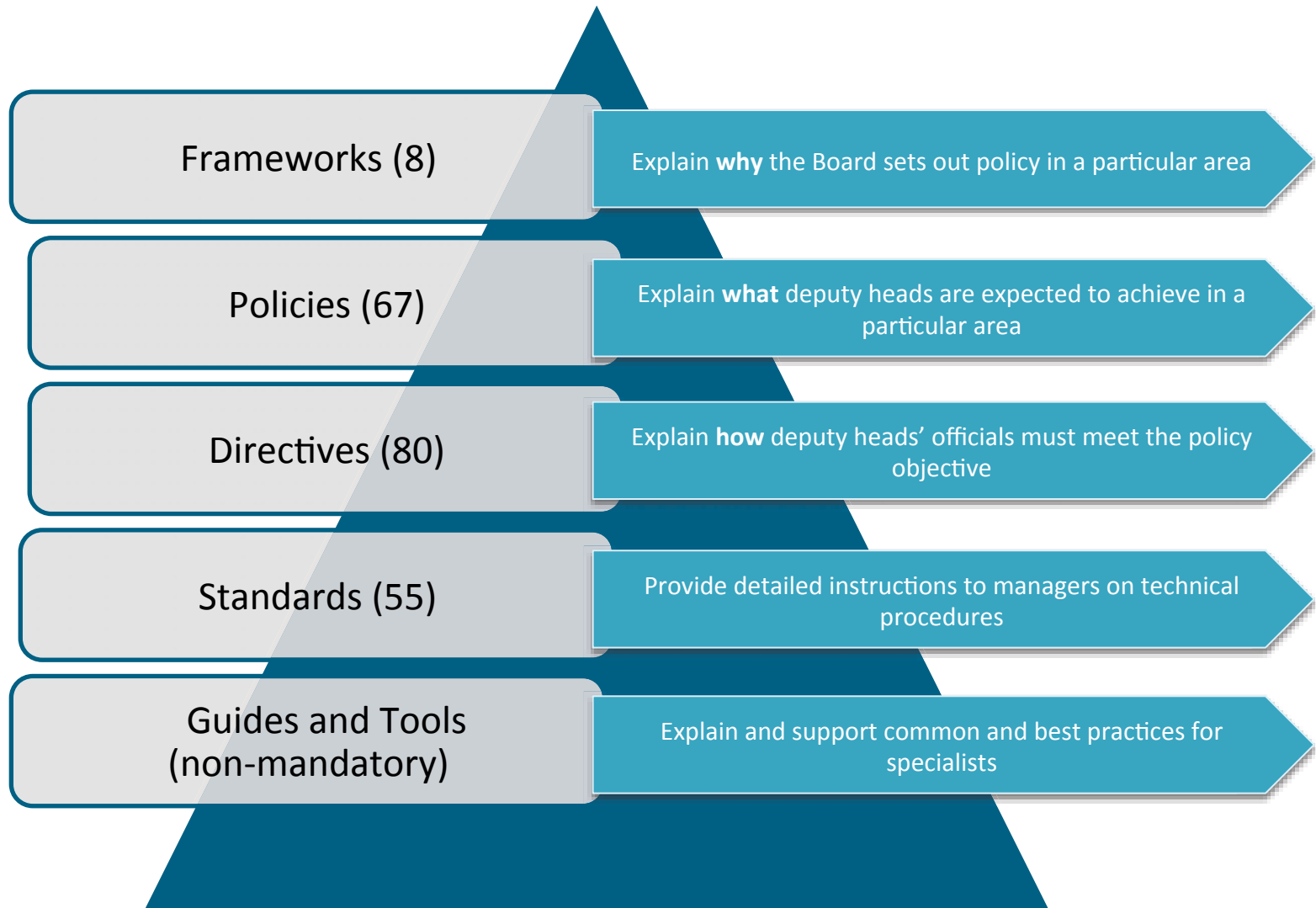
## Proposals to Treasury Board (Fall 2016)

- Streamlined and reset policy instruments provided to Treasury Board for consideration

# Policy Suite Reset – Implementation Spring 2017

- Clear **communications and monitoring** will be a key component of the implementation of reset policies to ensure that they achieving their objectives
- Departments will have access to **web-enabled searching and usability** of policy suite instruments and guidance:
  - TB Policy Suite GC intranet site (June 2016) using existing policies
  - TB Policy Suite GC internet website (Fall 2016) with faceted search capacity:
    - How do I ...*obtain project approval... prepare a contract... deploy an employee...*
    - What are my TB policy responsibilities as a ... *Deputy Head... Head of Communications... Head of Evaluation*
  - Process to receive feedback from users for suggestions on how to improve the policy instruments or the ability to find what they are looking
  - Tracking and access to policy-related questions and interpretations provided by TBS
- TBS will work with the Canada School of the Public Service to develop **training** modules
- TBS will monitor the **performance measurement strategy** developed for each policy and leverage oversight tools (e.g. MAF)
- TBS will correct or address policy related issues that emerge over a one-year implementation period

# Existing Types of TB Policy Instruments



# Proposed Types of TB Policy Instruments

The Foundation Framework for TB Policies will exist, but the Framework for the Management of Acquired Services and Assets will be eliminated from the Policy Suite

~~ASA Framework~~

Explain **why** the Board sets out policy in a particular area

Policies

Explain **what** deputy heads are expected to achieve in a particular area

Directives

Explain **how** deputy heads' officials must meet the policy objective

Mandatory Procedures

Provide detailed instructions to practitioners on procedures

Mandatory Standards

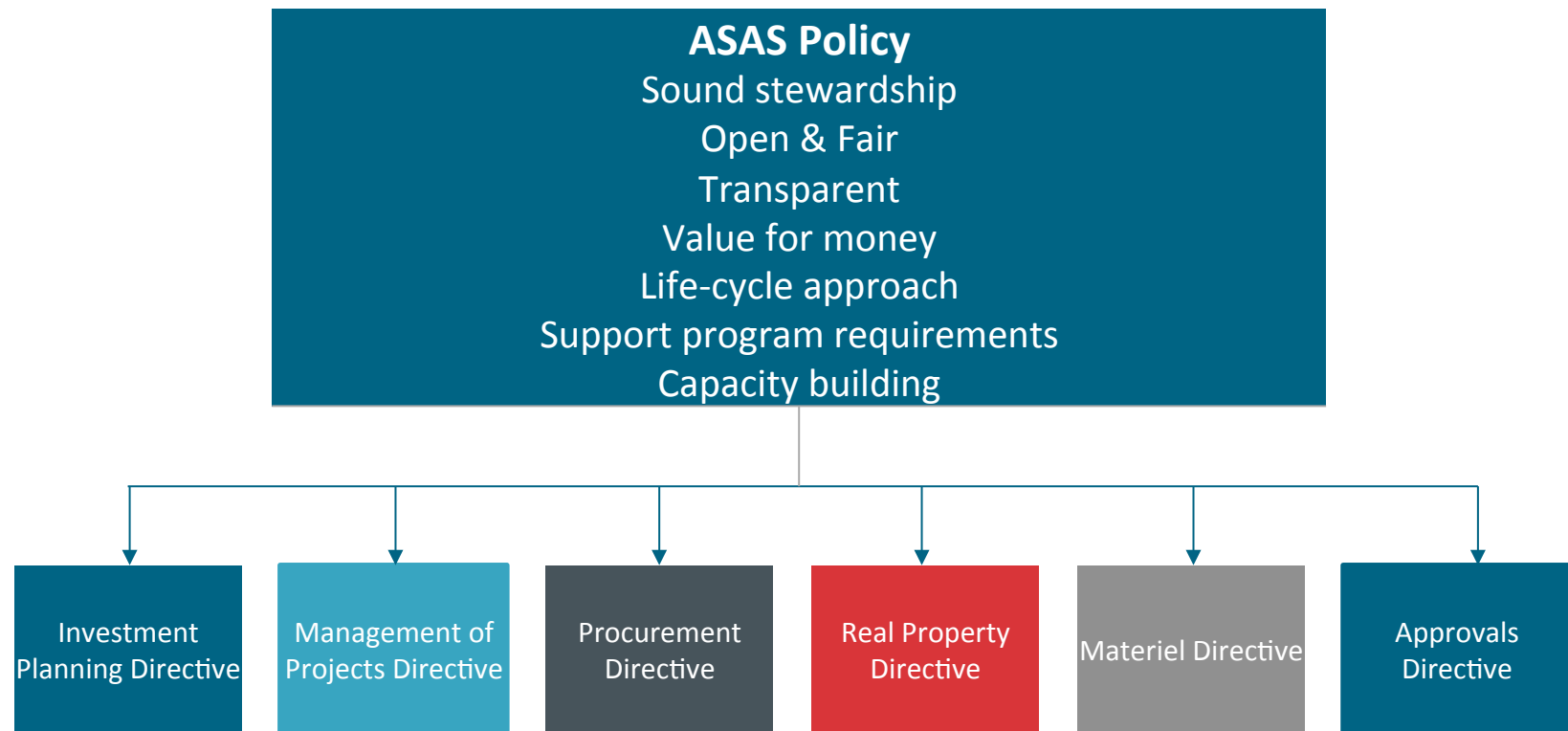
Provide detailed instructions to managers on technical procedures

Guidelines and Tools  
(non-mandatory)

Explain and support common and best practices for specialists

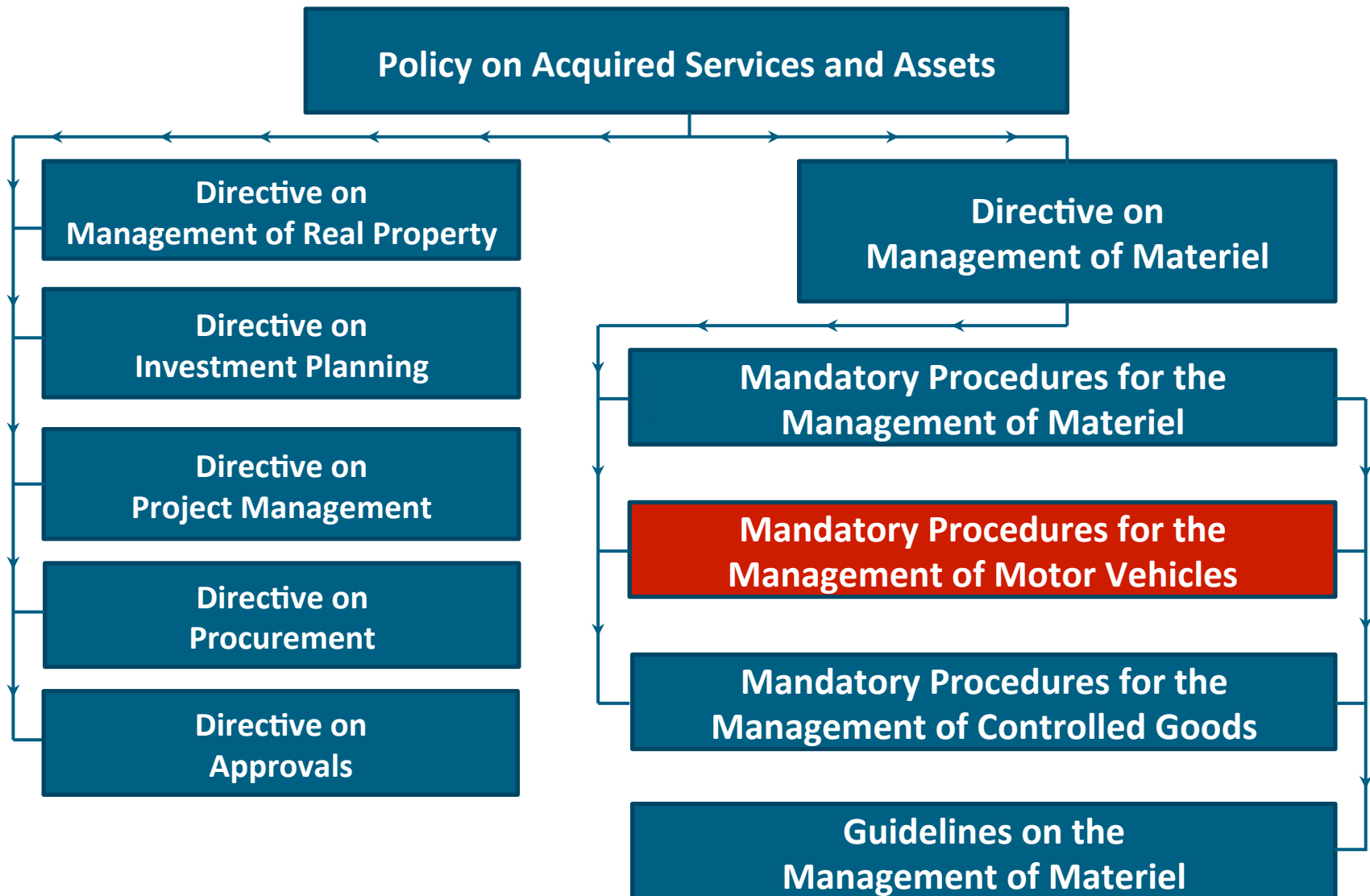
New fleet policy instrument

# Acquired Services and Assets Sector Policy Approach



- Eight existing ASAS policies would be integrated into one new policy
- Policy would be supported by one horizontal directive and five functional area directives with supporting Mandatory Procedures
- TB approval limits would be addressed in a single directive

# New Structure for ASA Policy Suite



# Existing vs Proposed Materiel Policy Instruments

Existing	Proposed
Guide to the Management of Materiel	<b>Guidelines on Management of Materiel</b> <b>Chapter 1: Materiel Management</b> <b>Chapter 2: Controlled Goods</b> <b>Chapter 3: Hazardous Goods</b> <b>Chapter 4: Heritage assets</b> <b>Chapter 5: Light-duty vehicles</b> <b>Chapter 6: Executive vehicles</b> Chapter 7: Medium and heavy trucks Chapter 8: Motorized equipment Chapter 9: Inventory Management Chapter 10: IT assets Chapter 11: Office furniture & equipment Chapter 12: Lab. & scientific equipment Chapter 13: Watercraft Chapter 14: Aircraft
Guide to Management of Movable Heritage Assets	
Guide to Fleet Management: Chapter 1 – Light duty vehicles Chapter 2 – Executive vehicles	

# Expected Effect of Changes on Fleet Managers

- **New single Policy for all instruments under ASAS**
  - Down from 7
  - Targeting Deputy Heads
- **New Directives for functional areas**
  - Targeting senior designated officials
  - e.g. ADM responsible for materiel management
- **New Mandatory Procedures**
  - Intended for practitioners
  - e.g. Fleet managers



- **Existing Directives on Light-duty and Executive Vehicles to be combined into one set of Mandatory Procedures**
  - We propose targeting all motor vehicles with this instrument, not just light-duty and executive vehicles
  - Eliminates duplication between the two directives
  - Specific and measureable requirements

# Expected Effect of Changes on Fleet Managers

- **Still organised based on four phases of life cycle**
  - Planning; Acquisitions; Operations and Maintenance; and Disposal
- **Specific Mandatory Procedures (to the point)**
  - Ensure that...
  - Purchase only...
  - Comply with...
- **Non-essential requirements and context moved to Guidelines on Materiel Management**
  - All incorporated into one document with multiple chapters (to be added gradually)

# Expected Effect of Changes on Fleet Managers

## ***Context eliminated – Example: Dealer Stock Purchases***

<b>Current Directive</b>	<b>Proposed Mandatory Procedures</b>
<p>Departments must contact PWGSC headquarters directly for urgent requirements.</p> <p>Vehicles purchased through dealer stock are generally more expensive than those procured through PWGSC's Departmental Individual Standing Offers. Dealer stock purchases must be avoided whenever possible and must only be made on an exceptional basis and only with the approval of PWGSC.</p> <p>Departments must not trade in their light-duty fleet vehicles, and must not purchase used vehicles for their light-duty vehicle fleets since these practices are not cost-effective for the federal government.</p>	<p>Do not purchase light-duty vehicles from dealer stock, new or used, or trade in light-duty vehicles.</p> <ul style="list-style-type: none"><li>• Dealer stock purchases of light-duty vehicles must be made in emergencies on an exceptional basis only, and with the approval of PSPC.</li></ul>

## Expected Effect of Changes on Fleet Managers

- Many issues, comments and suggestions of the 5-year Review done in 2013 were addressed in January 2015 with the revised Guidelines
- TBS currently consulting with Fleet Management Working Group to ensure that concerns, issues, gaps, duplications, etc. are addressed in the new Mandatory Procedures

# Expected Effect of Changes on Fleet Managers

- **TBS created three focus groups to tackle specific issues:**
  - 1. Electric Vehicles and Charging Stations**
  - 2. New Approach for the Management of Executive Vehicles**
  - 3. Expanding Policy Direction and Guidance to Include All Motor Vehicles**

## 1. Electric Vehicles and Charging Stations

- The current Government's Environmental Platform
  - *looking for ways to be an “early adopter” of emerging green technologies, and supporting clean transportation by adding electric vehicle charging stations at federal parking lots, and rapidly expanding the federal fleet of electric vehicles.*
- The Focus Group's task:
  - discuss current EV environment and make recommendations on new Mandatory Procedures and Guidelines that support clean transportation
  - consider possible incentives or enablers that could assist departments in the purchase of electric vehicles and the installation of charging stations on Federal Government owned or leased property.

## 1. Electric Vehicles and Charging Stations

- The installation of charging stations adds to the complexity of this initiative
  - Location of charging stations
  - Various charger levels
  - Underground wiring
  - Installation costs can go up rapidly
  - Accessibility
  - Need for new contract arrangements on leased property
  - Admin burden and legal issues on invoicing for electricity
  - Availability of parking spaces for employees, the public and/or clients who want to charge their electric vehicles when on GC parking lots? Not part of fleet management, but...

## 2. New Approach for the Management of Executive Vehicles

- TBS recommends that the current directive on executive vehicles be incorporated into the new *Mandatory Procedures for the Management of Motor Vehicles*
- A significant number of revisions and deletions from the current directive on executive vehicles are envisioned
- Focus Group's task is to consider all current requirements and make recommendations on best approach



## 2. New Approach for the Management of Executive Vehicles

- Executive vehicle specifications to be similar to departmental fleet vehicles, with possible minor “executive options”
- Executive vehicles listed are based on a competitive process
- No more maximum threshold for deputies and ministers
- Executive vehicles can move to and from minister, deputy and departmental fleet within a department

## 2. New Approach for the Management of Executive Vehicles

- Transfer of executive vehicles from one department to another only allowed in exceptional circumstances, subject to operational requirements
- No decision yet on how to deal with substituting 15% penalty for vehicles replaced before 3 years of use
- Added “electric” in addition to “hybrid-electric” for executive vehicle standards
  - Allows executive vehicles to be Battery Electric or Plug-in Hybrid Electric Vehicles

## 3. Expanding policy direction and guidance to include all motor vehicles

- **New Mandatory Procedures to include all “motor vehicles”**
  - such as medium and heavy trucks, buses
  - if appropriate, motorized (often off-road) wheeled or tracked equipment such as ATVs, snowmobiles, tractors, etc.
- **Focus group will:**
  - determine what should be included and excluded (maybe on-road vehicles only, for example) in the scope of motor vehicle types
  - develop a definition of “motor vehicles” and
  - add the necessary requirements in the Mandatory Procedures as well as supporting guidelines to ensure that all motor vehicles are managed on a life-cycle basis that meets all governing principles and provides the best value to the Crown.

# Remaining Fleet-related issues

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- **Need for good Key Performance Indicators for fleet vehicles. Will be added in Guidelines.**
- **Additional guidance recommended on liabilities surrounding the self-underwriting of GoC fleet vehicles, including authorizing drivers and passengers, due diligence, accident management, etc.**
- **Stronger emphasis needed on the importance of regular odometer reading reporting and on completing log books.**

# Remaining Fleet-related issues

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- **Consultation with other TBS policy centres may still be required where appropriate for fleet management issues commonly associated with these policies to ensure that they are aligned and to reduce any overlap:**
  - Financial Management, Risk Management, Human Resources Management, Values and Ethics, Federal Identity Program
- **Fleet management issues may include, but are not be limited to:**
  - Vehicle transfers between departments at market value, acquisition card vs fleet card, loyalty points/cards, self-insurance, health and safety, travel, official and personal use, vehicle markings.

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THANK YOU

A 3D rendering of a blue, blocky sign that says "THANK YOU". The sign has a slight shadow and a reflection on the surface it's sitting on. The background is a light gray gradient.