

REQUEST TO MARKET AND SELL FLEET INNOVATIONS

EXECUTIVE SUMMARY

While working with City business units, to understand their unique vehicle and equipment needs, Fleet Services is often engaged in researching and assessing current market options. If the current options do not meet the needs of the business unit, Fleet Services may engage in developing innovative designs and manufacturing equipment and components that are either not available in the market or are not meeting users' needs in their current design. As many municipalities have similar needs in regards to their fleet, opportunities may exist to share these designs or products through the form of a sale.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommend that Council:

1. Approve the sale of designs, fully manufactured products, innovative solutions and products including (but not limited to) slip-in asphalt carriers to other municipalities.

PREVIOUS COUNCIL DIRECTION / POLICY

None

BACKGROUND

Service delivery requirements for The City of Calgary are often enabled by the use of vehicles and equipment. Understanding the unique service requirements of our customers leads Fleet Services to source the most appropriate solution to enable service delivery. Often, the solution is either not available in the market, or the market unit requires significant modifications to meet the need, thereby having the potential to drive up costs.

To resolve this issue, in collaboration with Roads, Fleet Services designed, engineered and fabricated a slip-in asphalt carrier. This innovative piece of equipment not only meets the service delivery need of the customer, it also increases the utilization of our existing fleet of dump trucks. In the past, the asphalt carrier was a chassis mount unit. With the slip-in design, a dedicated chassis is no longer required, which increases the utilization of the existing fleet of dump trucks and provides an opportunity for a future reduction in the fleet count.

With the previous design of slip-in sanders and drip tanks, one dump truck is now being used to provide three distinct services: snow and ice control in the winter, street clean-up in the spring, and asphalt recycler/carrier in the summer. All three pieces of equipment are plug-'n-play using the same control system installed on the base dump truck. In less than 30 minutes, one operator can change the equipment and make the unit ready for the next application.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The design and manufacturing of the slip-in products has captured the interest of other municipalities. These municipalities have already visited our manufacturing facility and have expressed an interest in purchasing our product.

Fleet Services recognizes an opportunity to work collaboratively with other municipalities through the sale of its designs or fully manufactured products. Products such as the slip-in

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asphalt carrier represent an innovative cost saving solution for other municipalities. In turn, this will create a revenue stream that will provide an opportunity for Fleet Services to fund future research and development projects representing a direct benefit to The City of Calgary.

Fleet Services built the first slip-in asphalt carrier prototype last year and is currently investigating the patentability of its design. In previous years, a slip-in sander and drip tank was implemented and with the design of a multi-purpose controller in the dump truck, we are now running a fleet of multi-purpose trucks.

Prior to the design phase market research was undertaken. The outcome proved that although similar solutions were available, they did not match the need of the customer business unit. In-house design was undertaken that has led to a solution not readily available in the market. The design will create efficiency in the service delivery, reduce fleet expense and increase fleet utilization.

Stakeholder Engagement, Research and Communication

Corporate Analytics and Innovation (CAI) and the Law Department are assisting Fleet Services in investigating the patentability of the new design. Supply Management and the Law Department will provide advice regarding the terms and conditions of any sales.

Strategic Alignment

The recommended solution aligns with the Council's priority of a well-run city, in which we work with our municipal partners to ensure we have the tools we need.

Social, Environmental, Economic (External)

The recommended solution will generate a new revenue stream for Fleet Services, which will directly support innovation through future research and development projects.

Financial Capacity

Current and Future Operating Budget:

There is no impact on current or future operating budgets.

Current and Future Capital Budget:

There is no impact on current or future capital budgets.

Risk Assessment

Manufacturing these units does not increase the operational risk exposure of Fleet Services. Manufacturer liability and after sales services would be mitigated through terms and conditions of service as prescribed by the Law Department.

REASON(S) FOR RECOMMENDATION(S):

The sale of Fleet Services innovations will generate a new revenue stream for The City of Calgary.

ATTACHMENT(S)