Building a safer, smarter, and future-ready fleet

City Logistics has scaled to a 1 300-strong fleet serving South Africa's largest B2B shippers. *Business Fleet Africa* sat down with City Logistics CEO Ryan Gains to discuss how the company optimises total cost of ownership, doubles down on safety and driver excellence, and tests alternative energy options, all while navigating tough roads, evolving regulations, and the economics of cleaner transport.

BFA: Please provide an overview of City Logistics' current fleet size and composition

We operate over 1 300 vehicles. About 85% are medium to heavy-duty trucks and trailers and roughly 15% are light commercial vehicles. This mix reflects our core B2B focus and high cargo volumes.

Larger units deliver better economies of scale, higher payload per trip, and improved efficiency. We've invested accordingly in bigger trucks and trailers and reduced smaller vehicles to optimise for high-volume deliveries rather than small e-commerce drops.

BFA: What are your primary criteria when selecting new vehicles?

We buy on total cost of ownership, not sticker price. The real economics are purchase price minus residual value at end of life. We engage banks and OEMs for buyback commitments, if there's no buyback, we assign a lower residual, which affects the decision. We also rigorously evaluate depreciation, maintenance, uptime, fuel efficiency, and reliability. A vehicle that's standing at a dealer waiting on parts is not an asset.

Nationwide dealer support is non-negotiable. Our fleet covers around one million kilometres a week, so reliability is critical for us and our customers. Brands like Mercedes-Benz, Scania, Fuso, Toyota, and Hino consistently offer the right blend of residual value, aftersales networks, safety, and build quality, making them cost-effective and dependable. We continuously review the market to ensure our choices keep meeting these criteria.

BFA: How is fleet maintenance structured?

RG: We run a hybrid model. Anything with a drivetrain is serviced at franchised dealerships to protect warranties and extended coverage. Trailers are maintained in-house and at approved service centres. We buy extended warranties across the fleet to maximise uptime and reliability, and we run regular safety checks over and above scheduled services.

Fuel efficiency is among the best in the industry, supported by carefully screened, highly skilled drivers who are continually coached for efficient driving. Vehicles are equipped with appropriate control systems to optimise performance.

BFA: Which KPIs matter most and how do they guide decisions?

Firstly, speed governance. Every vehicle is limited to legal speed. We've implemented speed governors for over 20 years, even before OEMs made them standard, and we monitor compliance, including on downhills.

City Logistics CEO Ryan Gains

Secondly, tyre management: We track all 7 500 tyres in real time: location, fitment, and use history, taking conventional tyre control on steroids.

Similarly, fuel is tracked per transaction and reconciled automatically from supplier through ERP into our fleet system. Anomalies are removed and exceptions flagged at driver level. If a unit's usage deviates from expected norms (e.g., litres consumed versus kilometres), we investigate.

These metrics: speed, tyre usage, fuel consumption, drive real operational decisions that make the fleet safer, more efficient, and more reliable. The level of oversight gives us a material management edge.

BFA: What's your replacement policy?

It's based on useful life and best value extraction by asset type.

Light commercials/four-tonners/tractors are typically replaced at around 36 months, when cumulative mileage reaches the asset's economic sweet spot for disposal and resale.

Eight-tonners with lower mileage profiles allow for longer holds of between five and 10 years.

As trailers have no engines or transmissions, they are able to remain productive longer, typically 10–15 years.

These thresholds are grounded in hundreds of millions of kilometres of operating data. Other fleets may differ, but this policy has proven viable for our context.

BFA: How do you leverage telematics and route optimisation?

For fleet diagnostics and performance, we use OEM platforms, FleetBoard or FleetBot on Mercedes, Dynafleet on Volvo, FusoConnect, Hino-Connect, to

surface technical health, fault codes, and exceptions.

For planning and route compliance, we use OnRoute. Drivers receive precise turn-by-turn instructions from the depot to each delivery point. We measure route compliance and driving style, extracting efficiency through economical driving and minimum-distance adherence.

BFA: What's your approach to alternative fuels and electrification?

We're actively testing full-gas, hybrid-gas, diesel, full-electric, and diesel-electric hybrids. Our adoption criteria are systemwide: the vehicle must complete the required duty cycle with dependable access to the necessary energy along the route, whether charge points or gas.

To date, rollout is constrained by energy availability, geographic coverage, and cost. The total cost of ownership must meet our thresholds.

That said, we're seeing promising developments and expect to introduce both light commercial and heavy commercial alternative-energy vehicles within the next 12 months where routes, energy access, and economics align.

BFA: South Africa's road conditions are tough. How do you spec for that without blowing costs?

Broadly, you choose either off-road spec (axles, bumpers, tyres for mining/agricultural duty) or road spec (air suspension and road-efficient tyres). Our business requires road-spec vehicles to achieve fuel efficiency. Poor roads accelerate tyre and suspension wear. It has become a cost of doing business.

We map high-incident routes and regions. Currently, parts of the Free State are particularly challenging on corridors between Gauteng, KZN, the Western Cape, and Namibia, and manage exceptions. You can fit more robust tyres to reduce punctures, but fuel efficiency suffers. We've elected to keep the fleet in its most efficient configurations and handle exceptions case-by-case.

BFA: How are you handling the driver shortage and what's your retention model?

We've not faced a structural shortage, turnover among our core driver base is low. The pressure arrives in peak seasons, when we need additional drivers. We manage this through rigorous recruitment with a deliberately high bar. The pass rate is low by design.

Retention hinges on remuneration and culture. We pay competitively, often above typical rates, and invest heavily in training. That spans hard skills, soft skills, and systems/technology use. The result is a positive environment with strong retention.

BFA: What are the biggest fleet challenges and opportunities over the next three to five years?

The headline challenge is adopting alternative-energy vehicles: gas, biodiesel, electric, hybrids, within South Africa's current regulatory and infrastructure constraints.

In markets with widespread EV adoption, regulations have been adapted to allow higher axle loads or longer vehicles to accommodate heavy battery packs. Locally, without those adjustments, EV implementation becomes complex.

Battery mass can push front axle loads beyond permissible limits. Other markets address this through axle-weight allowances; in South Africa, the workaround is lengthening the wheelbase, which forces shorter trailers and compromises volume/weight optimisation. That's a non-starter for many transport applications focused on maximising payload efficiency.

Beyond regulation, infrastructure is the second pillar. We need reliable gas and charging stations along arterial routes with competitively priced energy. Third is economics, without government incentives or subsidies, cleaner vehicles carry higher setup and operating costs, slowing adoption and restricting it to a small subset of operators who can fund private infrastructure and absorb higher TCO.

To unlock the opportunity, South Africa needs targeted regulatory reform on axle loads and vehicle dimensions for new energy vehicles, corridor-based energy infrastructure (gas and high-capacity charging) aligned to freight flows as well as incentives that narrow TCO gaps between ICE and cleaner technologies.

With those pieces in place, operators can adopt the right energy mix for specific duty cycles, from urban LCVs to long-haul heavies, improving emissions without sacrificing fleet economics.

In closing

"Our strategy is pragmatic. Engineer efficiency and safety today, through disciplined TCO decisions, deep telematics, and driver excellence, while testing alternative energy options that can scale when the ecosystem is ready. That balance helps us serve customers reliably now and transition responsibly as the landscape evolves," said Gains. BFA