AUDIT OF EQUIPMENT (FLEET) SERVICES

Light Fleet Management and Operations

Report # 13-02
May 22, 2013
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The Audit

Background

- 2004 Fleet Management Audit
- 2012 Fleet Purchase & Disposal Audit

Audit Objectives

- Identify changes since 2004
- Quantify fleet utilization
- Evaluate fleet effectiveness

Scope

- Light vehicles, 2011 full year data
Utilization Standards

Minimum Annual Mileage Standards

- 0 to 5,000 miles (common practice)
- Between 5,000 & 10,000 miles (leading practice)
- Over 10,000 miles (best practice)

Days Utilized

- Alternate for certain high use/low mileage
- Appropriate for motor pool
Fleet Management Model

- General use vehicles
- Best value for day trips
- Use reimbursement first
- Rent only when needed

- Flexible size
- High efficiency mix
- 80% + utilization
- 10k+ miles per year standard

- Specialized or high utilization general vehicles
- 6k miles per year standard
Conclusion #1:
Recent Progress Has Been Made

- Fleet has 25 fewer vehicles than in 2004
- Most rollover vehicles have been retired
- Fuel accountability has improved
- Recent additions of higher efficiency vehicles
- Maintenance intervals are now being extended
Conclusion #2: The Fleet Remains Underutilized

Utilization unchanged from 2004 to 2011

- Over a third of the fleet doesn’t meet the minimum mileage standard
- Motor pool: Daily rentals lower than 2004 and decreasing
- Take home vehicles: Options to improve efficiency exist
- Day use vehicles: lowest utilization
Conclusion #3

Fleet Effectiveness Has Decreased

Fleet composition reflects low priority

- No compact or subcompact sedans, SUVs or trucks
- Most vehicles purchased were full sized sedans and trucks or mid-sized SUVs
- Only one hybrid outside the Motor Pool in 2011
- Overall fleet fuel efficiency dropped since 2004 despite technology improvements
**Conclusion #4**

**Missed Opportunities Existed**

- Maintenance management program did not take advantage of current technology
  - Maintenance interval too short
  - Onboard computers not used effectively

- Employee mileage reimbursement are not encouraged by the county

- External rental vehicles rarely used despite lower cost for longer trips
Conclusion #5:

**Senior Sponsorship Is Not Visible**

- Fleet Management Review Board was ineffective in controlling fleet composition

- No visible county standards or goals related to efficiency or effectiveness
Core Issue

“For the fleet to change their current operating procedures requires a clear strategic direction and demonstrated senior management interest.

Lacking such involvement, it is not likely the Fleet Manager will be successful in making the fundamental changes needed to significantly improve fleet operations.”
Recommendations:

Provide Strategic Direction

- Continue to use Public Works Director for fleet purchasing decision oversight
- Discuss draft Fleet Policy with the BOCC for their support
- Identify appropriate county-level strategic goals and targets
- Determine specific BOCC actions that would support change
Recommendations: **Reduce Fleet Size**

- **Reduce the motor pool fleet** by at least two low-usage vehicles
- **Eliminate all rollover** vehicles replaced over six months earlier
- **Dispose of chronically underused assigned vehicles.**
Recommendations: Diversify Fleet Options

- Expand employee mileage reimbursement
- Use rental vehicles for trips over 80 miles
- Buy smaller, more efficient two wheel drive vehicles as the standard for new or replacement vehicle wherever they can fulfill the mission.
Recommendations: Management Opportunities

- Extend **maintenance interval** to 7,500 miles
- Use **service contracts** to identify service levels and expectations
- Align **ER&R payments** with vehicle lifetimes
- Expand **communications** of vehicle and fleet performance data
Fleet Recommendations

- Increase external rental and employee reimbursement
- Decrease motor pool size and improve vehicle mix
- Retire all “rollover” vehicles; Address all other habitually low use vehicles

BOCC Support
Questions?

- Full audit report is available on County web site under “Audit Services”

- Past audit reports also on web site