

# FLEET MANAGEMENT

## Department Mission/Purpose Statement

We are dedicated to being a well-managed, preferred provider of quality and cost-effective fleet services.

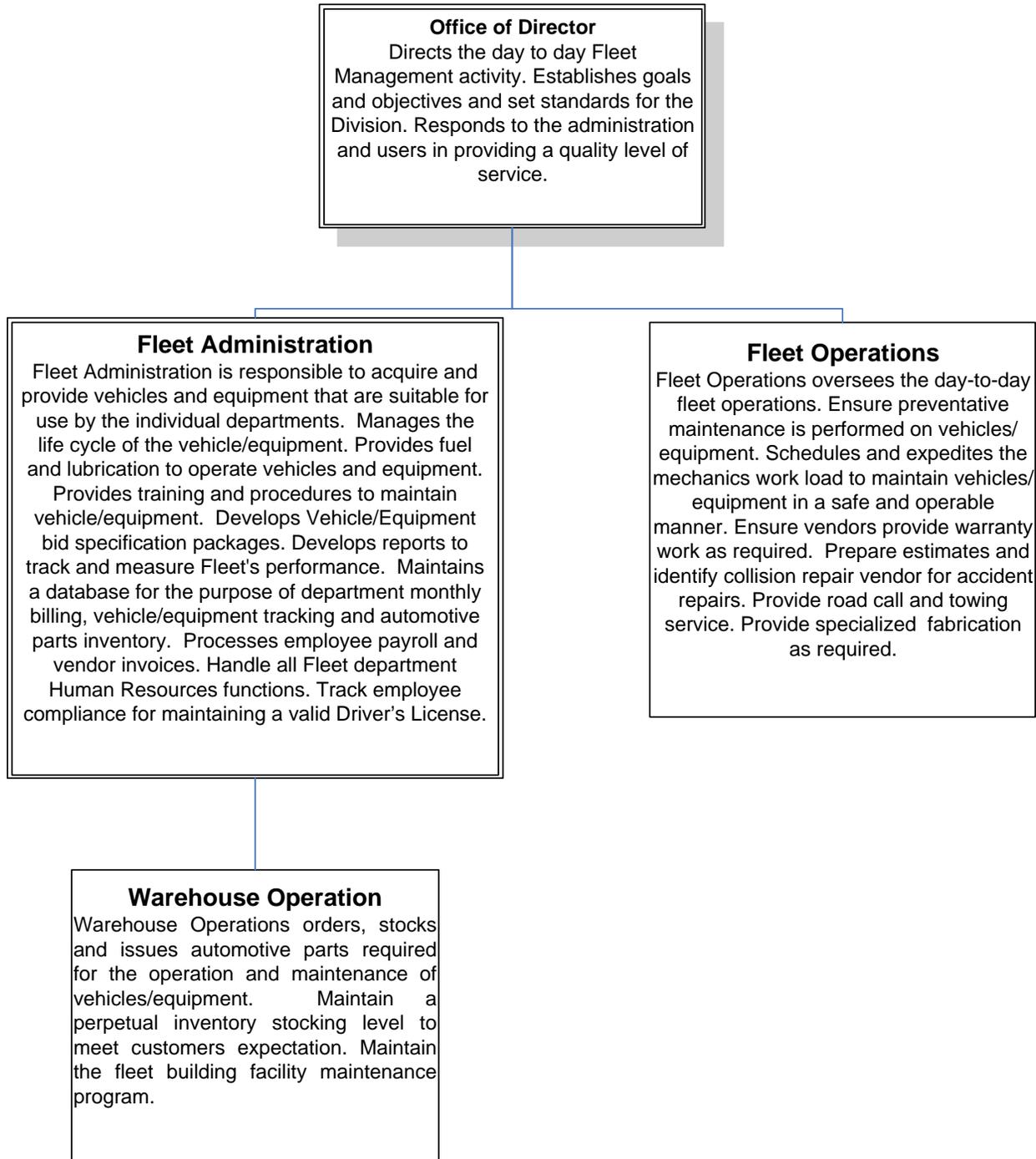
## Department Description

In 2013, Fleet Management maintains and repairs the City's fleet of 1,171 vehicles and pieces of equipment. This total is comprised of 829 sedans and light trucks and approximately 342 various pieces of heavy trucks and equipment, such as all-terrain vehicles, watercraft, trailers, pressure washers, and motorcycles. Fleet also maintains 49 vehicles for the Village of Key Biscayne.

Department responsibilities and activities include:

- Identifying, developing and implementing definite criteria for standard and special-use vehicle specifications for the City.
- Providing training in the operation of vehicles and special equipment to the end user. Fleet Management partners with Human Resources and Risk Management to ensure drivers are properly licensed and in compliance with Federal, State and Local laws, to operate specific City equipment.
- Responsibility for maintaining City vehicles during their life cycle and for scheduling their replacement after meeting the criteria as designated by Fleet Management and City policy. Age, mileage, repair history/cost and general condition are key factors when scheduling vehicle replacement. Also review vehicle utilization during its life cycle.
- Providing and distributing fuel for City vehicles, equipment, generators, boats, and golf course equipment (both gas and diesel) as required.
- Responding to emergencies including callouts for towing and wrecker services for City vehicles on a 24/7/365 basis.
- Verifying, tracking, approving and processing over 8,000 vendor transactions and purchasing card transactions for payment annually.
- Ordering, tracking and maintaining appropriate automotive parts stocking levels in the Fleet Warehouse.
- Providing annual equipment safety inspections.
- Monitoring, identifying, and ensuring payments are made for SunPass transponder violations and Red Light Camera infractions incurred by City Employees driving City Vehicles.

- Monitoring and implementing Automated Vehicle Locator and Non-Revenue SunPass Transponders.
- Assisting Risk Management with accident investigations for subrogation.



## **Significant Prior Accomplishments**

### **Automated Vehicle Locator (AVL) Project Implementation**

Fleet Management coordinates the purchase and installation of AVL devices in City vehicles. Devices provide real time data communications with vehicles to monitor field activity, improve safety and operational efficiency. The AVL system could potentially expand to all City departments. Of the approximately 560 AVL units installed to date, 74% were installed during FY13 with total installations expected to approach 800 in FY 2013/14. More recently, Fleet Management has absorbed full administration of the AVL program, to include review and processing of monthly monitoring services billing as well as facilitating resolution of technical issues with the vendor.

### **Fleet Fuel Card Program**

Completed analysis and advanced Fleet Fuel Card Program to test phase. Program will improve the operating efficiency of Police and Parks and Recreation Departments, provide alternate fueling locations for Police, Fire and Parks personnel, and improve invoice and credit card payment processing efficiencies in Fleet and Finance Departments personnel. When fully implemented in the north end, it should result in a productivity gain of over 3,500 neighborhood patrol hours per year for the Police Department.

### **Fleet Vehicle Auction**

Issued a request for quotes for vehicle and equipment auction services that resulted in a lowering of the Buyer's Premium from 10% to 7%, effectively dropping auction fees paid by buyers to Auctioneer to improve the overall value of a purchase to the general public and dealers. Fleet Management auctioned 183 lots of City vehicles and equipment, generating net proceeds totaling \$536,043. City of Miami Beach vehicles typical bring higher values than those from the City of Miami or Miami-Dade County.

### **Disposal of Surplus Parts via Online Auction Services**

Initiated disposal of surplus vehicle parts, including safety equipment, such as light bars and prisoner partitions, as well as miscellaneous automotive parts, utilizing online auction vendor Public Surplus.

### **Vehicle Replacement Savings Program Update**

Fleet Management implemented a program in 2003 to eliminate the extended warranty on Police Pursuit vehicles. Since the inception of this program we have purchased 558 units with savings to date totaling approximately \$1,872,000. The current average purchase price of a police pursuit unit is \$26,800. The current warranty cost equates to approximately 8% of the vehicle cost. Extended Warranty options only provide an extra 25,000/50,000 miles of coverage. Approximately two dozen transmissions fail per year at a rebuilding cost of approximately \$1,250 each with a two year 24,000 mile warranty. This equates to expenses of \$30,000 per year. The Next Generation Police Interceptors are delivered with a 5 year/100,000 mile drive train warranty.

### **Fleet Facility Surveillance Cameras Purchase**

Fleet Management in conjunction with the Sanitation department purchased additional surveillance cameras to provide 24/7/365 day facility coverage. This will deter vandalism and theft from the Fleet Management property and will meet Homeland Security requirements.

### **Quarterly Driver's License Verification Program**

Quarterly Driver's License Verification Program was originally a function of the Human Resources Department. After the Risk Management position was eliminated, this function and process was transferred to Fleet Management, to continue any processes that were established. Fleet Management reviewed the material provided and implemented a process for verifying City employee driver licenses through the Florida State database. Employees found in violation are being checked more frequently and are notified about their individual violations for remedy.

#### **Fuel Error Log Process Improvement**

Eliminated hard copy logs for daily fuel down loads, uploads, errors and successful fuel records. Exporting information directly into Excel and printing error log sheets. Saved Fleet Management 5,000 sheets (1 Box Copy Paper) including toner cartridge annually. The error log sheet (1 Page) is reconciled between the Office Associate Five, Fleet Service Representative and the customer. Providing more accurate mileage readings and reporting.

#### **Warranty Monitoring Program**

Developed program to identify vehicles that are nearing their warranty expiration date. This provides the Fleet Service Representative a mechanism to have vehicles brought in for service prior to warranty expiration and send to the dealer for any repairs covered under warranty. Downstream will reduce repair costs to the City.

#### **Preventative Maintenance Service Level Agreement**

Established a Preventative Maintenance Service Level Agreement with each department that operates City Owned Vehicles to bring vehicles into Fleet in a timely manner.

#### **Refrigerant Recovery/Recycling/Recharging A/C Machine Purchase**

Fleet Management purchased two (2) Air Conditioning Recycling Machines with the latest computerized technology. This provides the Mechanic a more accurate reading when working on vehicles to ensure the right amount of Freon is used and not wasted. The Flow Control Technology also allows the Mechanic to evacuate the system 50% faster. Refurbishing the existing machines would have been more costly than the purchase of new ones. Machine holds 50 Lbs. of Freon, instead of 30 Lbs., reducing replacement tank frequency.

#### **Heavy Equipment Diagnostic Test Set Purchase**

Fleet Management purchased one (1) Heavy Equipment Diagnostic Test Set, which will provide diagnostic and program capability for various Equipment Manufacturers such as Allison; Bendix; Caterpillar; Detroit Diesel; Freightliner; International; and Sterling. This will save time by the Mechanics to identify problems and ensure quicker turn around to our customers. It also provides an extra verification when the dealer returns equipment under warranty that the work was performed.

#### **Non-Revenue Transponder Implementation Program**

Fleet Management took over the non-revenue transponder program (highway tolls) responsibility originally initiated by the Police Department. Formerly the transponder unit was a removable unit and could be used on any police vehicle. The new transponders are permanently affixed to marked police vehicles only. This provides a more accurate accounting and reliability effort.

#### **Off-Road State Fuel Reimbursement**

Fleet Management submitted documentation supporting approximately \$110,000 in Off-Road Fuel Reimbursements from the State of Florida Department of Revenue.

# Performance Plan Highlights

Citywide Key Intended Outcome	Departmental Performance Indicator	Actual									Target		FY 13/14 Adopted Initiatives
		FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14		
Control costs of payroll including salary and fringes/Minimize Taxes/Ensure expenditure trends are sustainable over the long term	Fuel Volume Gallons Gasoline per Vehicle – Sedans/Light Trucks	920	843	906	894	898	898	926	893	915	870	<ul style="list-style-type: none"> <li>Continue implementation of Accident Awareness and Prevention program with HR, Risk and Police by initiating a process to monitor and verify licensing of driver &amp; operators</li> <li>Develop Accident Prevention Training Program</li> <li>Evaluate internal process and cost effectiveness of decommissioning vehicle/equipment for auction</li> </ul>	
	Average Maintenance Cost per Vehicle (Light & Heavy Equipment)	\$1,345	\$1,504	\$1,610	\$1,595	\$1,767	\$1,808	\$1,843	\$1,924	\$1,950	\$1,900		
	Fleet Fuel Volume Gallons Diesel Dispensed	134,070	122,276	125,657	123,572	122,586	130,626	123,543	127,587	132,000	125,000		
	Fleet Fuel Volume Gallons Gasoline Dispensed	689,630	655,550	695,256	742,999	767,943	773,049	776,500	731,180	780,000	710,000		
	Maintenance Repair Costs (in \$ millions)	\$1.568	\$1.735	\$1.869	\$1.851	\$2.153	\$2.204	\$2.337	\$2.251	\$2.320	\$2.250		
	Average preventative maintenance time Police pursuit vehicles 3Month/3K Mile Interval (minutes)	32 min	31 min	32 min	29 min	30 min	29 min	30 min	31 min	32 min	32 min		
	Average preventative maintenance time Police pursuit vehicles 9Month/9K Mile Interval (minutes)	51 min	49 min	47 min	41 min	47 min	47 min	49 min	50 min	50 min	50 min		
	Average preventative maintenance Time Sedans & Light Trucks 4Month/4K Mile Interval (minutes)	37 min	40 min	37 min	34 min	36 min	32 min	32 min	34 min	40 min	40 min		
	Average preventative maintenance Time Sedans & Light Trucks 12Month/12K Mile Interval (minutes)	59 min	56 min	60 min	55 min	55 min	52 min	54 min	61 min	60 min	60 min		
	Fleet Warehouse Automotive Parts Inventory Turnover Ratio	2.66	2.3	2.41	2.47	2.52	2.69	2.79	2.89	2.5	2.5		
	Hourly Labor Cost Per Mechanic	\$50.00	\$52.66	\$53.76	\$60.16	\$76.54	\$76.42	\$79.33	\$89.09	\$80.00	\$95.00		
	Average Percent Preventative Maintenance Completed Early, On Time or late	72%	80%	76.3%	73%	68.3%	68.3%	67.6%	73.4%	70%	75%		

If Actual Field is blank then data was unavailable or survey question was not asked in that year

TBD - To Be Determined

Citywide Key Intended Outcome	Departmental Performance Indicator	Actual									Target		FY 13/14 Adopted Initiatives
		FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14		
Maximize efficient delivery of services	Police Vehicle Availability	97.69%	97.84%	97.13%	97.64%	95.91%	96.38%	96.79%	97.39%	97%	97%	<ul style="list-style-type: none"> <li>• Develop and implement customer feedback mechanisms for Fleet Management services</li> <li>• Create service level agreements with departments for preventive maintenance (oil changes) based on new engine technology, improved synthetic fluids and manufacturers recommendation and track impact on fleet expense</li> <li>• Improve Fleet warehouse operations management by reclassifying two existing part-time FSR positions to one Warehouse Supervisor position</li> <li>• Implement / evaluate results of the Fleet Fuel Card Program for Police, Fire, and Parks and Recreation Departments' employees assigned City vehicles operating in the City's north end</li> <li>• Implement centralized coordination of aerial device safety training for various City departments</li> <li>• Develop Accident review Committee Citywide similar to Police</li> </ul>	
	Police Patrol Average Gallon Usage per Vehicle					91	92	93	92	92	90		
	City Wide Vehicle/Equipment Sedans & Light Trucks Non-Police Availability	97.29%	98.23%	98.42%	98.56%	95.67%	97%	96.00%	96.25%	96%	96%		
	City Wide Vehicle/Heavy Equipment & Other Non-Police Availability	98.09%	97.34%	97.1%	97.18%	92.69%	94.78%	94.52%	94.8%	95%	95%		

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		FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14		
Improve process through information technology	<u>KPI: Information technology investments (\$) to increase revenue, improve efficiency, or improve customer service (in millions)</u>		0.588	0.695	1.043	0.298	0.552	0.199	.601	.482	.609	<ul style="list-style-type: none"> <li>• Install additional Automated Vehicle Locator (AVL) technology in Parks and Recreation, Fire, Water, Sewer, Stormwater, Property Management and Public Works vehicles</li> <li>• Develop a plan for the expansion of AVL devices and systems to all City vehicles and equipment</li> </ul>	
Enhance the environmental sustainability of the community	Supports measures on Citywide Scorecard											<ul style="list-style-type: none"> <li>• Continue to pursue green initiatives - Fuel efficient Vehicles</li> </ul>	

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## Departmental Financial Summary

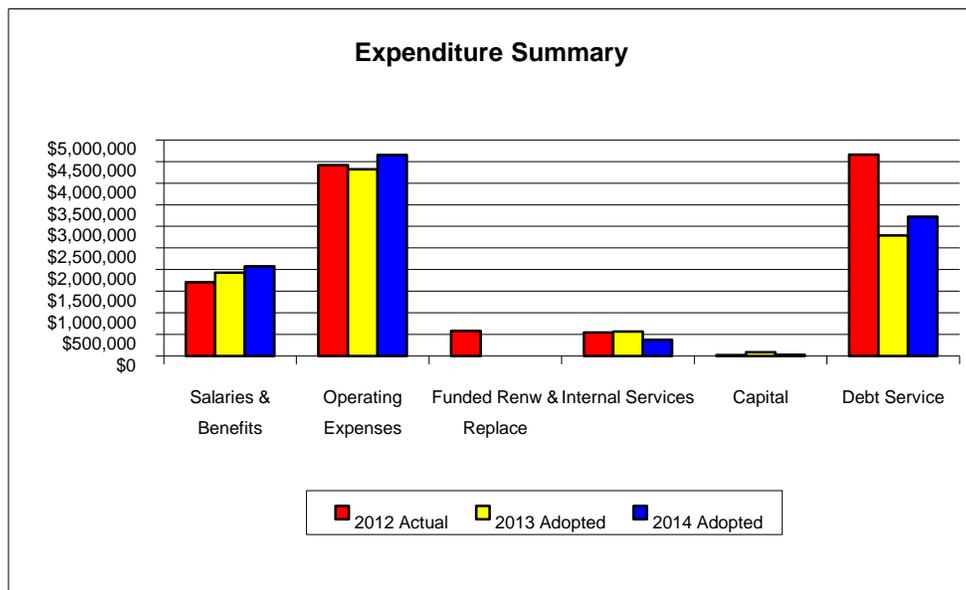
<u>Revenue Area</u>	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted
Inter-Departmental Charges	\$8,391,253	\$8,859,926	\$9,205,000	<b>\$9,960,000</b>
Retained Earnings	71,700	22,664	91,000	<b>37,000</b>
Interest/Other	494,785	455,289	404,000	<b>372,000</b>
<b>Total</b>	<b>\$8,957,738</b>	<b>\$9,337,879</b>	<b>\$9,700,000</b>	<b>\$10,369,000</b>

### Expenditure Area

Salaries & Benefits	\$1,729,418	\$1,708,694	\$1,930,937	<b>\$2,080,000</b>
Operating Expenses	4,235,877	4,418,436	4,317,919	<b>4,651,000</b>
Funded Renw & Replace	368,646	585,915	0	<b>0</b>
Internal Services	551,460	548,227	572,943	<b>380,000</b>
Capital	71,700	22,664	91,000	<b>32,000</b>
Debt Service	2,000,637	4,661,559	2,787,201	<b>3,226,000</b>
<b>Total</b>	<b>\$8,957,738</b>	<b>\$11,945,495</b>	<b>\$9,700,000</b>	<b>\$10,369,000</b>

**Unfunded Depreciation**                      613,887                      \$1,115,984                      **\$15,331**                      **(\$1,097,594)**

**Budgeted Positions**                      **20 + 2 PT**                      **20 + 2 PT**                      **20 + 2 PT**                      **21 + 0 PT**



## **Budget Highlights**

- A significant component of the increase for all departments are increases in employee costs such as a maximum of 3 percent for CWA and 2 percent merit increase for other employees. Merit and step increases apply within existing pay ranges. The personnel services budget reflects a ten percent (10%) increase in health insurance costs over the FY 2012/13 experience.
- The budget reflects a net increase of \$70,656 or twenty-three percent (23%) from last year in City contributions to the pension plan, primarily due to a revised allocation. Pension increases are primarily driven by the continued recognition of investment experience losses in FY 2007/08 and FY 2008/09 as well as continued decreases in the assumption for rate of return on investments.
- Operating expenses are budgeted to be above the FY 2012/13 budget by \$151,000 or three percent (3%). The budget includes an increase of \$200,000 in Contract Maintenance for the annual maintenance of the City's Automotive Vehicle Locator (AVL) program.
- The budget for Debt Service of \$3,219,000 is \$435,000 above the FY 2012/13 budget and is for the payment of an equipment loan which is available to the City for the replacement of City vehicles.
- The FY 2013/14 budget includes an efficiency totaling \$2,000 to eliminate payout for Executive Planning Days, by allowing employees to use the hours annually but eliminating the option to receive a payout for any unused portion at year end. In addition, the budget includes an enhancement totaling \$14,000 to improve warehouse operations by converting two (2) part-time Fleet Service Representatives to one (1) full-time Warehouse Supervisory.