



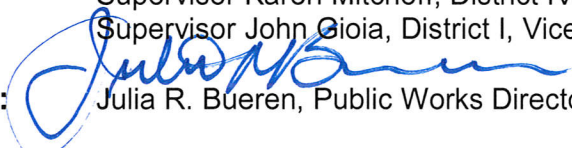
Contra Costa County
Public Works
Department

Julia R. Bueren, Director

Deputy Directors
Brian M. Balbas
Stephen Kowalewski
Stephen Silveira
Joe Yee

February 2, 2015

TO: Internal Operations Committee
Supervisor Karen Mitchoff, District IV, Chair
Supervisor John Gioia, District I, Vice-Chair

FROM:  Julia R. Bueren, Public Works Director

SUBJECT: FLEET INTERNAL SERVICE FUND FY 2013/14 REPORT

Recommendation

Accept the Internal Service Fund (ISF) Fleet Services report for FY 2013-14.

Background

The Fleet Services Division has operated as an Internal Service Fund since 2008 to ensure stable and long-term vehicle replacement funding.

Fleet Services provides various services to County departments including the acquisition, preventative maintenance, repair, and disposal of fleet vehicles and equipment. The division services the County's fleet of over 1500 vehicles/equipment/trailers, of which, 859 vehicles are included in the ISF program.

ISF Rate Structure

There are three components to recover operational costs for vehicles in the ISF Fleet Services program which are charged to the departments. They are:

1. A fixed monthly cost to cover insurance, Fleet Services overhead, and vehicle depreciation / replacement
2. A variable cost based on miles driven to cover maintenance and repair costs
3. Direct costs for fuel

This rate structure enables the ISF to collect monthly payments from customer departments over the life-cycle of the units to fund operations and enable the systematic replacement of units at the end of a vehicle's useful life or when it becomes a cost-effective decision to do so.

The estimated fixed and variable rates are adjusted each year to develop ISF rates as close to actual costs as possible for each class of vehicle. Accordingly, the FY 2013-14 expenses were

"Accredited by the American Public Works Association"

255 Glacier Drive Martinez, CA 94553-4825
TEL: (925) 313-2000 • FAX: (925) 313-2333
www.cccpublicworks.org

reviewed to develop new rates for FY 2014-15, which went into effect September 1, 2014. Please refer to Attachment B accompanying this report for the ISF Fleet Rates Schedule.

Fleet Services ISF Goals and Objectives

- Continue to provide cost-effective services that meet or exceed our customers' needs and expectations by evaluating additional services and new technologies to increase efficiencies.
- Continue to evaluate and recommend for replacement all vehicles and fleet equipment that are due for replacement based on a predetermined schedule and/or a time when it is most cost-effective to do so and in accordance with Administrative Bulletin 508.4. This increases vehicle availability through reduced down time associated with an older fleet.
- Continue to maintain a newer fleet focusing on preventative maintenance thus reducing repair costs typically associated with an older fleet.
- Continue to purchase clean air vehicles whenever feasible and to grow the number of electric vehicles in the fleet as existing equipment requires replacement. Fleet Services is currently working on the feasibility of an expanded electric vehicle charging station infrastructure to support County and personal vehicles.
- Continue to ensure that all County vehicles are maintained and repaired in a timely, safe, and cost effective manner in order to provide departments with safe, reliable vehicles and equipment.
- Continue to work with departments to identify vehicles and equipment that are underutilized in an effort to maximize fleet utilization, identify departmental actual needs, and reduce fleet costs.

Highlights

- In FY 2013-14, 89 new vehicles were purchased, 5% more than were purchased in FY 2012-13 and 31% more than in FY 2011-12.
- Sheriff's Office received 42 vehicles, 4 of which are additions to the fleet to be held as spares to facilitate a shorter wait time for vehicle replacement. Patrol cars account for 21 of the new vehicles. The overall number of replacements is up by one unit from last year. The number of Sheriff's Office vehicle replacements is projected to be about the same in fiscal year 2014-2015 as it was in fiscal year 2013-2014.
- Vehicle usage is continually reviewed in an effort to reduce underutilized vehicles according to Administrative Bulletin 508.4. During the most recent review in December 2014, nine were identified that required further analysis. Four of those have since met

the minimum utilization requirements, thus reducing the number of vehicles currently under analysis to five.

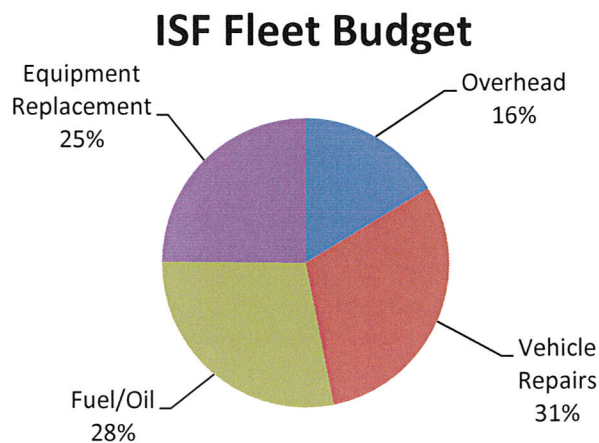
- Fleet Services continues to promote building a “Green Fleet.” In FY 2013-14 9 replacement vehicles, or 10% of purchases were hybrid vehicles.
- Fleet Services purchased and installed 64 asset management and locating devices in ISF vehicles bringing the total of ISF vehicles with these devices installed to 227. These devices help improve fleet utilization, identify vehicle locations in the event of an emergency, reduce costs by identifying and immediately reporting operational issues with the vehicle, and improve accuracy of mileage meter readings. Fleet Services intends to continue installing these devices to all ISF vehicles as appropriate.

Summary

The Fleet Services Division operates as an Internal Service Fund (ISF), providing services to a variety of County Departments. As an ISF, Fleet is responsible to fully recover the cost of providing services and the cost of capital purchases. Key responsibilities of the Division are vehicle preventative maintenance and repair, fueling, replacement analysis, specification review, acquisition, new vehicle preparation, and disposal.

In FY 2013-14, Fleet Services had a staff of 17 Administration and Operations employees. The Administration section consists of one Fleet Manager and one Fleet Equipment Specialist. The Operations section consists of one Lead Fleet Technician, four Equipment Services Workers, nine Equipment Mechanics, two Equipment Service Writers and one Student Worker.

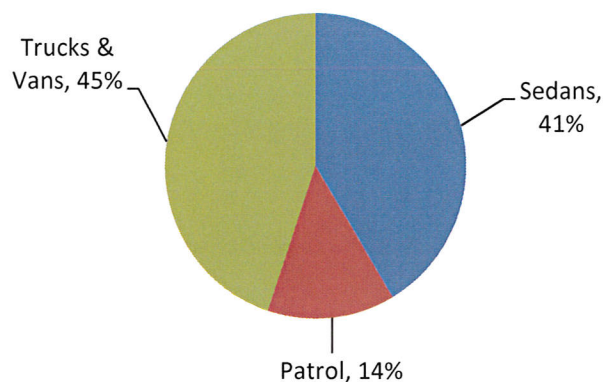
The FY 2013-14 budget of \$13,342,984 included \$1,859,730 for salaries; \$3,461,806 for vehicle repairs; \$3,209,237 for fuel/oil; and \$2,823,526 for the replacement of fleet vehicles and equipment. The ending net asset value of the Fleet ISF for FY 2013-14 is \$11,233,275 (Attachment D).



The ISF fleet has 859 vehicles, comprised of 356 sedans, 117 patrol vehicles, and 386

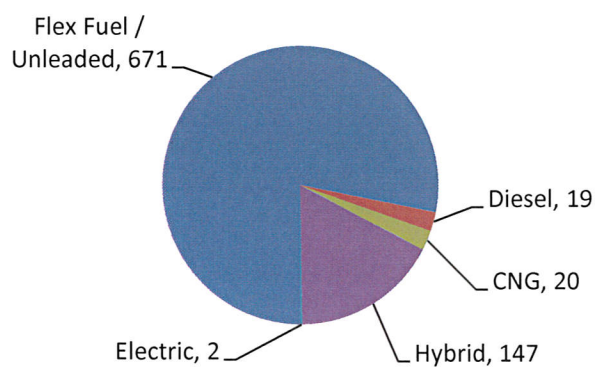
trucks/vans. There are 20 more vehicles in the ISF fleet than when the ISF was initiated in 2008 and 37 more than in FY 2012-13.

ISF Fleet by Vehicle Class



Fleet Services continues to purchase clean air vehicles whenever feasible and plans to grow the number of electric vehicles in the fleet as existing equipment requires replacement. All diesel vehicles use biodiesel fuel and all sedans must have a PZEV (Partial Zero Emissions Vehicle) rating or greater by the California Air Resources Board.

ISF Fleet by Fuel Type



Fleet Services continues to work to achieve the primary goals and objectives of providing County departments with vehicles and equipment that are safe, efficient, reliable and consistent with departmental needs and requirements at the lowest possible cost. The Division will continue to monitor vehicle use to optimize new vehicle acquisition and better utilize existing vehicle assets.

Attachments

- A ISF Vehicle Expenses by Department
- B ISF Rates Schedule
- C ISF Fund Balance
- D ISF Net Assets
- E Administrative Bulletin 508.4

**Internal Service Fund - Fleet Services
Expenses By Department
FY 2013/14**

Agency	2011/12 Actual				2012/13 Actual				2013/14 Actual			
	# of Vehicles Replaced	Purchase Cost	# of Units	Operating Expenses w/o Fuel	# of Vehicles Replaced	Purchase Cost	# of Units	Operating Expenses w/o Fuel	# of Vehicles Replaced	Purchase Cost	# of Units	Operating Expenses w/o Fuel
Agriculture	2	\$ 45,318	55	\$ 241,014	4	\$ 103,219	55	\$ 239,098	3	\$ 81,266	56	\$ 235,585
Animal Services	-	-	28	237,539	3	135,678	31	215,261	2	76,436	31	186,388
Assessor	-	-	3	14,391	-	-	3	13,650	1	23,634	3	14,229
CAO (Doit)	-	-	20	92,315	-	-	20	94,212	3	68,674	20	88,314
Co-op Extension	-	-	2	8,921	-	-	2	8,910	-	-	3	8,566
District Attorney	2	26,805	23	144,901	2	56,077	28	150,367	6	170,287	32	174,584
Elections	-	-	1	3,098	-	-	1	2,963	-	-	1	2,851
Employment & Human Services	3	83,907	52	216,800	7	186,314	55	214,929	4	91,698	56	217,621
Fleet Pool	4	146,820	26	108,558	3	70,219	25	100,663	5	120,750	27	106,559
General Services Department	6	123,852	97	457,063	-	-	102	-	-	-	105	474,902
Health Services	2	74,991	91	397,141	5	132,623	93	410,652	3	72,462	108	433,442
Housing Rehabilitation	-	-	1	4,218	-	-	1	4,270	-	-	2	3,875
Insurance & Risk Management	-	-	3	13,092	1	23,495	3	13,376	-	-	4	14,077
Probation	5	128,939	56	192,118	3	69,565	58	211,198	-	-	59	219,652
Public Defender	3	81,644	13	71,424	1	28,130	13	69,324	4	71,750	15	65,926
Public Works	2	40,959	37	151,564	15	353,165	36	635,429	16	499,828	37	157,767
Sheriff/OES	38	963,761	285	2,099,454	41	1,180,730	295	2,088,449	42	1,180,460	299	2,056,998
Treasurer-Tax Collector	1	21,719	1	1,547	-	-	1	3,301	-	-	1	3,262
Total ISF Operating Expenses By Department	68	\$ 1,738,715	794	\$ 4,455,157	85	\$ 2,339,215	822	\$ 4,476,052	89	\$ 2,457,244	859	\$ 4,464,596

Internal Service Fund - Fleet Services
ISF Fleet Rates Schedule
FY 2014/15

Category	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		Diff 2013/14 to 2014/15	
	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge
ISF-Sedan	\$ 237.80	\$ 0.173	\$ 233.75	\$ 0.185	\$ 257.92	\$ 0.145	\$ 284.83	\$ 0.167	10.4%	15.2%
ISF-Cargo Van	199.80	0.242	194.75	0.366	205.92	0.249	239.75	0.290	16.4%	16.5%
ISF-Passenger Van	227.60	0.213	201.58	0.211	201.92	0.191	220.75	0.306	9.3%	60.2%
ISF-Patrol	710.80	0.252	637.08	0.318	454.83	0.393	427.33	0.462	-6.0%	17.6%
ISF-Sports Utility Vehicle	314.70	0.136	421.83	0.247	311.33	0.294	307.42	0.272	-1.3%	-7.5%
ISF-Truck, Compact	222.80	0.158	213.00	0.215	194.67	0.190	194.33	0.221	-0.2%	16.3%
ISF-Truck, Fullsize	259.30	0.198	246.92	0.200	238.25	0.249	233.50	0.388	-2.0%	55.8%
ISF-Truck, Utility	448.80	0.251	421.83	0.247	305.25	0.256	381.50	0.329	25.0%	28.5%

**Internal Service Fund - Fleet Services
Fund Balance
For the Year Ended June 30, 2014**

	<u>FY 2012/13</u>	<u>FY 2013/14</u>
Beginning Fund Balance	<u>\$ 10,362,583</u>	<u>\$ 11,164,010</u>
Expenses		
Salaries & Benefits	\$ 1,475,905	1,859,583
Services and Supplies, Other Charges	7,121,013	6,815,118
Depreciation	1,502,134	1,648,815
Total Expenses	<u>\$ 10,099,051</u>	<u>\$ 10,323,516</u>
Revenues		
Charges for services	\$ 10,421,317	\$ 10,080,382
Transfers In/(Out)*	187,662	-
Sale of Surplus Vehicles	206,855	250,932
Indemnifying Proceeds (Accidents)	84,644	61,468
Total Revenue	<u>\$ 10,900,478</u>	<u>\$ 10,392,781</u>
Change in Fund Balance	<u>\$ 801,427</u>	<u>\$ 69,265</u>
FY Ending Fund Balance	<u><u>\$ 11,164,010</u></u>	<u><u>\$ 11,233,275</u></u>

Internal Service Fund - Fleet Services
Net Assets (Fund 150100)
As of June 30, 2014

		<u>FY 2012/13</u>	<u>FY 2013/14</u>
Assets			
	Current Assets:		
0010	Cash	\$ 4,451,545	\$ 3,615,370
0100	Accounts Receivable	(8,600)	12,301
0170	Inventories	284,191	345,902
0180	Due From Other Funds	1,141,312	1,315,002
0250	Prepaid Expense	43,608	31,420
	Total Current Assets	<u>\$ 5,912,056</u>	<u>\$ 5,319,995</u>
	Noncurrent Assets:		
0340	Equipment	18,877,670	18,984,902
0360	Construction In Progress	723,308	1,386,351
0370	Reserve For Depreciation	(13,018,513)	(13,174,410)
	Total Noncurrent Assets	<u>\$ 6,582,466</u>	<u>\$ 7,196,843</u>
	Total Assets	<u>\$ 12,494,522</u>	<u>\$ 12,516,838</u>
Liabilities			
0500	Accounts Payable	\$ 502,043	\$ 379,201
0540	Due To Other Funds	767,424	832,682
0640	Employee Fringe Benefit Pay	61,045	71,680
	Total Liabilities	<u>\$ 1,330,512</u>	<u>\$ 1,283,563</u>
Net Assets			
	Capital Assets, Net of Debt	\$ 6,582,466	\$ 7,196,843
	Other	4,581,544	4,036,432
	Total Net Assets	<u>\$ 11,164,010</u>	<u>\$ 11,233,275</u>