



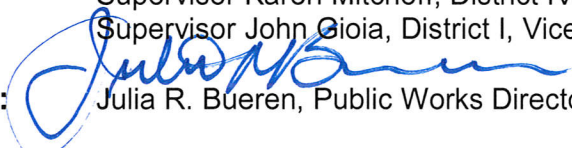
Contra Costa County  
**Public Works**  
Department

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**

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**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

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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.

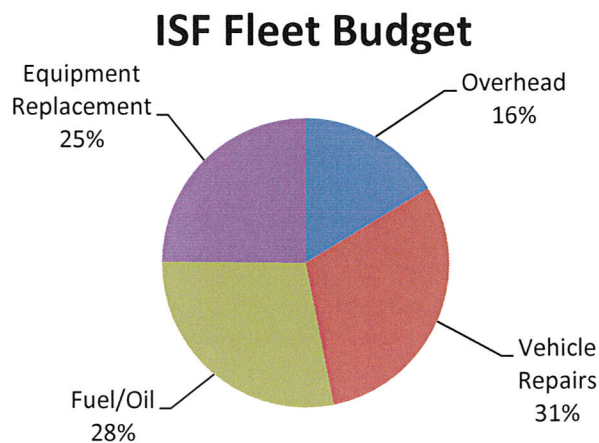
- Fleet Services continues to promote building a “Green Fleet.” In FY 2013-14 9 replacement vehicles, or 10% of purchases were hybrid vehicles.
- Fleet Services purchased and installed 64 asset management and locating devices in ISF vehicles bringing the total of ISF vehicles with these devices installed 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).

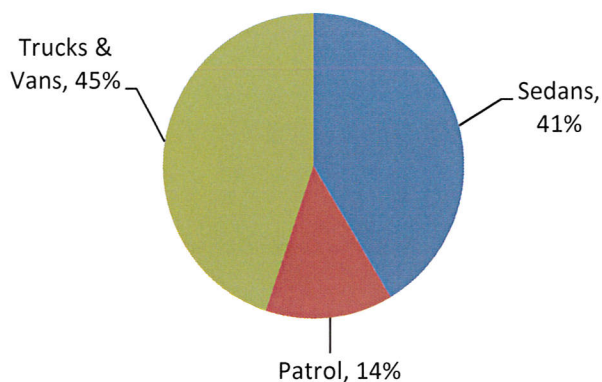


The ISF fleet has 859 vehicles, comprised of 356 sedans, 117 patrol vehicles, and 386



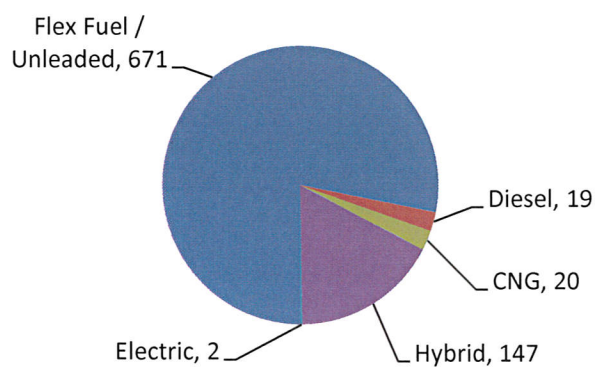
trucks/vans. There are 20 more vehicles in the ISF fleet than when the ISF was initiated in 2008 and 37 more than in FY 2012-13.

### 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
<b>Total ISF Operating Expenses By Department</b>	<b>68</b>	<b>\$ 1,738,715</b>	<b>794</b>	<b>\$ 4,455,157</b>	<b>85</b>	<b>\$ 2,339,215</b>	<b>822</b>	<b>\$ 4,476,052</b>	<b>89</b>	<b>\$ 2,457,244</b>	<b>859</b>	<b>\$ 4,464,596</b>

**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**

	FY 2012/13	FY 2013/14
<b>Beginning Fund Balance</b>	<b>\$ 10,362,583</b>	<b>\$ 11,164,010</b>
<b>Expenses</b>		
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
<b>Total Expenses</b>	<b>\$ 10,099,051</b>	<b>\$ 10,323,516</b>
<b>Revenues</b>		
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
<b>Total Revenue</b>	<b>\$ 10,900,478</b>	<b>\$ 10,392,781</b>
<b>Change in Fund Balance</b>	<b>\$ 801,427</b>	<b>\$ 69,265</b>
<b>FY Ending Fund Balance</b>	<b>\$ 11,164,010</b>	<b>\$ 11,233,275</b>



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

		<u>FY 2012/13</u>	<u>FY 2013/14</u>
<b>Assets</b>			
	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>
	<b>Total Assets</b>	<u><b>\$ 12,494,522</b></u>	<u><b>\$ 12,516,838</b></u>
<b>Liabilities</b>			
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
	<b>Total Liabilities</b>	<u><b>\$ 1,330,512</b></u>	<u><b>\$ 1,283,563</b></u>
<b>Net Assets</b>			
	Capital Assets, Net of Debt	\$ 6,582,466	\$ 7,196,843
	Other	4,581,544	4,036,432
	<b>Total Net Assets</b>	<u><b>\$ 11,164,010</b></u>	<u><b>\$ 11,233,275</b></u>

CONTRA COSTA COUNTY  
Office of the County Administrator  
ADMINISTRATIVE BULLETIN

Number: 508.4  
Date: October 24, 2008  
Section: Property and Equipment

SUBJECT: County Vehicle and Equipment Acquisition and Replacement Policy, and  
Clean Air Vehicle Policy and Goals

This bulletin sets forth County policy and guidelines for department requests for acquisition and replacement of County vehicles and equipment.

**I. APPLICABILITY.** This bulletin is applicable to addition and replacement vehicles and equipment to be acquired by County departments either through purchase, lease purchase or donation.

**II. AUTHORITY.** By Board Order, Item C.162, July 18, 2000, *proposed County Vehicle/Equipment Acquisition and Replacement Policy*

**III. POLICY GUIDELINES**

Additional and replacement vehicles and equipment to be acquired by County departments either through purchase, lease purchase or donation must be appropriate for the intended use, within the approved budget, safe to operate, and cost efficient both to operate and maintain. The expected annual use of any vehicle should be in excess of 3,000 miles. Dedicated Compressed Natural Gas (CNG) and battery electric vehicles with frequent and demonstrated short trip usage patterns may be exempted from the County minimum mileage requirement. Replacement priority will be given to vehicles and/or equipment that are determined by the Fleet Manager to be unsafe, in the poorest condition, uneconomical to operate or maintain, or have the highest program need.

- A. ACQUISITION OF REPLACEMENT VEHICLES/EQUIPMENT The acquisition of "replacement" vehicles or equipment may be approved by the Fleet Manager and County Administrator, provided that the vehicle being replaced meets or exceeds the minimum mileage criterion and/or the vehicle/equipment is damaged beyond economical repair as determined by the Fleet Manager.

Vehicles and equipment will be considered for replacement or, in the case of low utilization, reassignment to another function or department, when one or more of the following conditions exist as determined by the Fleet Manager.

1. Replacement parts are no longer available to make repairs
2. Continued use is unsafe
3. Damage has made continued use infeasible
4. Cost of repair exceeds the remaining value

5. Low utilization (usage does not exceed 3,000 miles per year) cannot justify ongoing maintenance and insurance costs

B. MILEAGE EVALUATION INTERVALS At the mileage intervals specified below, vehicles will be evaluated to determine their condition and expected life. The General Services Fleet Management Division is to make such evaluations in accordance with the following schedule. Evaluations may be conducted sooner under certain conditions, such as when a vehicle needs repairs more often than other vehicles of the same class and age, or when a vehicle has been damaged. After initial evaluations, a vehicle will be re-evaluated every 12,000 miles or until it reaches the end of its life, at which time it will be declared surplus.

VEHICLE TYPE	EVALUATION INTERVAL
Sedans	90,000 miles
Sheriff Patrol Sedans	90,000 miles
Passenger Vans	90,000 miles
Cargo Vans	90,000 miles
Sports Utility Truck	100,000 miles
Pickups and 4x4	100,000 miles
Medium/Heavy Duty Trucks	120,000 miles
Buses	180,000 miles
School Buses	8 years/(inspect every 45 days by law)
Miscellaneous Equipment	Depends on Condition

- C. EQUIPMENT ABUSE, NEGLIGENCE, AND MISUSE Departments utilizing County equipment shall be responsible for all costs associated with driver abuse, negligence, or misuse of County equipment. Determination of abuse, negligence, or misuse will be at the discretion of the GSD Fleet Manager. The GSD Fleet Manager shall notify the department using the equipment of any charges covered under this section.
- D. VEHICLE CITATIONS, PARKING TICKETS, AND TOLL EVASION NOTICES The department utilizing the equipment shall be responsible for ensuring payment of all citations, parking tickets, and toll evasion notices attributed to any equipment. Citations or tickets attributed to equipment due to administrative reasons (license, titling, registration, etc) will be the responsibility of GSD to resolve, with the exception of expired registration tabs on undercover vehicles. The department utilizing the equipment is responsible for ensuring undercover plated vehicles display a current registration tab.

- E. ACQUISITION OF ADDITIONAL VEHICLES/EQUIPMENT Departments requesting acquisition of an additional vehicle or piece of equipment must demonstrate the need and identify the source of funding for the acquisition and its ongoing maintenance. Funds for the acquisition of additional or replacement vehicles/equipment must be appropriated in the County budget before such acquisition can occur. This appropriation may be included in the annual County Budget adopted by the Board of Supervisors or may occur via a budget appropriation adjustment approved by the Board during the fiscal year. The attached form shall be used for each [vehicle/equipment acquisition request](#) and forwarded to the County Administrator's Office, Budget Division, upon whose approval the request will be sent to the General Services Fleet Management Division for a technical recommendation.

Any vehicle and/or equipment that is offered as a donation to the County must be inspected by the GSD Fleet Management Division and determined to be in good operating condition, safe, and efficient to operate and maintain prior to acceptance. If the vehicle does not meet these criteria, the donation is not to be accepted. Donated vehicles and equipment require a signed Board Order before the donated equipment may be accepted.

#### **IV. CLEAN AIR VEHICLE POLICY AND GOALS**

It is the intent of the County to procure the most fuel efficient and lowest emission vehicles and reduce petroleum fuel consumption. Vehicle and equipment purchases shall be operable on available County alternate fuel sources to the greatest extent practicable and must comply with all applicable clean air and vehicle emission regulations.

- A. EXEMPTION FROM CLEAN AIR VEHICLES POLICY Marked emergency response vehicles (e.g. police patrol, fire, paramedic, and other Code 3 equipped units), are exempt from the Clean Air Vehicle Policy. The GSD Fleet Manager may also grant exemptions for vehicles used primarily for prisoner transport or when no alternate fuel or low emission vehicle is available that meets the essential vehicle requirements or specifications. The intended use of the vehicle shall be the determining criteria for granting a Clean Air Vehicle Policy exemption.
- B. SEDAN PURCHASES Compressed Natural Gas (CNG) and hybrid electric sedans shall be procured to the greatest extent practicable. If a CNG sedan is not operationally feasible, a hybrid electric sedan shall be the next vehicle type considered for procurement. Sedan purchases other than CNG or hybrid electric require specific justification and approval by the GSD Fleet Manager and shall be rated no lower than Partial Zero Emission Vehicle (PZEV) by the California Air Resources Board. All County sedan purchases shall be alternate fuel, hybrid electric, or rated as PZEV or greater by the California Air Resources Board.



- C. VAN/LIGHT TRUCK PURCHASES Vans and light truck shall be alternate fuel or hybrid electric to the greatest extent practicable.
- D. SPORT UTILITY VEHICLE (SUV) PURCHASES Sport Utility Vehicles (SUVs) will not be purchased unless justified based on specific and verified work assignment and approved by the GSD Fleet Manager. When such vehicles are a necessity every effort should be made to purchase hybrid or alternative fuel vehicles. Any SUV purchases which are not for marked law enforcement or Code 3 emergency response shall be hybrid electric.

## **V. DEPARTMENT RESPONSIBILITY**

### **A. Department Head or Designee assigned vehicles**

1. Designate a department staff person to serve as the departments point of contact for all fleet related issues
2. Ensure safe operation of all vehicles
3. Budget appropriately for all expenses
4. Prepare and submit [Vehicle and Equipment Request Form](#) to the County Administrator's Office, Budget Division for approval of replacement and/or addition of vehicles
5. Enter correct mileage when purchasing fuel
6. Ensure vehicle meets minimum use guidelines
7. Notify GSD Fleet of any vehicle assignment changes

### **B. County Administrator's Office**

1. Review requests for purchase of vehicles for operational need, compliance with County policy, and budgetary impact.

### **C. General Services Department**

1. Administer and oversee the County Fleet
2. Budget for the acquisition and replacement of vehicles and/or equipment
3. Prepare annual report and summary of the distribution of light vehicles and heavy equipment by department for the current fiscal year, the two prior fiscal years, and the recommended distribution for the new fiscal year

4. Develop light duty vehicle and equipment specifications to accommodate alternate fuel, hybrid electric, and low emission vehicle purchases
5. Identify and procure suitable alternate fuels for use in County vehicles
6. Monitor and identify non-County alternate fuel locations for use by County vehicles

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**Originating Department(s):**

County Administrator's Office  
General Services Department

**Information Contacts:**

County Administrator's Office –Management Analyst Liaison  
County Fleet Manager at 925.313.7072

**Update Contact:**

County Administrator Senior Deputy, Municipal Services

/s/

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David Twa  
County Administrator