



Contra Costa County Public Works Department

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Memo

March 6, 2018

TO: Internal Operations Committee
Supervisor Diane Burgis, District III, Chair
Supervisor Candace Andersen, District II, Vice Chair

FROM: Brian M. Balbas, Public Works Director

SUBJECT: FLEET INTERNAL SERVICE FUND FY 2016-17 REPORT

MESSAGE:

Recommendation

Accept the Internal Service Fund (ISF) Fleet Services report for FY 2016-17.

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 1,671 vehicles/equipment/trailers, of which, 1,241 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 2016-17 expenses were reviewed to develop new rates for FY 2017-18, which went into effect September 1, 2017. Please refer to Attachment A accompanying this report for the ISF Fleet Rates Schedule.

Fleet Services 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 508.5. 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 continues to seek grant funding opportunities to expand the 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 2016-17, 57 new vehicles were purchased, 28% less than FY 2015-2016, and 33% less than were purchased in FY 2014-15.
- Fleet continually reviews vehicle usage in an effort to reduce underutilized vehicles according to Administrative Bulletin 508.5. During the most recent review in February 2017, one unit was identified that required further analysis for possible reclassification or reassignment which is the same as previous year.
- Fleet Services continues to promote building a "Green Fleet" by purchasing 26 hybrid vehicles as replacement vehicles.
- Fleet Services continues to install telematics GPS devices, where appropriate, to 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. Department users of vehicles equipped with the telematics GPS devices also have access to standard reports which they can use to review incidences of speeding, excessive idling, vehicle utilization, etc. to help reduce departmental fleet cost. Over 681 vehicles in the County fleet are equipped with these devices.

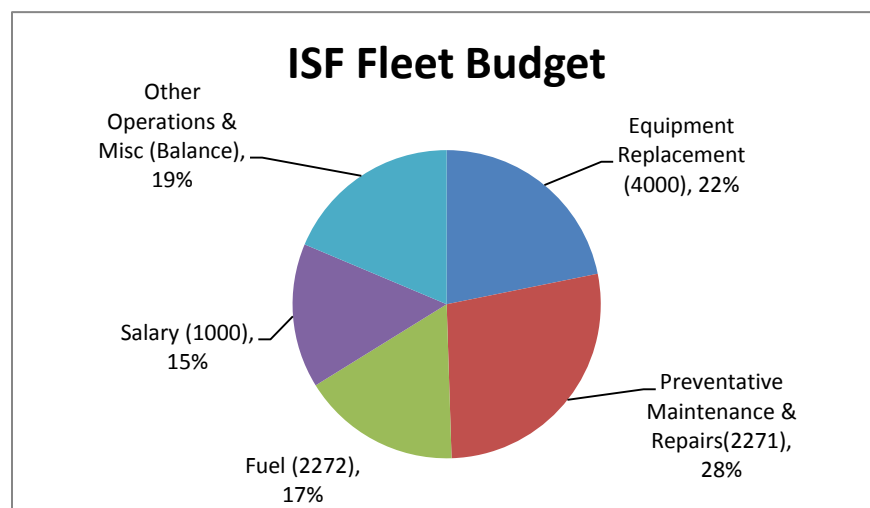
- 429 light vehicles equipped with the telematics GPS device are enrolled in the State Continuous Smog Testing Pilot Program excluding them from the mandatory biennial physical smog test which reduces cost and vehicle downtime. The telematics device continuously monitor emissions performance and will send a notification immediately when a fault is detected so repairs can be made.

Summary

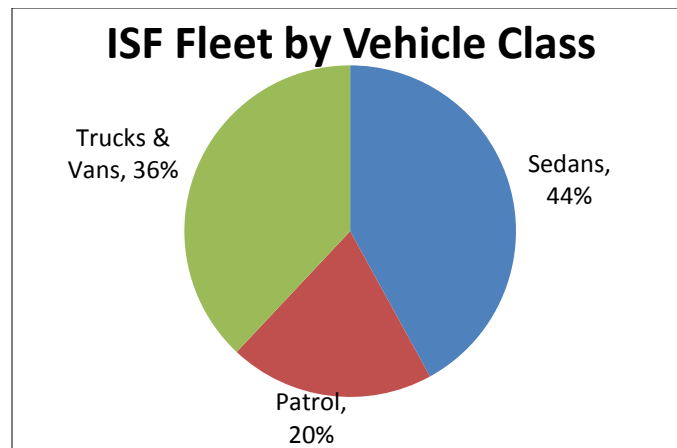
The Fleet Services Division operates as an Internal Service Fund (ISF), providing services to a variety of County Departments. As an ISF, Fleet is responsible to fully recover the cost of providing services and the cost of capital purchases. Key responsibilities of the Division are vehicle preventative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

In FY 2016-17, Fleet Services had a staff of 20 Administration and Operations employees. The Administration section consists of one Fleet Manager, one Fleet Equipment Specialist and one Clerk. The Operations section consists of one Lead Fleet Technician, 2 Equipment Services Workers, 12 Equipment Mechanics and 2 Equipment Service Writers.

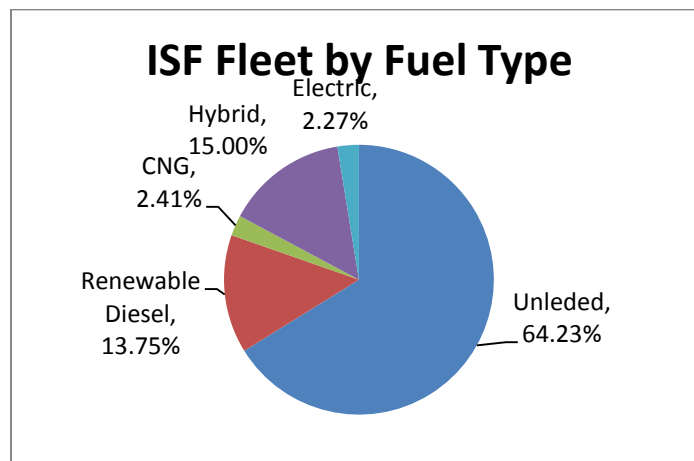
The FY 2016-17 budget of \$14,112,145 included: \$2,141,155 for salaries; \$3,903,608 for vehicle repairs; \$2,354,476 for fuel; and \$3,080,682 for the replacement of fleet vehicles and equipment. The ending ISF Fund Balance for FY 2016-17 is \$13,280,812.



The ISF fleet has 1,241 vehicles, comprised of sedans, patrol vehicles, and trucks/vans.



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 renewable fuel and all sedans must have a PZEV rating or greater by the California Air Resources Board.



Fleet Services continues to work to achieve the primary goals and objectives of providing County departments with vehicles and equipment that are safe, reliable, economically sustainable, 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 Rates Schedule
- B ISF Fund Balance
- C ISF Net Assets