Fleet Consolidation Update

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Thomas Dowdy
Acting Director, Fleet Management Department

November 8, 2010
Fleet Management Department

- Established November 1, 2010
- Acting Director Appointed
  - Thomas Dowdy
- Current Staff = 7
  - 4 members of core team – 2 transferred from Finance Department
  - 3 additional employees absorbed from Finance Department
- Plan transfer Fuel Personnel from GSD to FMD (7 Personnel)
30 Day Time Line

- FMD and CST Fleet Service are developing a derivative plan
  - Agency absorption schedule
  - Impact on savings over the next two years
- Transfer of HFD Fleet Operations to the Consolidated model.
- Closure of 3 HFD fuel sites and one tank at another location.
- Plan for closure of an additional 30 to 40 least used fuel sites.
- Finalize Strategic Vehicle Parts Partnership.
30 Day Time Line

- Re-Evaluate remaining Take Home Vehicles for further reduction.
- Charge-Back to municipal employee’s for personal use of City vehicles.
- Issue a City-wide fuel policy.
Fleet Consolidation Update

- The derivative plan will include
  - Once HFD fleet consolidation has stabilized, move to consolidate HPD, Solid Waste Department and Parks and Recreation Department fleet operations within the next 6 to 9 months.
  - Continue to reduce fuel sites.
  - Evaluate personnel in the departments to determine the proper size of the consolidated fleet operations (will result in a reduction in non-mechanic overhead).
  - Re-evaluate projected revenues and cost savings.
HFD Maintenance Facility Consolidation

- HFD Light Duty Shop (Dairy Ashford)
  - Five staff moving to Dart (3 light duty mechanics, 1 parts, 1 shop manager)
  - Staff savings; 1 parts (upon SVPP roll-out), 1 shop manager (unknown until consolidation complete)
  - $50K parts inventory will be transferred to Dart Central Parts Warehouse
  - Possible sale of maintenance facility location
Fuel Site Closures

- 6 fuel tanks set to be closed immediately across four HFD sites; 3 sites plus one tank at 4th site
- Maintenance; $12,000 spent over last 12 months on these 6 fuel tanks
- Total estimated cost for closing 6 tanks = $3,270; $500 per tank for cleaning plus $.45 per gallon of waste liquid (100 gallons average)
- Evaluation of least used fuel sites (between 30 and 40 sites) with GSD fuel personnel for closure within the next 30 to 60 days.
Strategic Vehicle Parts Partnership (SVPP)

- **Timeline**
  - Council Action December 2010
  - HFD first to be converted to SVPP

- **Inventory sale estimated at 50% - 60% of value**
  - HFD value: $1.65M
  - HPD value: $450K  HFD: $545K (10)
  - SWM value: $1.5M

- **Personnel**
  - HFD: $545K (10)
  - HPD: $860K (15)
  - SWM: $790K (16)

$2.2 Million in Revenues in FY11

$1.1 Million Cost Savings for FY11
Take Home Vehicles

- The City had approximately 900 Take Home Vehicles being used by municipal employees back in April 2010.
- City required all departments to evaluate the use of these vehicles and provide justification for an employee’s need to take the vehicle home.
- The evaluation resulted in a reduction of 164 Take Home Vehicles. The cost savings for FY11 is $450,000.
- We are in a second phase of evaluation and we hope to reduce the Take Home Vehicle size to between 500 and 600 vehicles, a reduction of 150 to 200 additional vehicles at a cost savings of $250,000 for FY11.
- Evaluate fleet size and possible sale of excess vehicles.
Take Home Vehicles

• City to standardize the Charge-back of Take Home Vehicles (Reimbursement of cost to the City for an employee commuting miles).

• HPD uses a charge-back for its officers who take home police cars. HPD personnel reimburse the City $75 per pay period for personal use of City vehicles.

• HPD has evaluated their cost and will be changing the charge-back to $98 per pay period

• Effective December 1st City will institute a charge-back reimbursement to municipal employees at $98 per pay period.
Charge-backs on Home Storage Vehicles

Estimated savings over remainder of FY11 from CHARGE-BACK = $1,366,052

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HPD 518 $3,511,680 $1,384,180 $2,127,180

Note: The HPD chargeback is based on the current $75 per pay period. The increase to $98 per pay period will generate savings of $424,482.

- Chargeback rate is $98 per municipal employee per pay period.
- Chargeback rate recovers cost of commute – not total cost of ownership.
- Total cost is debt service, maintenance, & fuel.
- Half year cost savings for municipal employee vehicles is $941,482.