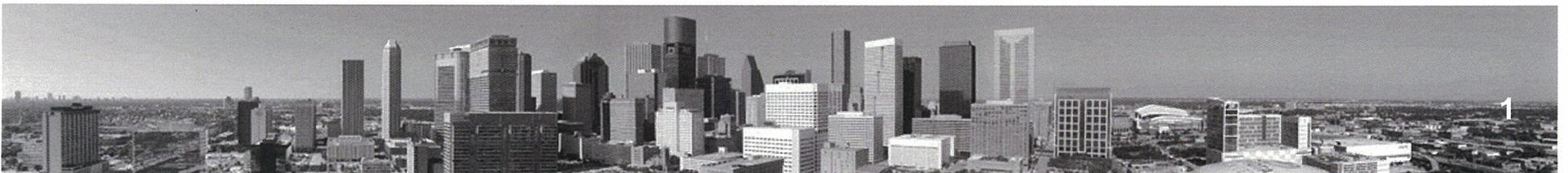


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# **Fleet Consolidation Update**

**Lloyd Waguespack**  
**Deputy Chief of Staff, Mayor's Office**  
**Thomas Dowdy**  
**Acting Director, Fleet Management Department**

**November 8, 2010**



# Fleet Management Department

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- 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

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- 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

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- 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

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- 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

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- 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

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- 6 fuel tanks set to be closed immediately across four HFD sites; 3 sites plus one tank at 4<sup>th</sup> 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
  - SWM value: \$1.5M

\$2.2 Million in Revenues in FY11
- Personnel
  - HFD: \$545K (10)
  - HPD: \$860K (15)
  - SWM: \$790K (16)

\$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

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- 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 1<sup>st</sup> 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**

Dept	Number of Vehicles	Total Annual Cost	Chargeback	Cost Less Chargeback
ARA	2	\$ 13,134	\$ 5,116	\$ 8,018
GSD	16	\$ 112,272	\$ 40,925	\$ 71,347
HAS	11	\$ 96,500	\$ 28,136	\$ 68,364
HFD	251	\$ 1,847,109	\$ 642,008	\$ 1,205,101
HLT	26	\$ 155,971	\$ 66,503	\$ 89,468
HPL	1	\$ 5,127	\$ 2,558	\$ 2,569
P&R	36	\$ 240,813	\$ 92,081	\$ 148,732
PWE	384	\$ 2,716,694	\$ 982,195	\$ 1,734,498
SWD	9	\$ 60,567	\$ 23,020	\$ 37,547
<b>Grand Total</b>	<b>736</b>	<b>\$ 5,248,187</b>	<b>\$ 1,882,541</b>	<b>\$ 3,365,645</b>

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

