Regulation and Neighborhood Affairs Committee

Fleet Management Department
Victor Ayres, Director
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Overview

- Historical Perspective of Fleet Procurement
- Fleet Management Department Challenges
Historical perspective of fleet procurement

• Fleet equipment acquisitions have been inconsistent and at a lower rate than replacement guidelines.
Fleet Funding

- Replacement cost of current General Fund fleet: $460MM
- Annual budget requirement to maintain best fleet best practice lifecycle replacement: $63MM annually
- Highest CIP budget: 2007 - $42MM
- Lowest CIP budget: 2013 - $11.3MM
- Average CIP budget: $23.8MM
1. Vehicle purchases have been erratic.

2. 2008 analysis shows dept. should acquire 275 – 300 units annually.

3. Past 10-year avg. has been <200/yr.
The White, Parker and Turner Administrations inherited a purchasing “spike” which inflates ongoing fleet procurements and annual maintenance expenses. A “smoothing” process should be implemented to eliminate this cost inflator.
Solid Waste Management

Data as of 12/19/18

SWM Sideloaders (by Model Year)

Quantity


Purchases

Current Fleet

Proposed Annual Replacement Quantity (25)
Impact of Funding Shortfalls

- Underfunding equipment replacements results in
  - older equipment with high utilization
  - higher lifetime maintenance costs
  - reduced equipment availability due to increased equipment downtime

- Availability and downtime impacts the ability of departments to deliver services.
Fleet Management Department
Challenges

Personnel

- Current market conditions make it difficult to attract and retain skilled mechanics
- Ageing workforce results in more retirements and loss of institutional knowledge
- Ageing fleet requires more labor-hours to keep equipment operational
- City's current financial status creating unease among critically needed workers
Solid Waste Management Fleet Condition

- Fleet size has not increased in conjunction with growth in housing stock over prior years

- Equipment replacements have been underfunded and inconsistent

- Equipment has been used to respond to major disasters since 2007 resulting in increased use and wear
Solid Waste Management Fleet Condition

• The fleet has an accelerated lifecycle due to lack of growth to meet demand, dedicated fleet replacement plan and homeland security responses
• Newer equipment is driven harder as older units are unreliable and underperforming
• Maintenance and repair time availability is reduced as trucks remain in operation beyond standard route times
Solid Waste Management Fleet Condition

- Result is old, worn and unreliable fleet
Progress

- With pension reform completed, Mayor Turner has increased General Fund CIP Fleet budget $31MM
- FEMA equipment reimbursement used to make off-cycle purchase of aged SWM equipment ($14.6MM)
- Human Resources Department is assessing labor market conditions to determine if FMD is competitive with the marketplace for skilled mechanics.
Ensuring fleet reliability for the future

- SWM fleet should be “right sized” to fit the current customer base
- Need a consistent and sustainable source of funding to ensure equipment replacements are done in a timely and cost effective manner.
QUESTIONS?