



Fleet Management Department

**FY2024 Proposed Budget
Workshop Presentation
May 22, 2023**

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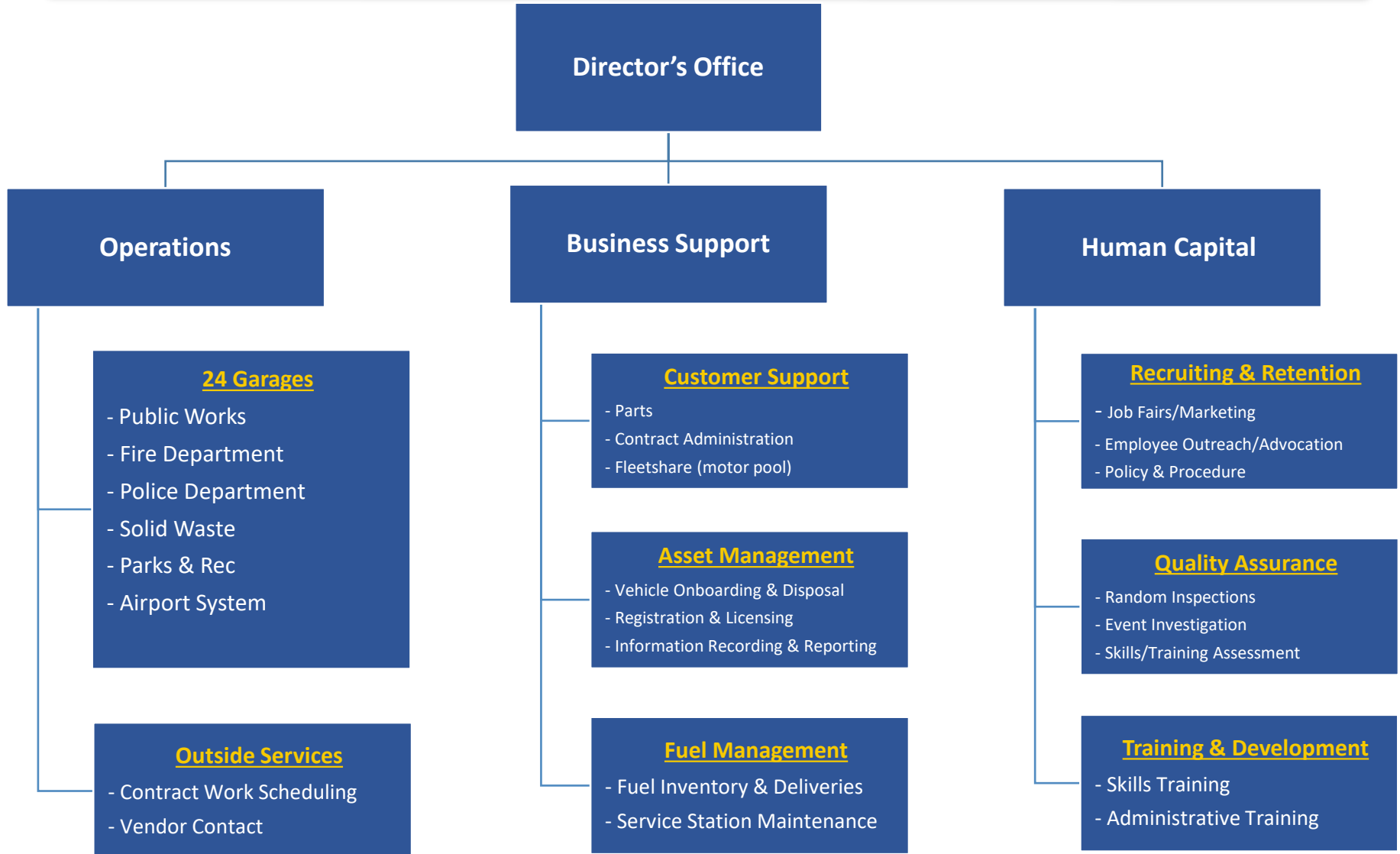


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Department Organization Chart





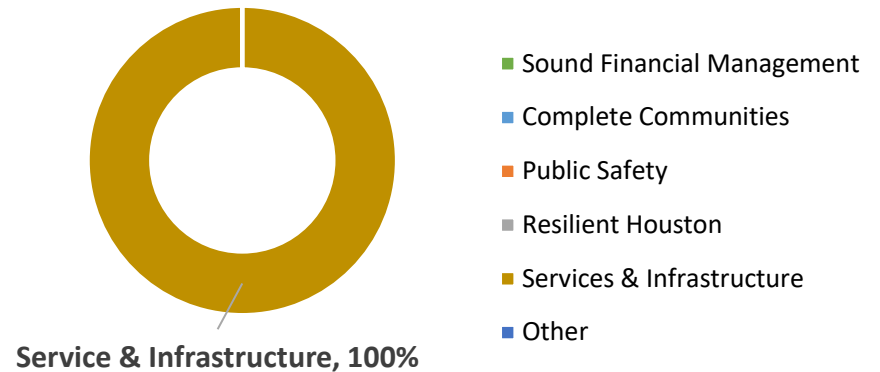
Strategic Guidance Alignment

Sound Financial Management	Public Safety	Complete Communities	Service & Infrastructure	Resilient Houston
Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations
Fuel Management	Fuel Management	Fuel Management	Fuel Management	Fuel Management
Outside Services	Outside Services	Outside Services	Outside Services	Outside Services
Executive Oversight	Executive Oversight	Executive Oversight	Executive Oversight	Executive Oversight
Parts Management	Parts Management	Parts Management	Parts Management	
Fleet Asset Management	Fleet Asset Management		Fleet Asset Management	Fleet Asset Management
Human Capital Management	Human Capital Management	Human Capital Management	Human Capital Management	Human Capital Management
Fleetshare Management	Fleetshare Management		Fleetshare Management	Fleetshare Management

ALIGNED INITIATIVES

- Improve the City's Service Delivery Infrastructure
- Promote Fiscal Responsibility
- Outcome Based Budgeting
- One Safe Houston
- Emergency Medical Service (EMS)
- Recruiting & Retention
- Support Economic Growth
- Improve the City's Service Delivery Infrastructure
- Resilient Houston Plan
- Climate Action plan

DEPARTMENT BUDGET BY PRIORITY





Expenditure by Program [in thousands]

Program	FY22 Actual	* FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Budget	% Change
Fleet Operations	\$ 46,253	\$49,106	\$49,106	\$51,417	\$2,311	5%
Fuel Management	\$30,588	\$33,396	\$33,396	\$29,517	(\$3,879)	-12%
Outside Services	\$7,339	\$8,098	\$8,098	\$8,700	\$602	7%
Executive Oversight	\$4,750	\$5,533	\$5,533	\$5,642	\$109	2%
Parts Management	\$3,353	\$4,113	\$4,113	\$4,228	\$115	3%
Fleet Asset Management	\$987	\$1,380	\$1,380	\$1,211	(\$170)	-12%
Human Capital Management	\$0	\$281	\$281	\$1,105	\$824	293%
FleetShare Management	\$990	\$540	\$540	\$556	\$16	3%
Totals:	\$94,260	\$102,447	\$102,447	\$102,375	\$(72)	-0.07%

* Budget adjusted for higher than expected fuel costs.



Fleet Operations

Priority:	Services & Infrastructure
FY2024 FTE Count:	298.4

Program Description

The Fleet Operations Division is responsible for management and oversight of all vehicle maintenance activities at each of the 24 garage locations. The Fleet Operations Division works with customer departments to meet vehicle and equipment readiness requirements. Performs maintenance/repairs of vehicles and equipment used by City of Houston departments.

Significant Budget Items

- Includes funding for municipal pay increases.
- In FY2022, the outside service cost moved to FMD - Outside Services Division (670007).

FY24 Prop Budget by Fund

Fleet Management Fund	\$51,416,996
Total	\$51,416,996

Variance FY24 vs FY23 = 5%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Preventive Maintenance Inspections Performed Within Target Interval	N/A	N/A	N/A	90%	Percent of Preventive Maintenance Inspections Performed On-Time.
Vehicle Availability: Maintain Critical Operational Readiness	93%	93%	93%	93%	Percent of Vehicles Available for Service



Fuel Management

Priority:	Services & Infrastructure
FY2024 FTE Count:	9.6

Program Description

The Fuel Division is responsible for acquisition of unleaded gasoline, diesel, and jet fuel for citywide use. Manages inventory and distribution of fuel at 67 city refueling sites. Conducts daily fuel site inspections to ensure operating compliance with local, state, and federal regulation. Repairs, monitors, and maintains fuel sites to keep fuel readily available for City use. Oversees the City of Houston's Fuel Card Program.

Significant Budget Items

- Includes funding for municipal pay increases.
- DOE projecting lower fuel costs for FY24.

FY24 Prop Budget by Fund

Fleet Management Fund	\$29,516,724
Total	\$29,516,724

Variance FY24 vs FY23 = -12%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Fuel Dispensed Annually	9,769	10,500	9,812	10,000	Thousands of Gallons
Station Compliance – TCEQ Inspections Passed	N/A	N/A	N/A	100%	Compliance with Environmental Regulation (Minimum)
Station Uptime - % of Operational Dispensers	N/A	N/A	N/A	95%	Operating Dispensers Citywide (Minimum)



Outside Services

Priority:	Services & Infrastructure
FY2024 FTE Count:	5.0

Program Description

The Outside Services Division is responsible for overseeing contracted maintenance/repairs of vehicles and equipment used by City departments. The Outside Services Division works with vendors and customer departments to meet vehicle and equipment readiness requirements in a cost-effective manner. Reviews purchase requisitions and completes invoice receivers in SAP.

Significant Budget Items

- Includes funding for municipal pay increases.
- Contract cost increases.

FY24 Prop Budget by Fund

Fleet Management Fund	\$8,699,566
Total	\$8,699,566

Variance FY24 vs FY23 = 7%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Invoices Processed: Early Pay Discounts	N/A	N/A	N/A	90%	Invoices Paid Promptly (Minimum)
Requisition to PO Processing Days	N/A	N/A	N/A	10	Average Number of Days to Issue PO to Contractor (Maximum)
Aged Contractor Repairs	N/A	N/A	N/A	5%	Contractor Work Pending More than 8 Months (Maximum)
Vendor In-Person Contacts per Week	N/A	N/A	N/A	10	Vendor Motivation Meetings (Minimum)



Executive Oversight

Priority:	Services & Infrastructure
FY2024 FTE Count:	3.0

Program Description

Provides strategic and operational leadership to the department. Sets goals, strategies and performance indicators necessary to ensure an efficient and effective execution of the department's mission. Develops plans, policies and procedures to align all department activities with City objectives. Responsible for communication of department information to internal and external stakeholders. Manages expectations, transition from fossil fuels and budgets.

Significant Budget Items

- Increase in budget related to charges stemming from Shared services (HITS, HR, ARA, GSD, FIN).
- Includes funding for municipal pay increases.

FY24 Prop Budget by Fund

Fleet Management Fund	\$5,641,807
Total	\$5,641,807

Variance FY24 vs FY23 =	2%
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Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Budget Adherence	100%	100%	*100%	100%	Minimum
Rolling Stock Equipment in City Fleet	13,700	12,500	13,200	13,000	Count - Maximum
Climate Action Plan Target (EV Annual Deliveries)	0 BEV 0 HEV	139 BEV 87 HEV	42 BEV 20 HEV	167 BEV 212 HEV	Replace non-emergency vehicles with EVs by 2030.

* Budget Adjustment



Parts Management

Priority:	Services & Infrastructure
FY2024 FTE Count:	44.1

Program Description

The Parts Division is responsible for management of the FMD inventory and distribution system for spare parts and vehicle maintenance related supplies. The Parts Division oversees 24 parts warehouse locations, reviews outside services and purchase requisitions for contract compliance, and completes invoice receivers in SAP. Establishes third party vendor contracts, conducts compliance meetings and contract reviews with vendors.

Significant Budget Items

- Includes funding for municipal pay increases.

FY24 Prop Budget by Fund

Fleet Management Fund	\$4,227,639
Total	\$4,227,639

Variance FY24 vs FY23 = 3%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Inventory Accuracy	93%	93%	92%	93%	Annual and Cycle Counts (Minimum).
Inventory Adjustments	N/A	N/A	N/A	1%	Reconciling of Stock & Records (Maximum)
Inventory Value	\$7M	\$7.9M	\$7.9M	\$7.9M	Value of On-Hand Parts (Maximum)
Invoices Processed: Early Pay Discounts	N/A	N/A	N/A	90%	Invoices Paid On-Time (Minimum)
Part Availability: "A" Classification Parts	N/A	N/A	N/A	85%	Common Parts Orders Filled (Minimum)



Fleet Asset Management

Priority:	Services & Infrastructure
FY2024 FTE Count:	8.2

Program Description

Responsible for fleet planning and the following vehicle lifecycle activities: vehicle budgeting, specification, procurement, acquisition, on-boarding, assignment, preventive maintenance scheduling, performance monitoring and reporting, and disposal. Oversees the collection, tracking, and reporting of vehicle maintenance information. Analyzes performance and maintenance data to identify issues and optimize performance. Oversees maintenance software systems and vehicle databases.

Significant Budget Items

- Includes funding for municipal pay increases
- Realignment of expenses to appropriate program (diagnostic software to Fleet Operations)

FY24 Prop Budget by Fund

Fleet Management Fund	\$1,210,709
Total	\$1,210,709

Variance FY24 vs FY23 = -12%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Performance Reports Issued Per Schedule	N/A	N/A	N/A	100%	On-Time and Accurate
Vehicle Disposal Processed Within 2 Weeks	N/A	N/A	N/A	98%	Maximum Time From Request
Vehicle On-Boarding Complete Within 2 Weeks	N/A	N/A	N/A	98%	Maximum Time From Delivery
Vehicle Purchase Package Submitted Within 6 Weeks of Quote	N/A	N/A	N/A	95%	Percent On-Time



Human Capital Management

Priority:	Services & Infrastructure
FY2024 FTE Count:	6.8

Program Description

The Human Capital Management Division manages the implementation and administration of the FMD training and personnel development program, oversees quality assurance activities, creates and administers employee policies and procedures based on industry best practices, regulatory compliance, and departmental strategic initiatives. Oversees strategic recruiting and retention plans.

Significant Budget Items

- New Program
- Funding for municipal pay increases.
- FTEs Added
- Program functions previously housed in Executive Oversight.

FY24 Prop Budget by Fund

Fleet Management Fund	\$1,104,911
Total	\$1,104,911

Variance FY24 vs FY23 = 293%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
Employee Training Hours	N/A	N/A	N/A	11,200	Total Employee Training Hours.
FMD Policies/Procedures Completed	N/A	N/A	N/A	75	Policies and Procedures Implemented
Quality Assurance Processes & Inspections	N/A	N/A	N/A	640	Count of Inspections/Processes (Minimum)
Technician Recruiting: Community Hiring Events	N/A	N/A	N/A	25	Count - Job Fairs & Outreach (Minimum)
Technician Vacancies	25%	N/A	20%	15%	Percent - Mechanic Vacancies (Maximum)
Training: Automotive High School Interns	4	10	8	10	Number - Student Mechanics (Minimum)



FleetShare Management

Priority:	Services & Infrastructure
FY2024 FTE Count:	3.0

Program Description

The FleetShare Division is responsible for management and oversight of the City's shared motor pool for all City Departments. This includes the procurement and deployment of vehicles, administration of the reservations system, analysis of vehicle utilization, vehicle maintenance, onboarding and training of users, and customer service.

Significant Budget Items

- Includes funding for municipal pay increases.

FY24 Prop Budget by Fund

Fleet Management Fund	\$556,444
Total	\$556,444

Variance FY24 vs FY23 = 3%

Performance

Measure Name	FY22 Actual	FY23 Target	FY23 Estimate	FY24 Target	Target Context
FleetShare Vehicle Utilization Hours	N/A	N/A	4,400	5,000	Total Reservation Hours (Minimum).
Fleetshare Vehicles Serviced Weekly	N/A	N/A	N/A	25	Vehicles Washed, Cleaned and Inspected (Minimum)

Expenditures by Fund [in thousands]

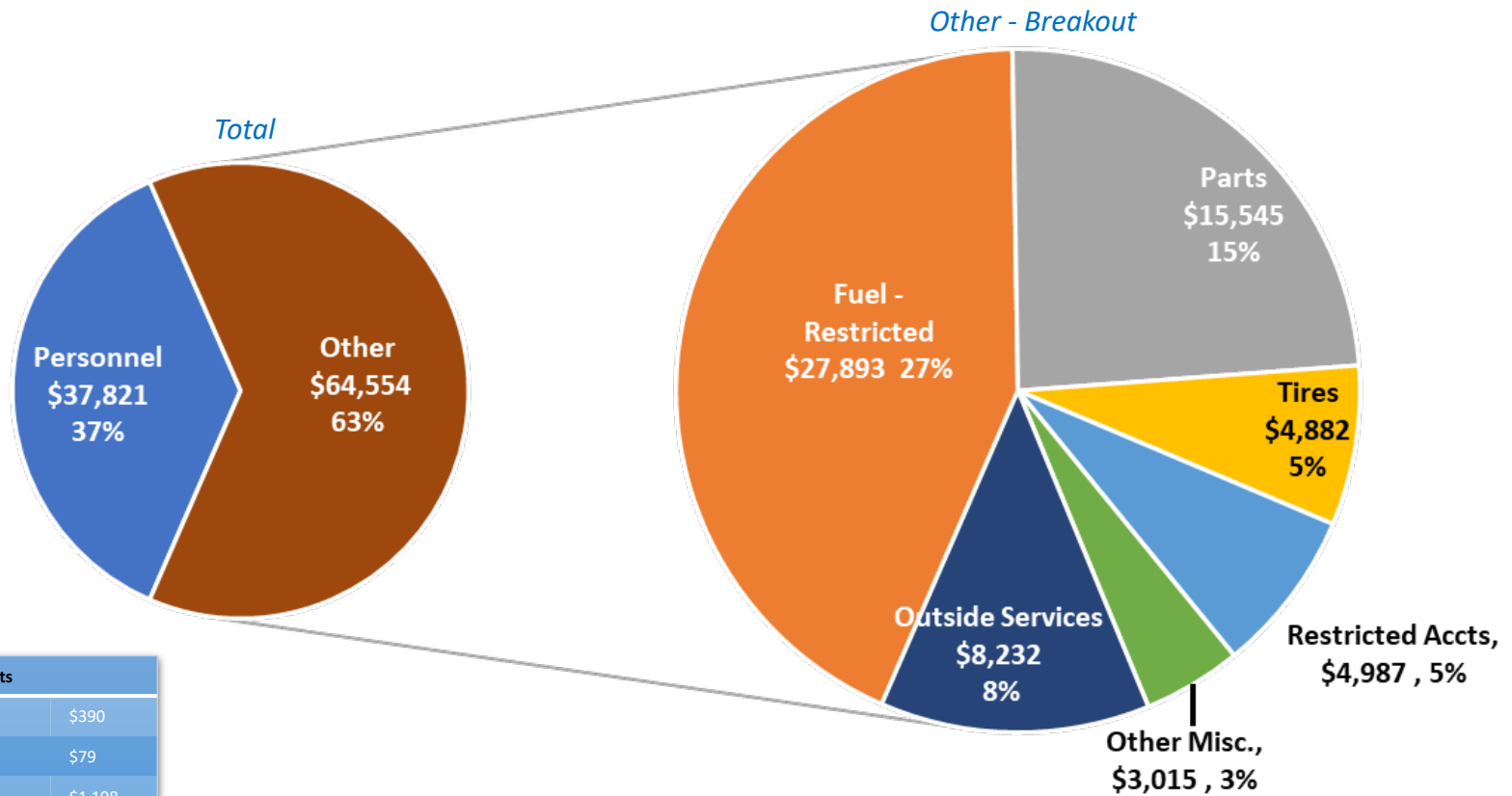


Category	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Budget	% Change
Revolving Fund	\$ 94,260	\$ 102,447	\$ 102,447	\$ 102,375	\$ (72.00)	-0.07%
Total	\$ 94,260	\$ 102,447	\$ 102,447	\$ 102,375	\$ (72.00)	-0.07%

Personnel vs. Non-Personnel [in thousands]



Expenditures by Category



Restricted Accounts	
ARA Interfund	\$390
Energy Interfund	\$79
HITS Interfund	\$1,198
HR Interfund	\$932
FIN Interfund	\$1,886
GSD Interfund	\$502
Total:	\$4,987



Revenue by Program [in thousands]

Program	FY22 Actual	FY23 Budget	FY23 Estimate	FY24 Proposed	Variance FY24 Proposed/ FY23 Budget	% Change
Fleet Operations	\$ 63,323	\$68,717	\$68,717	\$71,498	\$2,782	4%
Fuel Management	\$30,482	\$33,328	\$33,328	\$30,472	(\$2,856)	-9%
Outside Services	\$0	\$0	\$0	\$0	\$0	0%
Executive Oversight	\$0	\$0	\$0	\$0	\$0	0%
Parts Management	\$0	\$0	\$0	\$0	\$0	0%
Fleet Asset Management	\$0	\$0	\$0	\$0	\$0	0%
Human Capital Management	\$0	\$0	\$0	\$0	\$0	0%
FleetShare Management	\$455	\$402	\$402	\$404	\$2	1%
Totals:	\$94,260	\$102,447	\$102,447	\$102,376	\$(72)	-0.07%

Revenue by Fund [in thousands]





Revenue Highlights

Revenue Highlights

- The Fleet Management Department operates with a revolving fund.
- Revolving fund: expenses = revenues



Questions



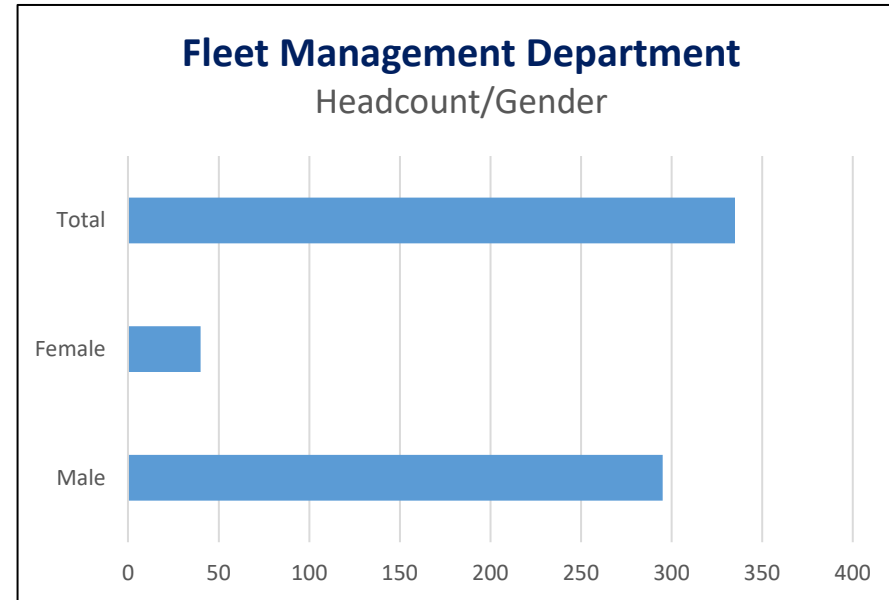
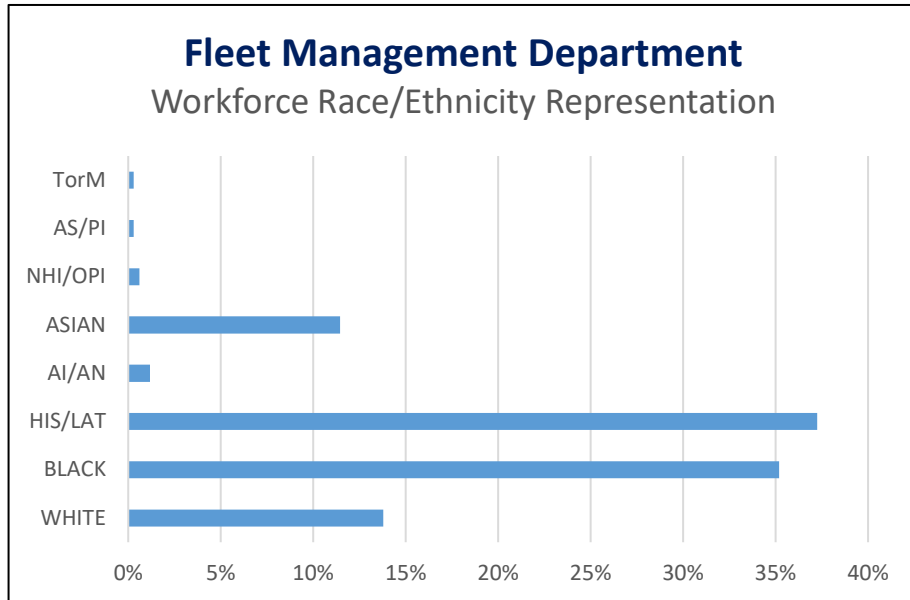
Appendix

Appendix



- Fleet Management Department: Workforce Analysis
- Fleet Management Department: FY2023 Accomplishments
- Fleet Management Department: Overview
- Vehicle Count by Client Department
- Fleet Management Core Functions by Code of Ordinances
- Restricted Account Details

Fleet Management Department *Workforce Analysis*



Legend
HIS/LAT - Hispanic/Latino
AI/AN - American Indian or Alaskan Native
NH/OPI - Native Hawaiian or Other Pacific Islander
AS/PI - Asian/Pacific Islander
TorM - Two or More Races

Fleet Management Department

FY2023 Accomplishments



- Implemented a formal training program.
- Implemented a quality assurance program.
- Department reorganization for improved process control.
- Reduced the fleet size by 500 vehicles.
- Navigated supply issues with new vehicles and spare parts without impact on City operations.
- Added the Mechanic IV classification.
- Reduced mechanic vacancies.
- Initiated supply and service contracts with multiple awards.
- Budget adherence (with exception of fuel).
- Streamlined vehicle procurement process.
- Fleet service ILA with Houston Forensic Science Center.

Fleet Management Department

Overview



MISSION:	To provide the City of Houston with best value, fleet management services.
VISION:	To be recognized as the best managed fleet in the country.
FLEET COUNT:	13,200 vehicles and units of equipment
EMPLOYEES:	342
GARAGE LOCATIONS:	24
REFUELING SITES:	67

Fleet Management Department

Vehicle Count by Client Department



Total Vehicles & Equipment Serviced: 13,178

Dept.	Qty.	Dept.	Qty.	Dept.	Qty.
HPD	4,024	HPW	3,877	HFD	1,135
PRD	1,113	HAS	1,167	SWD	697
FMD	342	HHD	246	GSD	203
ARA	114	DON	98	HCD	28
MYR	58	HITS	22	HPL	19
HEC	15	HR	12	PLN	4
MCD	3	CE	1		



Fleet Management Core Functions

By Code of Ordinances



Code of Ordinances
ARTICLE XVII Fleet Management

Fleet Planning & Capital Programming

Sec. 2-603(1)

Vehicle Procurement, Acquisition, On-Boarding, Assignment

Sec. 2-603(1)(2)

Fuel Management

Sec. 2-603(6)

Parts Management

Sec. 2-603(4)

Contracts Management

Sec. 2-603(4)

Fleet/Maintenance Performance Tracking and Reporting

Sec. 2-603(4)

Fleet Maintenance

Sec. 2-603(4)

Vehicle Disposal

Sec. 2-603(7)

Fleetshare (Vehicle Pool) Management

Sec. 2-603(3)

Personnel Management

Sec. 2-603(3)

Restricted Account Details



GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.