FLEET MANAGEMENT

Department Description and Mission

The mission of the Fleet Management Department (FMD) is to provide the City of Houston with the best value fleet management services. FMD oversees the lifecycle activities of more than 13,000 city operated vehicles and equipment units. Vehicle/equipment service is performed by in-house staff and contracted providers at FMD's 24 garage locations and 67 refueling sites.

The vision of FMD is to be recognized as the best managed fleet in the country. The department has assembled a strategic plan with the following objectives in pursuit of this vision.

Fleet Asset Effectiveness

- Fleet sized and built to meet City needs and objectives.
- Vehicle specifications optimized for intended purpose and targeted service levels.
- Asset service and replacement prioritized based on risk and essential services.

Fleet Asset Availability

- Vehicles readily available and prepared for intended purpose and targeted service levels.

Fleet Asset Reliability

- Vehicles perform their intended function through targeted service levels without issue.

Fleet Asset Efficiency

- The lifecycle costs of fleet vehicles are minimized for targeted service levels through cost and process controls.

Short Term Goals

- Fill vacant mechanic positions.
- Increase accountability through effective performance reporting.
- Reduce operating costs.
- Develop in-house training program and quality assurance program.
- Rapid disposal and optimized financial return on end-of-life vehicles.
- Preventive maintenance enhancements.
- Improve data systems (maintenance, equipment availability and location, fuel, mileage, parts).
- Optimize fleet procurement decisions and processing.
- Improve communications with garage staff.
- Ensure vehicle fuel availability under all conditions.
- Improve fuel transaction tracking.
- Optimize use and control of contracted services.

FLEET MANAGEMENT

Long Term Goals

- Continuous improvement.
- Optimize cost and process controls.
- Transition non-emergency vehicles to electric.
- Develop the best workforce possible.
- Maximize fleet value and benefits.
- Minimize fleet related risk.
- Optimize control of contracted services.
- Optimize vehicle pool (FleetShare) efficiency and effectiveness.
- Become recognized as the best managed fleet in the country.

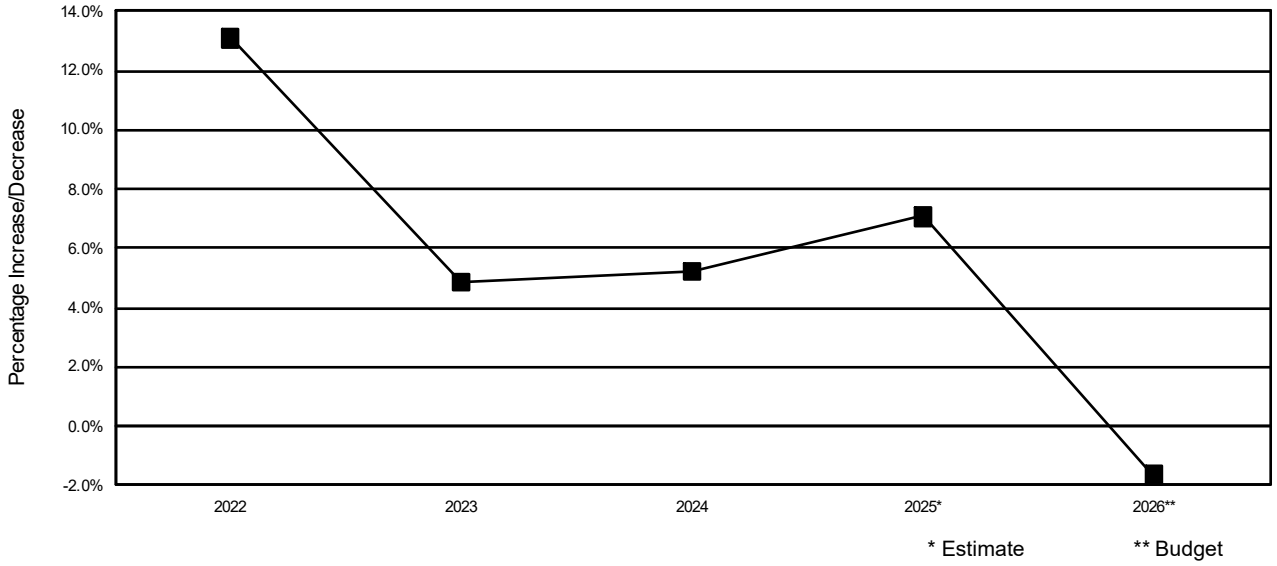
Business Area Budget Summary

Fund Name / **Business Area** / **Fund No. /Bus. Area No. :**		**Fleet Management Fund** / **Fleet Management Department** / **1005 / 6700**	**FY2024 Actual**	**FY2025 Current Budget**	**FY2025 Estimate**	**FY2026 Budget**
Expenditures	Personnel Services		34,202,306	38,498,566	38,498,569	**34,568,199**
	Supplies		52,633,911	54,401,767	54,401,765	**54,964,718**
	Other Services and Charges		16,314,501	18,857,533	18,857,532	**20,374,962**
	Equipment		44,730	30,000	30,000	**20,000**
	Total M & O Expenditures		103,195,448	111,787,866	111,787,866	**109,927,879**
	Debt Service & Other Uses		1,200,000	0	0	**0**
	Total Expenditure		104,395,448	111,787,866	111,787,866	**109,927,879**
Revenues			104,395,448	111,787,866	111,787,866	**109,927,879**
Staffing	Full-Time Equivalents - Civilian		336.8	370.8	370.3	**336.9**
	Full-Time Equivalents - Classified		0.0	0.0	0.0	**0.0**
	Full-Time Equivalents - Cadets		0.0	0.0	0.0	**0.0**
	Total		336.8	370.8	370.3	**336.9**
	Full-Time Equivalents - Overtime		43.3	45.8	45.8	**24.8**

Significant Budget Changes and Highlights

- o The FY2026 Budget provides funding for health benefits, pension contributions, and municipal employees contractual pay increases.
- o The FY2026 Budget includes a reduction of $7,626,949 for department savings initiatives.
- o The FY2026 Budget reflects elimination of Voluntary Municipal Employee Retirement Payout Option (VMERPO) accepted non-critical positions.
- o The FY2026 Budget provides continued fleet management support to departments citywide.
- o The FY2026 Budget realigns the organization with improved span of control ratio.

Fleet Management Fund
Fleet Management Department
Year over Year Expenditure Change



Business Area Revenues Summary

Business Area : Fleet Management Department
Business Area No. : 6700

Category	FY2024 Actual	FY2025 Current Budget	FY2025 Estimate	FY2026 Budget
Charges for Services	8	0	0	**0**
Direct Interfund Services	103,510,442	110,870,378	110,870,378	**109,024,696**
Miscellaneous/Other	884,998	917,488	917,488	**903,183**
Grand Total	**104,395,448**	**111,787,866**	**111,787,866**	**109,927,879**

Business Area Program Summary

Business Area: **Fleet Management Department**
Bus. Area No : **6700**

Budget By Program ($ in thousands):

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exps	Revs	Exps	Revs	Exps
Business Support	0	1,021	0	1,731	0	2,189
Executive Oversight	0	5,328	0	5,537	0	5,908
Fleet Operations	73,646	51,540	81,841	57,732	80,891	54,192
Fleetshare Management	(5)	508	917	687	903	733
Fuel Management	30,755	30,408	29,030	28,492	28,134	29,379
Human Capital Management	0	602	0	844	0	708
Outside Services	0	9,986	0	12,822	0	13,156
Parts Management	0	3,803	0	3,943	0	3,663
Debt Service and Interfund Transfers	0	1,200	0	0	0	0
Total	**104,396**	**104,396**	**111,788**	**111,788**	**109,928**	**109,928**

FTEs by Program:

Program	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Business Support	5.9	0.0	6.8	0.0	6.5	0.0
Executive Oversight	2.3	0.0	3.0	0.0	2.0	0.0
Fleet Operations	264.1	36.8	295.1	38.3	271.0	21.0
Fleetshare Management	2.6	0.0	2.9	0.0	3.0	0.0
Fuel Management	8.9	0.3	9.8	1.1	6.0	0.3
Human Capital Management	4.7	0.0	3.3	0.0	4.3	0.0
Outside Services	4.5	0.1	5.2	0.1	4.0	0.1
Parts Management	43.8	6.1	44.2	6.3	40.1	3.4
Debt Service and Interfund Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Total:	**336.8**	**43.3**	**370.3**	**45.8**	**336.9**	**24.8**

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Business Support

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 and reporting of vehicle maintenance information. Analyzes performance and maintenance data to identify issues and optimize performance. Oversees maintenance software systems and vehicle databases.

Goal:

Optimize asset processing and control. Optimize collection and reporting of accurate and reliable operating information.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	0	1,021	0	1,731	0	2,189

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	5.9	0.0	6.8	0.0	6.5	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Vehicle disposal processed 2 weeks from requests	99%	100%	100%	100%
Vehicle On-boarding complete 2 weeks from delivery	99%	98%	100%	98%
Vehicle purchase package complete and submitted within 6 weeks of quote	100%	100%	100%	100%

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Executive Oversight

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. Oversees budget development and adherence.

Goal:

Department fulfills mission and achieves vision through execution of well-defined plans, strategies, objectives, and goals.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	0	5,328	0	5,537	0	5,908

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	2.3	0.0	3.0	0.0	2.0	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Number of Electric Vehicles Purchased	282	350	361	N/A
Rolling stock equipment in the City's fleet	13,271	13,000	13,351	13,000
Expenditures Adopted Budget vs Actual Utilization	102%	98%	102%	98%
Revenues Adopted Budget vs Actual Utilization	102%	98%	102%	98%

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Fleet Operations

Description:

Responsible for management and oversight of all vehicle maintenance activities at each of the 24 garage locations. Works with customer departments to meet vehicle and equipment readiness requirements. Performs maintenance and repairs of vehicles and equipment used by City of Houston departments.

Goal:

Ensure vehicles readily available for intended purpose and targeted service levels, vehicles perform reliably. Minimized fleet maintenance. Vehicles maintained in a safe state of repair.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	73,646	51,540	81,841	57,732	80,891	54,192

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	264.1	36.8	295.1	38.3	271.0	21.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Preventive maintenance inspections performed within target Interval	82%	90%	84%	90%
Vehicle availability: maintain critical operational readiness	88%	93%	89%	93%

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Fleetshare Management

Description:

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.

Goal:

Ensure motor pool availability and manage costs to provide best value for the City.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	(5)	508	917	687	903	733

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	2.6	0.0	2.9	0.0	3.0	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
FleetShare vehicle utilization hours	18,400	50,000	50,216	50,000

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Fuel Management

Description:

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.

Goal:

Minimize costs and risk associated with fuel purchasing, storage, and distribution.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	30,755	30,408	29,030	28,492	28,134	29,379

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	8.9	0.3	9.8	1.1	6.0	0.3

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Station compliance -TCEQ inspections passed	100%	100%	100%	100%
Station uptime - % of operational dispensers	99%	95%	96%	95%

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Human Capital Management

Description:

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.

Goal:

Create a skilled and high performing workforce.

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	0	602	0	844	0	708

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	4.7	0.0	3.3	0.0	4.3	0.0

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Employee training hours	5,620	11,200	19,223	11,200
Technician recruiting: community hiring events	33	25	18	N/A
Technician vacancies	16%	15%	14%	N/A
Training: automotive high school interns	14	10	11	N/A

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Outside Services

Description:

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.

Goal:

Optimize value achieved from contracted services through cost and performance controls

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	0	9,986	0	12,822	0	13,156

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	4.5	0.1	5.2	0.1	4.0	0.1

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Invoices Processed: Early Pay Discounts	97%	90%	60%	N/A
Percentage of City's Vehicle at the external vendor repair facility over 8 months	20%	4%	0.3%	4%
Vendor in-person contacts per week	9	10	15	10

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Parts Management

Description:

Responsible for management of the FMD inventory and distribution system for spare parts and vehicle maintenance related supplies. 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, and conducts compliance meetings and contract reviews with vendors.

Goal:

Efficiently and effectively optimize the purchase, inventory, and distribution of spare parts and supplies

Mayor's Priority: Infrastructure

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	0	3,803	0	3,943	0	3,663

Staffing:

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	FTEs	OT FTEs	FTEs	OT FTEs	FTEs	OT FTEs
Fleet Management Fund	43.8	6.1	44.2	6.3	40.1	3.4

Performance Measure:

Performance	FY2024 Actual	FY2025 Target	FY2025 Estimate	FY2026 Target
Inventory accuracy	96%	93%	90%	93%
Invoices processed: early payment discounts	97%	94%	60%	N/A
Part availability: 'A' Classification Parts	84%	85%	87%	85%

Business Area Program Detail

Business Area : Fleet Management Department
Bus Area No. 6700

Debt Service and Interfund Transfers

Description:
Budget allocations included in this section reflect debt service payments and/or interfund transfers.

Goal:
To effectively manage debt service payments and interfund transfers.

Mayor's Priority: Government that Works

($ in thousands)

Fund	FY2024 Actual		FY2025 Estimate		FY2026 Budget	
	Revs	Exp	Revs	Exps	Revs	Exps
Fleet Management Fund	0	1,200	0	0	0	0