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## Business Plan

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# City of Inglewood

Department of Public Works  
Fleet Management Division

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### Mission Statement:

*To ensure the highest quality of service, efficiency, and reliability of vehicle and equipment maintenance at the most cost-effective rate to City staff and the community through the implementation of full-range, in-house vehicle maintenance programs.*

Message:

*“Teamwork is what makes a Difference”  
Communicate Often and Clearly  
Be Accountable*

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Vision:

*Provide the best maintenance service support  
Efficient and effective Fleet Maintenance  
operation  
Remain a competitive Operation  
Reinvest in technologies  
Vehicle replacement  
Retraining and education of workforce  
Integrate leadership through teamwork and  
communication  
Best Fleet Maintenance Facility in the State*

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### **Background**

Spectrum Consultants, Inc. conducted a comprehensive analysis of the City's fleet operation in 2002 and developed an action plan to modernize the operation with emphasis on improving the quality of service and reducing operational costs. The analysis was completed and the findings and recommendations reported to the Mayor

and City Council and in the *City Fleet Operations Analysis and Business Plan (the business plan identified 49 action items)*. The report identified that the Fleet Management Division needed to improve the operation by modernizing the City's fleet by improving technology, equipment replacement and to improve the cohesiveness and communication within the Division. Of the findings, 100 percent of the recommended items were resolved, thereby reducing cost, improving efficiency and effectiveness within the Fleet Management Division. The findings of the study are included in this Business Plan.

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# Fleet Management Division

## Business Plan

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### **Executive Summary**

The purpose of this Business Plan is to provide a high level summary of the strategic services offered by the Fleet Management Division, our goals for the upcoming fiscal year, and include our customers as partners in the planning and implementation process. Presenting this plan to those individuals and/or other decision makers we need to partner with to achieve our goals will facilitate allocating resources appropriately among departmental and organizational needs. This business plan also aligns with the City's Six-Year Strategic Alternative Fuel Plan and uses the Fleet Management System, CCG Systems, Inc. FASTER as a tool for accomplishing our strategic initiatives.

We have selected customer mobility as our theme. We recognize that City employees would not be able to provide essential services to the residents of the City of Inglewood if vehicles were not available for their use. Therefore, our focus must be on keeping vehicles in service, making services convenient for our customers and providing value added services that contribute to our customers achievement of their missions.

The City of Inglewood owns and operates one of the largest vehicle fleets in the South Bay of California, consisting of 600 vehicles. These vehicles serve the transportation needs of business groups that represent over 50 departments. The Fleet Management Division of the Public Works Department is tasked with being the vehicle asset manager for the City. Fleet Management's goal is to provide a "one-source" organization that provides all essential vehicle services. Fleet Management is headquartered in the City of Inglewood, County of Los Angeles. The Service Center is located at 222 West Beach Avenue, Inglewood, California and operates an on-site fueling system that stores 30,000 gallons of gasoline and diesel fuel. The site is also equipped with a Compressed Natural Gas fueling station with 100 gallons of storage

and one fast-fill and ten slow-fill fuel dispensers. The site also includes a fully automated carwash system that is used on all City vehicles, including personal vehicles on a pay-per-basis.

Fleet Management consists of six business units: asset management, vehicle maintenance, fuel management, motor pool vehicles, parts management and administration. Some of the key services provided by these business units include vehicle acquisition/disposal, automated database management, DMV licensing services, vehicle maintenance/repair, mandatory inspections/certifications, refueling operations, vehicle washing, asset management, parts inventory and administrative services.

The Fleet Management division has a dedicated staff of fleet professionals to serve their customers, City executive management and ultimately the citizens of the City of Inglewood. Fleet Management managed by Rick Longobart who has over 25 years of fleet management experience in oversees the operation. Mr. Longobart has experienced management and operational staff, many with lifetime careers in the government sectors. Although experience and knowledge are critical in providing quality vehicles services and customer satisfaction, Fleet Management's Mission, Vision and Values always guide the Fleet Management staff.

Fleet Management's Mission is "To ensure the highest quality of service, efficiency, and reliability of vehicle and equipment maintenance at the most cost-effective rate to City staff and the community through the implementation of full-range, in-house vehicle maintenance programs." Our message is "Teamwork makes the difference." Our Values are Pride, Honesty, Integrity, Focus, Respect, Safety, Quality, Creativity, Professionalism, Communication and Environmental Sensitivity. All Fleet Management staff and our Business Plan are centered on our Mission, Vision and Values.

As the City of Inglewood continues to be a model for government financial stability, it is still critical that Fleet Management do its part to provide the most cost-effective, value-added and flexible services for our customers. Fleet Management has committed to providing services that are innovative and cost-effective with an overriding goal of balancing in-house and private sector resources through strategic partnerships. These concepts combined with continuous communications with customer departments will provide the City the best fleet services available.

Fleet Management is very cognizant of the fact that what we do is essential. Therefore, Fleet Management has designed a business plan that incorporates flexibility, innovation and customer involvement to produce customer preferred vehicle services.

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### **Division Overview**

The Fleet Management Division is one of seven divisions within the Department of Public Works and is functionally organized into six separate operational units or

sections, including Vehicle Maintenance, Fuel Management, Asset Management, Motor Pool Vehicles, Parts Management and Administration. The Fleet Management Division is headquartered in the City of Inglewood, located at 222 West Beach Avenue, Inglewood, California and operates an on-site fueling system that stores 30,000 gallons of gasoline and diesel fuel. The site is also equipped with a Compressed Natural Gas fueling station that with 100 gallons of storage and one fast-fill and ten slow-fill fuel dispensers. The site also includes a fully automated carwash system that is used on all City vehicles. The division operates in alignment with its Vision, Mission and Values outlined below.

### **Mission Statement**

“To ensure the highest quality of service, efficiency, and reliability of vehicle and equipment maintenance at the most cost-effective rate to City staff and the community through the implementation of full-range, in-house vehicle maintenance programs.”

### **Message**

“Teamwork is What Makes the Difference, Communicate Often and Clearly and Be Accountable.”

### **Values**

**Pride** – In the Work We Do

**Honesty** – In All of Our Transactions

**Integrity** – In Our Business, Customer and Personal Relationships

**Focus** – On Our Mission and Vision

**Respect** – For Ourselves, Fellow Employees and Customers

**Safety** – In Our Work Practices

**Quality** – Our Ultimate Product Will Be the Best

**Creativity** – Always Seeking Ways to Improve

**Professionalism** – Know Our Business Well

**Communication** – To Provide Information Accurately and Timely

**Environmentally Sensitive** – Continuous Steps to Protect and Preserve Our Environment

### **Current Status**

Fleet services are clearly a critical support service for the City of Inglewood. Not only because fleet assets represent a substantial capital investment, but also because fleet services are key to the ability of City departments to deliver services to their customers in an efficient and cost competitive manner. Fleet services are important because they:

- Support the City of Inglewood and Mayor and City Council goals that emphasize Family, The Environment and Safe and Livable Communities
- Impact the cost of nearly every City service
- Impact the productivity of City employees
- Support emergency services
- Support maintenance of the City infrastructure

The Fleet Management Division is committed to improving the competitive position of our customers by maximizing vehicle availability, minimizing impacts on productivity by making vehicle services convenient to our customers, and providing value added asset management services that result in the lowest possible fleet ownership costs.

The Fleet Management Division continues to support the City of Inglewood by providing quality and cost-effective fleet services. Key performance measures include:

- Financial – vehicle maintenance costs are consistently below budget in comparison to the Target maintenance budget established by the Spectrum Report.
- Staffing – some changes in Fleet staff, including management positions, have occurred due to vacancies and organizational realignment. However, Fleet Management maintains a talented and dedicated workforce. Overall, Fleet Management’s personnel strategy can best be described as adaptable and flexible, only filling positions when needed and able to balance talent and skills by hiring employees are best suited for the organization.
- Performance – all Fleet Management business units continue to meet or exceed performance standards and measures. Maintenance operations meet or exceed the standards established in the Spectrum Report. Asset Management acquires additional and replacement vehicles that are competitively priced and placed into service in a timely manner. Fuel operations maintain all City fuel sites that are convenient, clean and in compliance with all Local, State and Federal regulations. Motor Pool Vehicle Operations provide sufficient vehicles to meet the needs of City departments. Parts Management inventories supplies that effectively meet the needs of the organization by purchasing parts of the highest quality at the lowest available price, and stocking only the supplies that are needed on a regular basis and deleting obsolete parts.

### **Market and Products**

The Fleet Management Division provides essential fleet services in support of City departments who, in turn, are providing general government services to the citizens of the City of Inglewood. The Fleet Management Division’s customer base consists of approximately 50 divisions that comprise the seven departments within the City of Inglewood – Public Works, Police, Parks and Recreation and Community Services, Planning and Building, Sound Insulation and the Finance Department.

The Fleet Management Division’s services include acquisition/disposal, maintenance/repair, refueling, motor pool vehicles, parts management and administration of the City’s vehicle fleet. Additionally, Fleet Management provides support services and partnerships, such as fuel sales to other government agencies located in Inglewood, and organizations that include: El Camino Fire Academy, Marvin Engineering and NS Carwash Corporation. Ownership costs for FY 05/06 are

budgeted at \$4.1 million for acquisition/depreciation, maintenance/repair, accident-funding and asset management services.

The City recognizes the need for and supports innovative programs that enhance employee morale thereby boosting work efficiency and effectiveness. Therefore, the City has offered employees to use the City owned carwash on their personal vehicles, which will help the City attract quality workers, while helping current employees see the value of City's employment. The annual cost to City employees is \$30.00 which is used to offset the annual maintenance cost.

Fleet Management continues to have active discussions with various local government fleet operations in reference to providing fleet services to them and/or the City contracting with other fleets, whichever is advantageous to both organizations.

### **Objectives**

The Fleet Management Division has positioned itself to be an industry leader in providing efficient and cost competitive fleet services. Strategic partnerships have been established with our customers, private sector businesses and other government fleet operations to best accomplish our vision mission and maintain our values. The design of all Fleet Management business units is based on efficient service delivery with minimal resources while maintaining a high degree of flexibility. Therefore, Fleet Management in conjunction with its strategic partners can accommodate variations in workload, exit strategies or other changing business conditions without disruptions in service or impacts on existing staff. The Fleet Management Division's objective was best stated by a Ford Motor Company executive, "If we are not customer driven, our cars won't be either."

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### **Services Description**

The Fleet Management Division is unique in the services it provides to the City of Inglewood in comparison to other government fleet operations. Fleet Management is not only the provider of traditional fleet services such as maintenance and fuel services, but has been designated as the City's asset manager for vehicle resources that includes motor pool vehicle operations, vehicle acquisition/disposal, automated database maintenance, utilization management and the administrator for Citywide vehicle policies.

Currently, the Fleet Management Division has 13 dedicated individuals to meet the daily requirements and strategic objectives of the City of Inglewood. Nine (9) of these staff are front-line or direct service staff, while the remaining 4 provide administrative support to the growing responsibilities of our operation. The responsibilities and/or services provided by Fleet Management include:

#### *Asset Management*

The Asset Management business unit's goal is to provide the most appropriate vehicle for each City work assignment. Additionally, the Asset Management unit must assure

that all vehicles acquired are the most cost-effective and environmentally friendly available. The Asset Management business unit's primary role is the acquisition of new vehicles and equipment for all City departments. This process is extensive and involves the research and development of technical specifications, coordinating bidding processes with the Purchasing and Contracting Department, receiving new vehicles, requisition/payment processing and maintaining the depreciation schedules for internal service funds. It needs to be noted that the above processes include not only accounting for general fund but also Internal Service Funds and several special fund activities.

The Asset Management business unit is also tasked with assigning vehicles to departments, DMV licensing, automated database maintenance, and surplus vehicle disposal.

#### Vehicle Maintenance

The Vehicle Maintenance business unit's goal is to maintain City vehicles that are safe, reliable and available to customer departments. The Vehicle Maintenance business unit's role is to provide all vehicle maintenance and repair services including preventive maintenance, mandatory inspections, general repairs, and accident damage repair and welding services.

The Vehicle Maintenance unit focuses on two key areas. The first is preventive maintenance. Preventive maintenance is the cornerstone of all vehicle maintenance activities. Preventive maintenance guarantees reliable vehicles, cost-effective vehicles and the protection of a valuable City asset. The second key area is competitive services. The Fleet Management maintenance unit proved that they provide the most competitive services by being selected as the City's maintenance contractor of choice. The Fleet Maintenance business unit also relies on strategic partnerships with the private sector to further ensure quality services. These partnerships are able to provide the best available services through a balance of in-house and private sector resources. The bottom line is in-house staff are able to focus on their core competencies while supplemental or specialty services are provided by private vendors.

#### Fuel Management

The Fuel Management business unit's goal is to support all City vehicles by supplying gasoline and diesel fuel. The Fuel Management business unit's role is to provide cost-effective fuel products and maintain a network of the City's refueling sites strategically located at 222 West Beach Avenue, Inglewood, California. Fuel Management supports City vehicles by maintaining fuel sites consisting of dispensers, under/above ground bulk fuel storage tanks, an automated fuel management system and ensuring that all are in regulatory compliance. Additionally, the Fuel Management business unit provides and administers fuel gas cards for City vehicles to obtain fuel in emergencies and when traveling out of City.

### Motor Pool Vehicles

The Motor Pool Vehicle business unit's goal is to meet the supplemental transportation needs of each City department. The role of the Motor Pool Vehicle business unit is to establish and provide a balance of in-house and commercial rental vehicle resources in a cost-effective manner. Although each City department maintains an inventory of vehicles, the Fleet Management motor pool fleet is City-owned vehicles that are available on a daily, weekly and monthly rental basis. Fleet Management's core business practices of establishing strategic Motor Pool vehicles are available when vehicles are out of service and for the casual user that only needs a vehicle for a few hours, oppose to a dedicated vehicle. A commercial vehicle rental contract has been established by Fleet Management and is available to customer departments. The combination of Fleet Management Motor Pool Vehicles and commercial rental cars offer customer departments the most flexible, cost-effective choices to meet their transportation needs.

### Parts Management

Parts Management is responsible for managing approximately \$25,000 of inventory supplies of automotive parts and supplies, which include automotive parts, tires and lubricants, which are kept on hand at all times. Parts Management budgets \$480,000 annually for the cost of parts for the repair and maintenance on all City vehicles. One staff member manages all supplies and parts that are used, and enters all inventory supplies that are used onto work orders through our Fleet Management system.

### Administration

The Fleet Administrative business unit's goal is to serve City Administration, Mayor and City Council, executive management, and customer departments as their vehicle asset manager. The role of the Administrative business unit is to support internal Fleet business units and customer departments in any capacity necessary to achieve their goals of providing efficient, cost-effective fleet services. The administrative business unit prepares and administers multiple budgets totaling approximately \$4.1 million, oversees the operations of all Fleet business units, provides detailed cost information to City's budget managers and customer departments and provides overall management of the City's vehicle fleet.

### **Market Comparison**

Fleet Management incorporates a unique approach in providing fleet services to the City. Although there are numerous private sector businesses that provide the services of the Fleet Management Division, they are viewed as partners, not competition, in meeting the needs of our customers.

The Fleet Management Division relies on many public/private partnerships to provide the most efficient, cost-effective vehicle services. Many of these partnerships are unique in government fleet operations such as a privatized vehicle parts contractor, a Fleet Management Information System operated on an Application Solution Provider platform, a commercial rental car program and a standardized vehicle acquisition program, which consist of domestic vehicles. Additionally, fleet maintenance

operations utilize many private vendors for vehicle maintenance services. For example, body/paint, upholstery, automatic transmission overhauls and glass replacement are a few of the services provided by private sector vendors.

### **Service Strategy**

The Fleet Management Division focuses on exceeding the needs of our customers in providing vehicle services. The goal of all Fleet services is ease of access, quality service, “one-stop” services, competitive costs and a reliance on customer feedback for improvement. Fleet Management has implemented the following programs to better serve Fleet customers:

1. **Vehicle Coordinators** – the Fleet Management Division has established a Vehicle Coordinator program that relies on a designated representative in each department to interact and communicate to Fleet Management Division on fleet issues relative to their department. Vehicle Coordinators serve as a single point of contact for customer departments and fleet staff. The unique characteristic of the Vehicle Coordinator program is two-way communication. Through this program, Fleet staff better understands the needs of the customers and Vehicle Coordinators establish knowledge of the Fleet Management Division, the services provided and how to access them.
2. **Maintenance Facilities** – the Fleet Management Division provides a network of maintenance and/or fuel locations strategically located throughout the City. In addition to decentralized maintenance/fuel locations, Fleet Management offers mobile repair capabilities, emergency services for after-hours breakdowns, commercial fuel availability and other services as needed to support our customer base.
3. **Service Access** – the Fleet Management Division provides complete vehicle services for all customer departments. Whether a customer is seeking maintenance, fuel, asset management or administrative support, Fleet Management Division’s goal is “one stop” services for customers.
4. **Cost of Services** – the Fleet Services Internal Service is the mechanism used by the Fleet Management Division to recover the costs of providing fleet services. The Fleet (ISF) rate structures were designed specifically to charge on a fee-for-service basis, recover all costs associated with vehicle services, and allows customers complete access to all cost information. The Fleet Internal Service Fund also provides a financial mechanism to replace City vehicles on a planned basis.
5. **Customer Feedback** – the Fleet Management Division solicits customer feedback on every maintenance service that is provided via survey cards. This survey system also allows Fleet staff to communicate what services have been provided to the individual driver. The Fleet Management Division also conducts quarterly user group meetings with all City divisions to solicit customer input on other services offered by Fleet Management Division.
6. **Service Level Agreements** – the Fleet Management Division will be implementing written Service Level Agreements with customer departments.

This document is invaluable in defining the roles of the customer and Fleet Management as a partner in vehicle services.

7. Standards of Maintenance (SOM) – these written standards were established to define the level at which all City vehicles will be maintained. The SOM are the guidelines for all vehicle maintenance whether performed by Fleet Management Division technicians or private sector companies.
8. ASE Certifications – all Fleet Management Division technicians are working to be ASE Master Certified that is the industry standard for government and private sector technicians.
9. Quality Assurance Program – this program relies on a series of steps starting with a quality work effort, inspections and finally customer feedback. The technician ensures that all maintenance procedures have been completed utilizing the highest standards (SOM) for vehicle maintenance. The responsibility for quality assurance then shifts to Fleet Services Supervisor who conducts random inspections and interacts with customers if complaints are received. Customer feedback (see # 5) is key to this process and whenever a compliant or low satisfaction rating is received, the driver is automatically contacted by a Fleet Supervisor to resolve the issue.
10. Cleaning of vehicles – the Fleet Management Division now washes every vehicle after each repair is made using our in-house automated carwash system, which provides our customers with a clean vehicle, which improves the appear of our fleet. We now offer through an on-line reservation service for detailing of City vehicles that are performed through a contract service located at the City Service Center.
11. Conversion of Emergency Vehicles – the Fleet Management Division now performs the installation of all emergency equipment of special lighting and safety equipment on black and white vehicle and all other unique vehicles, which has enhanced the needs to the operators.
12. Painting of City Vehicles – the Fleet Management Division now performs minor auto body repair and repaints City vehicles using in-house staff, using our new body shop and City-owned paint both, which has enhanced the appearance of our fleet.
13. On-Line Request Forms – the Fleet Management Division has implemented various on-line forms that are available to all City employees on the City's intranet, which consist of the following forms: Vehicle Repair, Gas Card, Carwash Application, Capital Equipment Replacement forms and a status repair report to all users that identifies when vehicles are completed and ready for pick up at the Service Center.

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## **Operations**

The Fleet Management Division concluded FY 04/05 was particularly affected by higher fuel prices, staff shortages, as well as the continued uncertainty of the impacts of the State budget crisis. We are proud, that in spite of these challenges, we achieved all objectives and were able to sustain operations, realign and maintain

competitive pricing and the utilization of alternative fuel vehicles to offset the price increases.

In all Fleet Management Division business units, we routinely assess what activities are best accomplished by internal staff or if there is a need to establish operational partnerships with the private sector in order to provide services that are best described as flexible, competitive and tested.

### **Operations Strategy**

The strategy or business practices of the Fleet Management Division can best be described as a government operation performing essential services using a private sector business model. This strategy began in 2002 when City successfully completed the Spectrum Report, which indicated a mechanical productivity level as low as 40 percent.

Since the implementation of the Spectrum Report and business plan for vehicle maintenance, all other units in the Fleet Management Division have undergone the same competitive review, however with the implementation of new policies and procedures and managerially staff have made dramatic changes in the organization that has now provided an increase in productivity, on average of over 75 percent. An ongoing program provides the best services for our customers, and employs the best management practices in our industry. In practice, cost, quality, timeliness and customer input are all equally weighted considerations in the process of selecting the appropriate resources to provide goods/services to Fleet Services.

The City of Inglewood has developed a unique partnership with the Los Angeles Opportunities Industrialization Center, Inc. (LAOIC) to create an automotive maintenance on-the-job training program for young people ranging in age from 16-21. The program, managed and operated by LAOIC, offers basic entry-level automotive training classes and hands on opportunities to practice class work in the Inglewood Public Works Department Service Center. Through collaboration with the Automotive Oil Change of America and the owners of Quick Lube in Southern California, LAOIC has developed a certification program for youngsters provided by trained automotive maintenance professionals. By joining forces with LAOIC the City has benefited by LAOIC performing preventative maintenance on City vehicle, therefore realizing a saving in the amount of \$75,000 in labor hours each year. This has allowed staff to be redirected in more complex repairs on other City vehicles.

### **Scope of Operations**

In providing efficient, cost-effective fleet services, Fleet Management constantly evaluates what level of product or service is required and what resource(s) can best provide the needed products or services – in-house staff, private sector vendors or a combination of both. In keeping with this strategy the Fleet Management Division also ensures that only the highest quality resources are engaged whether it is in-house staff or private sector vendors. The Fleet Management Division has established the

following program(s) for ensuring quality resources therefore quality service for customers.

#### In-house products or services

- ASE certifications for all Fleet Technicians
- Mandatory training for administrative staff
- Vehicle manufacturer's training for technicians
- Fleet Management Division provides on-line manuals, study material and training.
- Leadership training for Managers and Supervisors
- Quality control inspections for in-house work

#### Vendor Network

- Specialized vendor network established by region and type of service
- Quality control inspections of vendor work
- Strict contract compliance requirements

#### **Ongoing Operations**

Fleet Management can only provide quality, cost-effective services through the application of sound business principles and practices that are governed by established policies and procedures and best management practices. Fleet Management operates under the following written policies, procedures and guidelines:

- City Administration Policies and Procedures
- Public Works Policies and Procedures
- Fleet Management Policies and Procedures
- Inglewood Municipal Code
- Fleet Maintenance Standards of Maintenance
- Quality Assurance program for In-House and Contracted Work

#### **Operations Expenses**

The Fleet Management Division operates under the guidelines and funding of the Fleet Services Internal Service Fund and General Fund. Although the Fleet Services primary revenue source is the City's General Fund, special funds and the Public Works Department also provide revenue for vehicle services received. Fleet Management, in their role as a service provider, relies on customer departments to purchase vehicle services from them.

The Fleet Services ISF was designed and implemented as a cost-for-service program and is directly allocated to the Fleet Management Division. The Fleet Management's budget is prepared in the form of a spending plan with appropriations established based on revenue from customer departments. The Fleet Services ISF collects revenue based on the following structure:

- Vehicle maintenance (monthly) – charged on an individual repair service basis – labor, parts and sublet work.
- Vehicle fuel (monthly) – charged on per gallon basis with a surcharge to cover the costs of maintaining fuel dispensers, permits, automated fuel system etc.
- Asset Management Fee (monthly) – charge to cover the direct costs of acquiring vehicles, licensing, automated database maintenance, disposal coordination and car washes.
- Accident Funding (monthly) – charge to cover the costs of vehicle accident repairs.
- Motor Pool vehicles (monthly) – charge to use pool vehicles for supplemental transportation.

Operating costs for Fleet Management, exclusive of administrative expense discussed below, include controllable costs for salaries and benefits, services and supplies, tools and equipment, contracted services, information technology support, and facility charges.

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## **Management**

### **Division Organization**

The Fleet Management Division is divided into 6 business units - Asset Management, Vehicle Maintenance, Fuel Operations, Motor Pool Vehicles, Parts Management and Administration. The business units are aligned to the activities they provide, which are described in the “Services” section of this Business Plan.

### **Management Team**

The Fleet Management Division has a team of fleet professionals managing all aspects of asset management, vehicle maintenance, refueling operations, parts management, motor pool vehicles and administration. This management team has implemented a number of private sector business strategies, best management practices and optimization techniques. The management team, operating in alignment with our Vision, Mission and Values, focuses on 3 key goals - knowing the business of professional fleet management, knowing the needs of our customers and being committed to providing quality service.

The Management Team consists of the following key members:

- Fleet Superintendent (Rick Longobart) – manages all aspects of division business units.
- Fleet Supervisor (Clifton Pate) – manages all maintenance operations including fuel operations, motor pool vehicles, training.
- Administrative Analyst (Steve Smith) – manages vehicle and equipment acquisition program, reports and contract services and regulatory programs.
- Administrative Specialist (Betty Hurst) - manages invoices, requisitions accounts payable and office supplies and payroll.

- Fleet Coordinator (Mike Spencer) – manages parts inventory, procurement of supplies, inventory and facility repairs.

Each of these team members is a long-term Fleet employee and their experience exceeds 125 years in the field of fleet maintenance and management.

### **Administrative Expenses**

The Fleet Management Division incurs administrative costs in support of providing fleet services. The annual cost of these services and supplies are approximately \$4.1 million. Services and supplies in support of Fleet staff include: 1) facilities maintenance, 2) utilities, 3) information technology, 4) uniforms/safety equipment, vehicle maintenance tools/equipment, and 5) insurance.

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## **Summary of Financials**

### **Financial Assumptions**

The FY 05/06 Fleet Management budget will remain fairly consistent with the exception of staffing and vehicle fuel. Staffing will remain consistent based on our current workload and the implementation of the new vehicles in the fleet. It is anticipated that Fleet Management's primary workload, the number of fleet vehicles, will remain consistent for all business units. Although the amount of City vehicles are being increased, the budgeted level will remain due to the replacement of older vehicles in the fleet, which has reduced maintenance cost, which has offset any inflationary cost.

The second area projected to increase is vehicle fuel. Although overall fleet fuel consumption has remained relatively stable, pricing continues to be unpredictable based on world market conditions, conversion to seasonal fuel blends and supply disruptions. Although fuel prices tend to decrease after significant increases, overall costs remain higher than previous years. With the projected increase of alternative fuel vehicles, staff anticipates a decrease in fuel cost over the next year.

### **Financial Forecasts**

The FY 05/06 with the projection of the implementation of our new turnkey parts contract by reducing the need of capital inventory cost and the reduction of parts cost based on volume purchase and the procurement from one vendor. Fleet Management is anticipated a decrease in parts cost and an increased productivity. The remaining budget categories are anticipated to remain the same as FY 04/05 with the exception of fuel that continues to increase based on market conditions.

### **Financial Risks**

Inherent risks in this plan based on the Fleet Internal Service Fund financial model are workload variations, staff productivity and maintaining competitive rates. Fleet Management utilizes two tools to guard against financial problems. The first is an

early warning process so adjustments to staffing and/or services and supplies can be made. The second is designed into the ISF rate structure itself. All Fleet costs are charged directly to customer departments. For example, vehicle maintenance parts and fuel are billed to the customer. Therefore, although Fleet Management is tasked with obtaining competitive pricing, customer departments absorb cost fluctuations. In other words, the majority of Fleet revenue does not fall back on set or unchangeable rate structures such as cost per mile or hour.

### **Exit Strategies**

Fleet Management in alignment with its Vision, Mission and Values desires to be the vendor of choice for all Fleet customers. However, Fleet Management has developed a unique exit strategy that includes an early warning component, an inherent ability to adjust to varying workloads and the flexibility to make mid-year corrections based on customer needs. In each Fleet Management business unit, staffing, services and supplies can be adjusted based on verified workloads, customer needs or unanticipated circumstances. As Fleet Management values and embraces private sector partnerships, adjustments in workload can be made using private vendors.

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# SWOT Analysis

<b>Existing</b>	<p style="text-align: center;"><b><u>Strengths</u></b></p> <ul style="list-style-type: none"> <li>• Business units based on private sector models and use public/private partnerships in the best interest of customer departments and cost savings for the City.</li> <li>• A committed and skilled workforce with incentives to make change and be the leaders within the City.</li> <li>• An Internal Service Fund budget structure that operates in conjunction with the City's financial plan.</li> <li>• A Fleet Internal Service Fund structure that has provided stable vehicle replacement funding, sufficient maintenance funding, detailed cost information for customer departments and accountability for all fleet services provided by Fleet Management.</li> <li>• A state-of-the-art fleet and fuel management system.</li> </ul>	<p style="text-align: center;"><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>• Lack of career paths and succession planning.</li> <li>• A lack of a real-time charge back system of vehicle maintenance charges oppose to the existing fixed monthly charge back rate.</li> <li>• Ability to sustain a trained workforce in light of technological advancements in the automotive industry.</li> <li>• Ability to acquire and maintain modern diagnostic and repair equipment.</li> <li>• Slow repair times on older vehicles.</li> </ul>
<b>Potential</b>	<p style="text-align: center;"><b><u>Opportunities</u></b></p> <ul style="list-style-type: none"> <li>• Ability to support customer departments in analyzing fleet utilization with the potential to downsize the City's vehicle fleet size and save money for the City.</li> <li>• Ability to continually analyze all fleet operations using the tools developed to improve our operation.</li> <li>• Ability to provide fleet services to other government agencies.</li> <li>• Ability to educate customers on vehicle maintenance and services provided by Fleet Management.</li> <li>• Ability to partner with private sector for providing new and ongoing staff development.</li> </ul>	<p style="text-align: center;"><b><u>Threats</u></b></p> <ul style="list-style-type: none"> <li>• State budget uncertainty that threatens all City service delivery.</li> <li>• Private sector competition for skilled technicians.</li> <li>• Keeping current and cost of regulatory programs such as Air Quality, Management, Hazardous Materials, and fuel-site requirements.</li> <li>• Private sector competition to maintain City vehicles cheaper, better and faster.</li> </ul>
	<b>Positive</b>	<b>Negative</b>

## **Future Projects**

### **Projects to be implemented in FY 05/06**

In the future months Fleet Management will be implementing additional programs and infrastructures that will enhance our efficiency and improve customer service, which include: a propane fueling infrastructure, seven (7) new propane vehicles, a backup generator at the City Service Center that will power 100 percent of the facility during power failures, a new stationary steam cleaning machine, available to all Service Center employees, and Fleet Management will be adopting a new parts contract with Edding Bros. (NAPA) Auto Parts that will create a store within a store in the vehicular shop, which will resolve our existing issues with respect to procurement of parts and supplies. These projects and programs will be implemented in FY 05/06 and completed in early 2007.

### **Equipment Replacement**

Fleet Management has taken on a very aggressive approach to Equipment replacement by replacing 70 vehicles in FY 04/05 and anticipating the replace 62 vehicles in FY 05/06 totaling, 132 replacement vehicles in two years. However, overall the most common comments that Fleet Management receives on a regular basis is the lack of reliable vehicles and the overwhelming demand for equipment replacement to our aged fleet. The Fleet Management Division goal is to replace the entire fleet in the next three-years. After the end of the three-years it's our vision that there will not be a vehicle in the fleet that is beyond its useful lifecycle based on industry standards.

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