

Memorandum



DATE October 15, 2010

TO Honorable Mayor and Members of the City Council

SUBJECT City Fleet Operations Briefing

On Wednesday, October 20, 2010, you will be briefed on City Fleet Operations. The presentation material is attached for your review.

If you have questions or need additional information, please let me know.



Forest E. Turner
Assistant City Manager

cc: Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager

City Fleet Operations

Presented to the Dallas City Council
October 20, 2010



Outline

- Purpose
- Overview
- Fleet Services Operations
- Process Improvements
- Recap
- Questions

Purpose

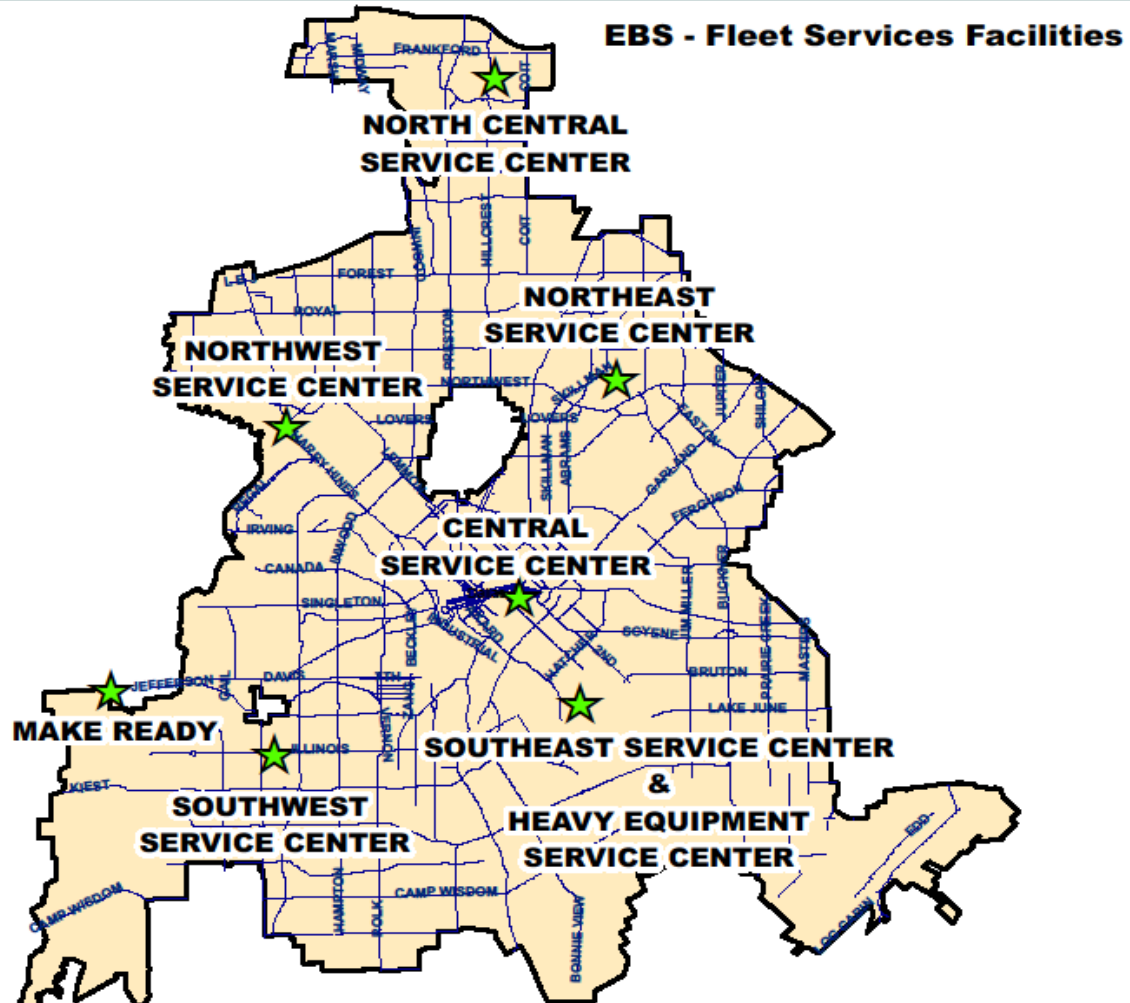
To describe:

- Key components and operational functions of Equipment and Building Services - Fleet Services Division
- Process improvements in Fleet Services
- Upcoming improvements

Overview

- Fleet Services is a division within EBS responsible for procurement, maintenance, repair and disposal of vehicles and equipment assigned to 24 city departments
 - \$49.5M budget (\$17.5M for fuel)
 - 230 employees
 - Six automotive service centers
 - One heavy equipment service center
 - One make ready facility
 - 5,100 active pieces of equipment

Overview

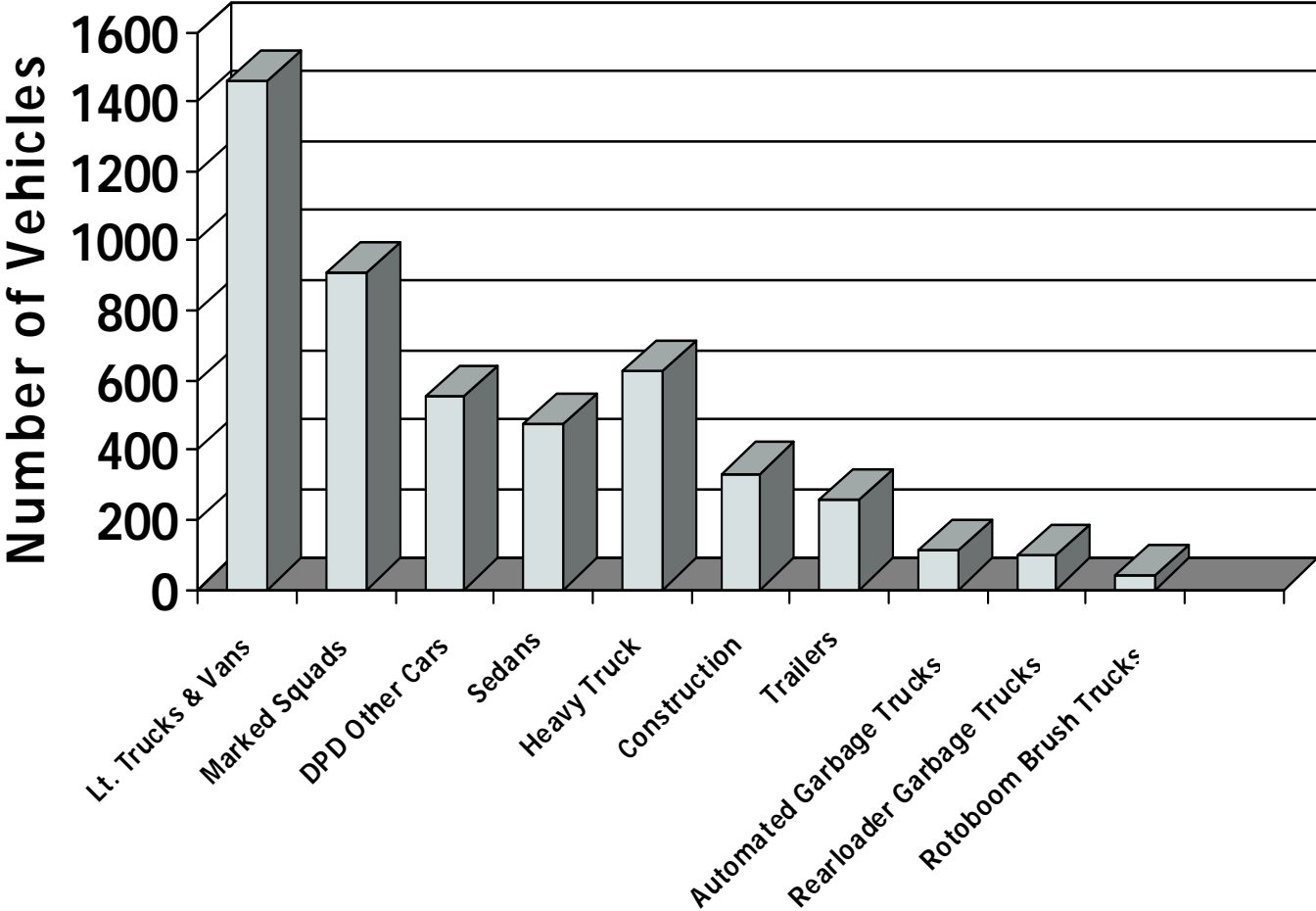


Note: This map shows the location of the service centers and make ready center discussed on the previous page.

Overview

- The 5,100 active units in the fleet of vehicles are used by departments to deliver services to citizens
- The fleet consists of light trucks and vans, marked squad cars, sedans, heavy trucks, construction equipment, trailers, garbage trucks and brush trucks
- The average age of the vehicles in the fleet is 5.7 years
- The alternative fuel vehicles represent 37% of the entire fleet

Fleet By Type



Note: This chart illustrates the types of 5,100 units on the previous page.

Fleet Services Operations

- Fleet Services Division is organized by function at various locations throughout the city
 - Vehicle Procurement
 - Make Ready
 - Maintenance and Repair
 - Parts Management
 - Fuel Operations
 - Tires/Auction
- The main service is the maintenance and repair function performed at the seven automotive service centers
- Proper maintenance and repair is critical to ensuring fleet availability and extending the life cycle

Fleet Services Operations

- The first step in Fleet Services operations is the procurement process where EBS coordinates with customers to document their needs consistent with established standards
- The process includes maintaining vehicle replacement criteria, developing detailed bid specifications and coordinating the replacement or addition of vehicles and equipment with customer departments
- OFS and EBS work together to determine the best financing options for procurement during the budget process
- Purchasing department completes the process by advertising, bid evaluation/selection and scheduling for council consideration

Fleet Services Operation

- The second step in Fleet Services is the Make Ready process. There are two separate make ready processes to get a vehicle ready for service, one in EBS and one in CIS
- The process in EBS includes installation of electronic fueling devices, license plates, decals, fire extinguishers, strobe lights, hydraulic systems for sand trucks
- The process in CIS includes installation, configuration and wiring of electronic equipment including radios, sirens, computers and associated software

Fleet Services Operations

- Fleet Maintenance is routine service performed to ensure the safety, reliability, drivability and longevity of vehicles and equipment
 - Oil and Lube
 - Tire rotation and balancing
 - Systems Checks
 - Fluid and Filter Checks
 - Safety Inspections
 - Brake Inspection
- Fleet Repair is a corrective measure performed outside of any scheduled maintenance for component failures including engine and transmission replacements
 - Battery Replacement
 - Brake Repair

Fleet Services Operations

- Maintenance and repair of the fleet has several related functions to support this operation which includes parts, fuel, tires and vehicle retirements (auctions)
- The service for these functions is delivered through the automotive service centers while the monitoring and management is centralized
- A vehicle is evaluated for reassignment for another service or considered for salvage parts prior to being sold at auction

Process Improvements

- EBS conducted surveys with customer departments to solicit feedback on ways to improve service
- Customers identified several areas that needed to be improved to better deliver their services to citizens
- Areas identified for improvement included reducing vehicle downtime, better adherence to preventive maintenance schedule, and faster make ready processing of vehicles

Process Improvements

- Established a team to examine fleet operations
 - This team consisted of representatives from EBS, OFS, Efficiency Team, DPD, and Sanitation
 - The team worked for 6 months to examine all facets of fleet operations and focused on improving internal controls, process efficiencies, and customer service
 - Identify and measure the current processes
 - Conduct site interviews with customers to identify areas for improvement
 - Make recommendations for process improvements

Process Improvements

Team Recommendations

ID	Recommendation	Status
1	Consider becoming certified as a warranty shop to reduce vehicle down time	Planning stages
2	Examine the use of lease-purchase financing to lower acquisition costs	Considered / not implemented
3	Consolidate CIS and EBS vehicle make-ready processes into one unit to gain efficiencies	Implemented
4	Explore implementation of pool car program	Under review
5	Consider implementation of a team-based approach similar to the one utilized by DART	Implemented

Process Improvements

Team Recommendations

ID	Recommendation	Status
6	Create a purchasing review committee to standardize specifications led by a Procurement Manager within EBS	In progress
7	Institute a department-wide training curriculum to train on new products before they arrive	In progress
8	Enhance communication for increased productivity and consistency through planning and production meetings	Implemented
9	Explore changing method of billing departments for maintenance and repair services for non-scheduled repairs	Considered/ not implemented

Process Improvements

- Prior to the process improvement team, the city manager assigned new executive staff to improve efficiency and enhance customer service
- The executive team:
 - Re-organized the division and reclassified managers to reduce the span of control to monitor and measure productivity effective October 1, 2010
 - Established new performance measures for each service center: 1.) # of completed preventive maintenance compared to actuals, 2.) % of vehicles available for service
 - Created a new fleet procurement manager position, responsible for vehicle inventory database (M5), acquisition, vehicle selection criteria, and coordination to be filled by December 31, 2010

Process Improvements

- The executive team (cont'd):
 - Added additional programming features to the vehicle database management system (M5) to allow better tracking and monitoring of service by service center
 - Consolidated EBS and CIS make ready processes at one location to gain efficiencies
 - Began a pilot program with a private vendor for oil changes on marked squad cars for DPD to increase availability and monitor the turnaround time for PM scheduling to be completed by March of 2011
 - Added additional work shifts to increase availability of cars for DPD and garbage trucks for Sanitation during weekend hours

Process Improvements

- During this same time period, the City Auditor began conducting an audit of fleet services in accordance with the FY 2010 audit plan
- The scope of the audit focused on fleet utilization and software while EBS examined the entire operation
- Staff participated fully to provide all requested information needed for the audit
- EBS will continue to work closely with the auditor to implement recommendations once the audit is completed later this year

Recap

- Re-organized the division to improve efficiency and enhance customer service
- Began measuring each service center's performance as of October 1, 2010 to monitor productivity and increase accountability
- Consolidated functions in EBS and CIS make ready to gain efficiencies
- Staff will continue to evaluate process improvement recommendations and efforts toward standardizing fleet

Questions?