FLEET MANAGEMENT

Department Mission/Purpose Statement

"We are dedicated to be a well managed, responsive and *preferred* provider of fleet services and to meet all fuel, mechanical repairs, towing and vehicle replacement needs, for the City of Miami Beach, in a functional and timely manner with a high level of customer service, quality of workmanship and vehicle availability while containing repair cost."

Department Description

Fleet Management maintains and repairs the City's fleet of approximately 900 vehicles and 250 various pieces of heavy equipment, ATV's, watercraft, trailers, pressure washers, etc.

Fleet Management's motto is "If you make the time for us, We will make the time for you".

Department responsibilities and activities include:

- Identify, develop and implement specific criteria for standard and special-use vehicle specifications for the City.

- Provide training in the operation of vehicles and special equipment to the end user. Fleet Management partners with Human Resources and Risk Management to ensure drivers are properly licensed to operate specific equipment and are in compliance with Federal, State and Local laws.

- Responsible for maintaining City Vehicles during its life cycle and schedules for replacement after meeting the criteria as designated by Fleet Management and City policy. Age, mileage repair history/cost and general condition are key factors when scheduling replacement of vehicles.

- Provide fuel for City vehicles and equipment (both gas and diesel) as required.

- Respond to emergencies including call outs for towing and wrecker services for City vehicles on a 365/24/7 basis. The Fleet facility operates 5 days per week from 7am - 5pm.

- Verify, track, approve and process Fleet Management Vendor invoices and VISA P-Card transactions for payment.

- Order, track and maintain appropriate automotive parts stocking level in the Fleet Warehouse.

Critical Success Factors:

As an internal support department, Fleet Management is significantly influenced by the different user department habits and practices. Driving*/Operator habits, errors and abuse as well as the overall utilization of the vehicle/equipment, preventative Maintenance* of vehicles, safe driving

(accidents and other “found” damage), all impact the condition and operating costs of the overall Fleet. The Fleet Management Department regularly attempts to identify practices or conditions that user departments can modify so as to positively affect operating costs.

The availability and increased cost of fuels have a direct impact on the City and represent an area of constant attention and monitoring.

The department is also affected by the availability of qualified mechanics, for which there is a critical national shortage, especially in the repair of heavy equipment. Finding and then retaining an adequate number of qualified personnel is a priority of the Department.

Significant Prior Accomplishments

Manpower

- Fleet Management reduced its staffing level by one employee through the redistribution and reclassification of employee's, matching task to the knowledge base, improved scheduling of work and mechanics working more efficiently to meet the departments goals and objectives. A cross training program has also been implemented to provide more depth within the department.

Downtime

- Fleet purchased and installed a four wheel alignment system and trained four (4) employees to perform the task. Results expected are increased efficiency and performing more alignments which should reduce premature tire wear. Two (2) new scissor lifts were installed in Shop I and the two existing drive on type were relocated to Shop II to expedite maintenance work. Fleet purchased a Hydraulic Hose Crimping machine, which saved the mechanics from waiting on hoses to be made up by an outside vendor and the travel time to pick up the hose. Availability time for heavy equipment has increased substantially.

Lease Vehicles

- Fleet Management leases 18 motorcycles (16 plus 2 spares) for the Police Department. Fleet Management administrates the lease car program (approximately 30 units) for the Special Investigations Unit and Criminal Investigations Unit of the police department.

Out Sourcing

- Fleet Management negotiated with a local vendor as a result of a bid to provide fuel to the city’s vehicles while utilizing the existing fuel management system which will track consumption. Body shop, transmission work, windshield replacement and many other services continue to be outsourced.

New Resource

- Ford Motor Company provided an on-line reference system, (Oasis) which provides Recall Notices, Repair History, Warranty Information and Technical Bulletins. Automotive parts suppliers provided an online system allowing us to access their inventory and generate orders online. General Motors is also providing similar services. Negotiated with several

local Ford dealership to provide a limited amount of warranty and recall service to be completed on-site, eliminating the need to transport hundreds of vehicles to the dealer.

Fleet Services

- Replaced reciprocating air compressor with screw drive, which is reliable more efficient and reduced noise in the mechanics bay. Purchased new Service Truck that services vehicles at the work location. Vehicle has the ability to dispense/recover lubrication and tire repair. Purchased Hydraulic Hose and Connector Crimping machine to reduce downtime and costs.

Fuel/Lubricants

- Automated the Physical Fuel & Lubricant Inventory Process through a program written in Microsoft Excel, which provides an accurate reading, to ensure Fleet maintains proper fuel & lubricant levels.

City Vehicle Policy

- Implemented a Citywide policy regarding the use of City Vehicles & Equipment by City employees. Human Resources held meetings with all employees and distributed the new policy.

Warehouse Inventory

- Continue to maintain the warehouse automotive parts inventory level and passing the annual inventory audit by Internal Audit department.

FasterCS

- Continue to upgrade and enhance the FasterCS Fleet Management system, which uses the SQL database and compatible with the Eden system.

Capital Savings Program

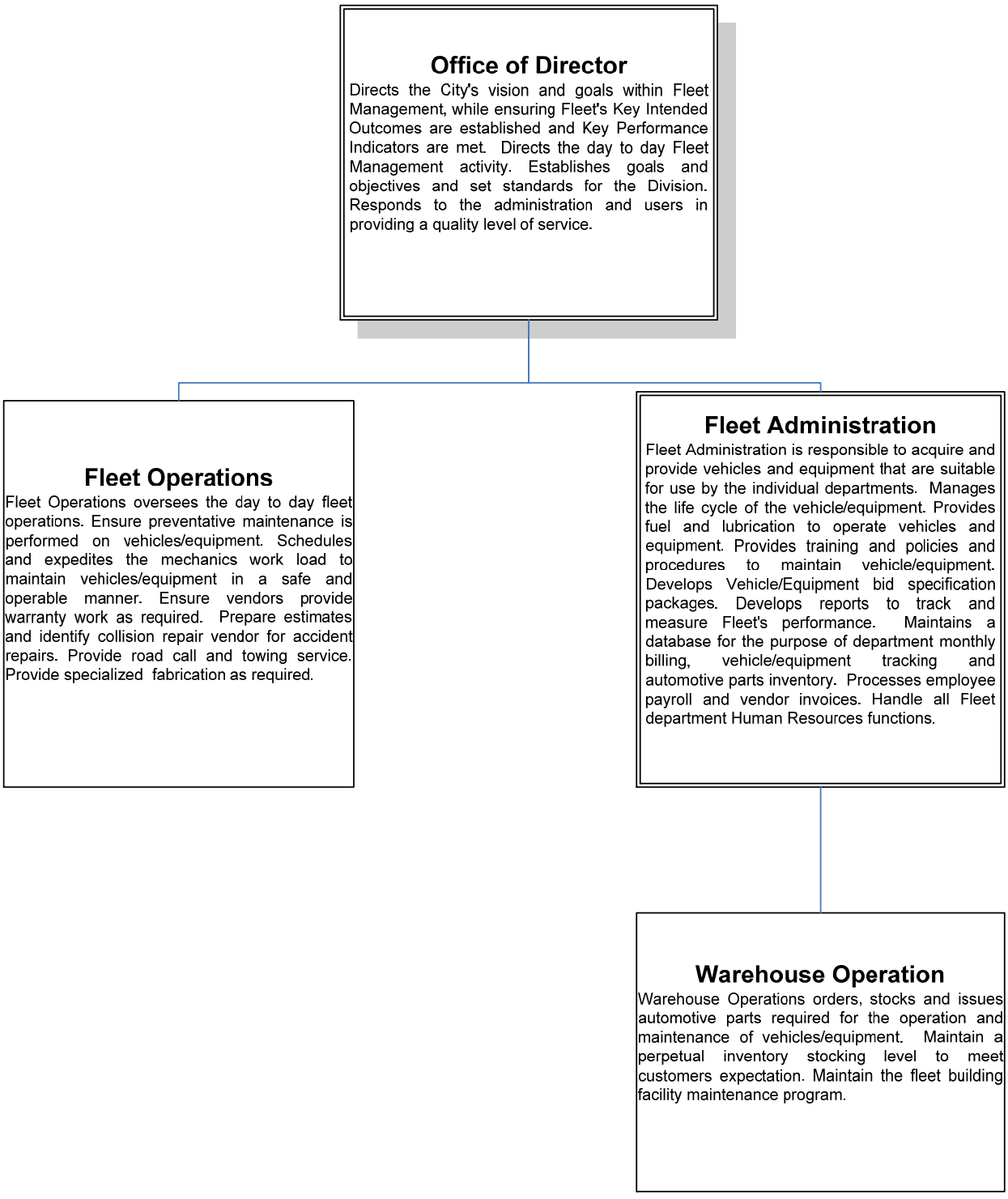
- Fleet Management implemented a program for the 2003 and beyond Ford Crown Victoria models, to eliminate the extended warranty. Since the inception of this program we have purchased 220 units with a Capital savings of $3,775.00 each for a grand total of $830,000.00. The purchase price of a Crown Victoria is $19,445.00. The warranty equates to 20% of the vehicle cost. The extended warranty provided an extra 2 years and 39,000 miles. The majority of the repairs occur in the standard 3 year, 36,000 mile warranty period. No major additional repair costs were experienced as a result of the elimination of the extended warranty for the Crown Victoria models.

Performance Plan Highlights

Citywide Key Intended Outcome	Departmental Performance Indicator	Baseline Actual FY 03/04	FY 05/06 Target	FY 06/07 Target	Proposed FY 06/07 Department Activities
Increase resident ratings of public safety services	Police vehicle availability	96.41%	97%	97%	• Research and implement report to track total police vehicle availability.
Ensure well-maintained infrastructure	Citywide vehicle/equipment sedans and light trucks non-police availability	96.55%	97%	97%	• Develop plans to review and improve availability to include: timely notification to the driver and supervisor when vehicle reaches the time for preventative maintenance, follow up with department heads when vehicle owner is not in compliance, and in serious cases, notify department heads that fuel authorization would be terminated for the vehicle. • Play a more significant role in the education and the enforcement of "Use of Vehicle and Equipment" policy. • Develop specific guidelines to implement a rewards program for safe drivers. • Establish a disciplinary program for the misuse of City vehicles and equipment. • Increase communication and education to employees and departments regarding fleet policies and compliance.
	Citywide vehicle/heavy equipment and other non-police availability	96.24%	97%	97%	
Ensure expenditure trends are sustainable over the long term	Average Preventive time in minutes for Quick Lube & General Safety Inspection every 3K miles or 3 month - Police Pursuit vehicles	32	32	32	• Continue testing a Daily Record Sheet with the Fleet Service Representative (Police Vehicles) in conjunction with the Fleet Management System to more closely monitor schedule conflicts. • Continue developing

Citywide Key Intended Outcome	Departmental Performance Indicator	Baseline Actual FY 03/04	FY 05/06 Target	FY 06/07 Target	Proposed FY 06/07 Department Activities
	Average Preventive time in minutes for Quick Lube & Expanded Safety Inspection every 9K miles or 9 month - Police Pursuit vehicles	47	50	50	automated EMail system to notify Customer when vehicle is due for a Preventive Maintenance (PM) in order to increase the number of PMs for vehicles and equipment (non-police). • Continue to ensure technicians are properly trained in the PM process by developing Parts & Task Lists in the Fleet Management System by vehicle type in order to assist Mechanics to understand the PM process.
	Average Preventive time in minutes for Quick Lube & General Safety Inspection every 4K miles or 4 month - sedans/light truck vehicles (non-police)	34	34	34	
	Average Preventive time in minutes for Quick Lube & General Safety Inspection every 12K miles or 12 month sedans/light truck vehicles (non-police)	55	55	55	
	Average % Preventive Maintenance early or on time	69%	75%	75%	
	Fleet warehouse Automotive Parts inventory Turnover	2	2.25	2.25	• Ensure adequate inventory is maintained in the Fleet warehouse by continuing to implement form filled out by the Mechanic, which provides specific parts information as new vehicles are received for the Fleet Warehouse to stock and running reports in the Fleet Management System to identify obsolete parts that can be returned for credit to a Vendor or sold at auction.
	Fuel volume gallons Diesel	134,070	136,800	136,800	• Work with departments to develop standards based on

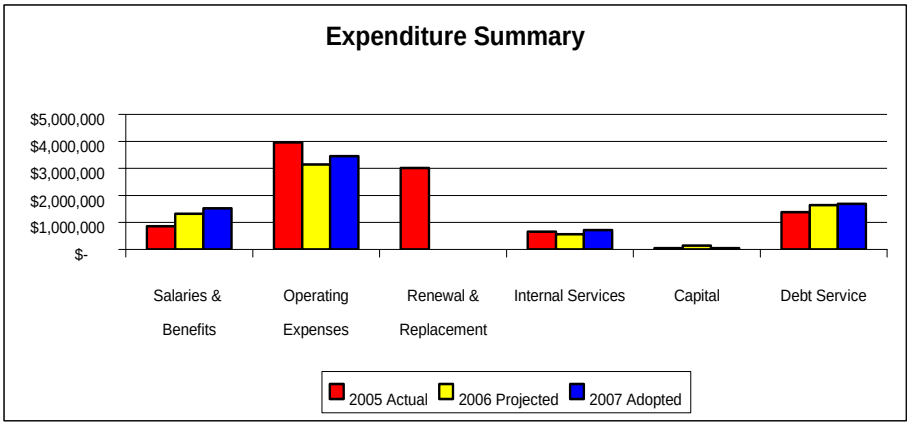
Citywide Key Intended Outcome	Departmental Performance Indicator	Baseline Actual FY 03/04	FY 05/06 Target	FY 06/07 Target	Proposed FY 06/07 Department Activities
	Fuel volume gallons Gasoline	689,630	696,000	696,000	functions and review functional needs of the department to right size vehicle purchase to maintain fuel consumption • Ensure data integrity of Fleet and Fuel Management Systems. • Conduct industry review or develop RFP for gas station to serve fleet for fuel, including historical usage at prior station where we had a contract, evaluate impacts of living wage, potential to provide generator, and funding for automated system interface.
	Fuel volume gallons Gasoline per vehicle – sedans/light trucks	955	963	963	
	Maintenance repair costs (in $ millions)	1.53	1.64	1.64	• Continue to find parts vendors for better pricing to help offset rising cost of petroleum based products, inflation and delivery/freight charges. • Continue to review internal processes relating to mechanics. • Continue internal Wiper Blade program to offset maintenance cost by purchasing Wiper Blade Refills rather than complete Wiper Blade Units. The Fleet Service Representatives and Mechanics will replace the used Wiper Blade Unit with Refills. Fleet will save approximately $3 to $5 per unit depending on the type of Wiper Blade. • Terminals are set up in the Fleet Warehouse to compare prices between Automotive Parts Vendors. This also provides information on weekly specials on various parts that may be required.
	Hourly labor cost per mechanic	$50.00	$50.00	$50.00	


Office of Director
Directs the City's vision and goals within Fleet Management, while ensuring Fleet's Key Intended Outcomes are established and Key Performance Indicators are met. Directs the day to day Fleet Management activity. Establishes goals and objectives and set standards for the Division. Responds to the administration and users in providing a quality level of service.
Fleet Operations
Fleet Operations oversees the day to day fleet operations. Ensure preventative maintenance is performed on vehicles/equipment. Schedules and expedites the mechanics work load to maintain vehicles/equipment in a safe and operable manner. Ensure vendors provide warranty work as required. Prepare estimates and identify collision repair vendor for accident repairs. Provide road call and towing service. Provide specialized fabrication as required.
Fleet Administration
Fleet Administration is responsible to acquire and provide vehicles and equipment that are suitable for use by the individual departments. Manages the life cycle of the vehicle/equipment. Provides fuel and lubrication to operate vehicles and equipment. Provides training and policies and procedures to maintain vehicle/equipment. Develops Vehicle/Equipment bid specification packages. Develops reports to track and measure Fleet's performance. Maintains a database for the purpose of department monthly billing, vehicle/equipment tracking and automotive parts inventory. Processes employee payroll and vendor invoices. Handle all Fleet department Human Resources functions.
Warehouse Operation
Warehouse Operations orders, stocks and issues automotive parts required for the operation and maintenance of vehicles/equipment. Maintain a perpetual inventory stocking level to meet customers expectation. Maintain the fleet building facility maintenance program.

Financial Summary

Revenue Area	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Adopted
Inter-Departmental Charges	$ 5,229,724	$ 5,796,005	$ 5,843,191	$ 5,842,191	$ 6,962,186
Retained Earnings	1,528,657	2,428,612	540,402	540,402	50,000
Interest/Other	292,335	444,054	418,001	436,001	418,353
Total	**$ 7,050,716**	**$ 8,668,671**	**$ 6,801,594**	**$ 6,818,594**	**$ 7,430,539**

Expenditure Area	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Adopted
Salaries & Benefits	$ 1,115,082	$ 855,927	$ 1,391,996	$ 1,313,780	$ 1,524,390
Operating Expenses	2,174,033	3,971,638	3,021,310	3,146,216	3,460,410
Renewal & Replacement	3,076,581	3,018,511	0	0	0
Internal Services	591,834	656,753	556,740	556,740	709,191
Capital	9,300	43,276	145,000	145,000	50,000
Debt Service	698,681	1,373,344	1,686,548	1,639,858	1,686,548
Total	**$ 7,665,511**	**$ 9,919,449**	**$ 6,801,594**	**$ 6,801,594**	**$ 7,430,539**
Budgeted Positions	**25**	**24**	**24**		**24**



Budget Highlights

- Of the $3,460,410 in Operating Expenses, shown above, $2.2M is budgeted for fuel expenses, which represents a 21% increase over FY 2005/06. The fuel budget is projected to be over by approximately $236m, or 13% of budget, in FY 2005/06.

- This budget provides funding merit, COLA, pension and health insurance increases for 24 positions, which is included in the total for Salaries & Benefits of $1,524,390, shown above.

- The budget for Debt Service of $1,686,548 is the same level as FY 2005/06 and is for the payment of an equipment loan which is available to the City for the replacement of City vehicles. It is anticipated that funding will be provided in the City's FY 2006/07 Capital Budget for the replacement of city vehicles.

Budget History

FY 2005/06

- A budget of $1,686,548 is being provided for Debt Service of an equipment loan which is available to the City and provides a funding source for the replacement of City vehicles. It is anticipated that funding will be provided in the City's FY 2005/06 Capital Budget for the replacement of city vehicles.

- A budget of $1,820,000 for fuel is included as part of the total $3,021,310 in Operating Expenses, noted above, which is an increase of $541,200 (or 42%) over FY 2004/05 in order to accommodate the current and forecasted price level.

- Fleet Management will pay a management fee to the General Fund of $105,800 in FY 2005/06.

- This budget provides funding in salaries & benefits of $1,391,996 which includes COLA, Merit, Pension and Health/Life Insurance increases for 24 positions.

FY 2004/05

- This budget provides funding in salaries & benefits of $1,226,440 which includes COLA, Merit, Pension and Health/Life Insurance increases for 24 positions. Two (2) positions, Account Clerk I and Account Clerk II, have been eliminated and replaced by one Office Associate V position which will provide improved service relative to the City's vehicle replacement program. This operational realignment represents budgeted salary savings of $29,576.

- Of the total $2,446,739 in Operating Expenses, noted above, $1,278,800 is for fuel which is an increase of $225,000 (or 21%) over FY 2003/04 in order to accommodate the recently increased price level.

- Renewal & Replacement funds are not included as part of this budget. However, $1,291,146 is being provided for Debt Service of an equipment loan which is available to the City and provides a funding source for the replacement of City vehicles. It is anticipated that funding will be provided in the City's FY 04/05 Capital Budget for the replacement of city vehicles.

- Fleet Management will pay a management fee to the General Fund of $105,800 in FY 2004/05. The Management Fee is increased by 5.8%, based on the growth in the FY 2003/04 General Fund Budget.

FY 2003/04

- This budget includes $72,500 in capital funds for diagnostic equipment, a hydraulic hose crimping machine, shop computers and an upgrade of the fuel monitoring system. In addition, it is anticipated that funding of $4,030,515 will be provided in the City's Capital Budget for FY 2003/04. These funds are designated for scheduled replacements of City vehicles.

- This budget provides funding in salaries & benefits of $1,225,769 which includes COLA, Merit, and Health/Life Insurance increases for 25 positions. Two Mechanic II positions as well as a Municipal Service Worker II position have been eliminated representing reduced salaries and benefits of approximately $120,000.

- Renewal & Replacement funds of $721,436 are included for the future replacement of equipment acquired in prior periods. Additionally, $539,719 is being provided for Debt Service of an equipment loan.

- Of the total $2,203,599 in Operating Expenses noted as part of this budget includes a budget for fuel of $1,053,800, repairs/ maintenance of $687,000, police motorcycle leases of $73,010, new tires of $105,000, and other items such as electricity, water, administrative fees to the General Fund, travel, training and all other operating expenses totaling $284,789.

- A total of $603,242 is budgeted for Internal Service Charges from other Internal Service Funds, which provide Fleet Management with: Information Technology resources, such as computers, printers, phones and radios; property and liability insurance coverage as part of the City's Self Insurance Program; Central Services and Property Management services.

FY 2002/03

- Funding of $3,529,661 will be provided in the City's Capital Budget for FY 2002/03. These funds are designated for scheduled replacements of City vehicles.

- This budget provides funding in salaries & benefits of $1,139,776 which includes COLA, Merit, and Health/Life Insurance increases for 28 positions. However, it also includes the deferment of 4 currently vacant positions for an average of 6 months representing $71,000 in reduced budgeted salaries.