



### Operations Overview

- Hours of operations ( 7:00 AM - 11:00 PM M - F)
- One major repair facility (90 Service Bays) and a modern tire shop
- Extensive support equipment (Lubrication & Repair service trucks, Wreckers, Mobile Fuel trucks, Machinist equipment and other related equipment)
- Motivated and well-qualified technicians (216 ASE, 10 EVT, 16 Welding Certifications)
- Fleet provides a comprehensive service with considerable cost savings to the taxpayers

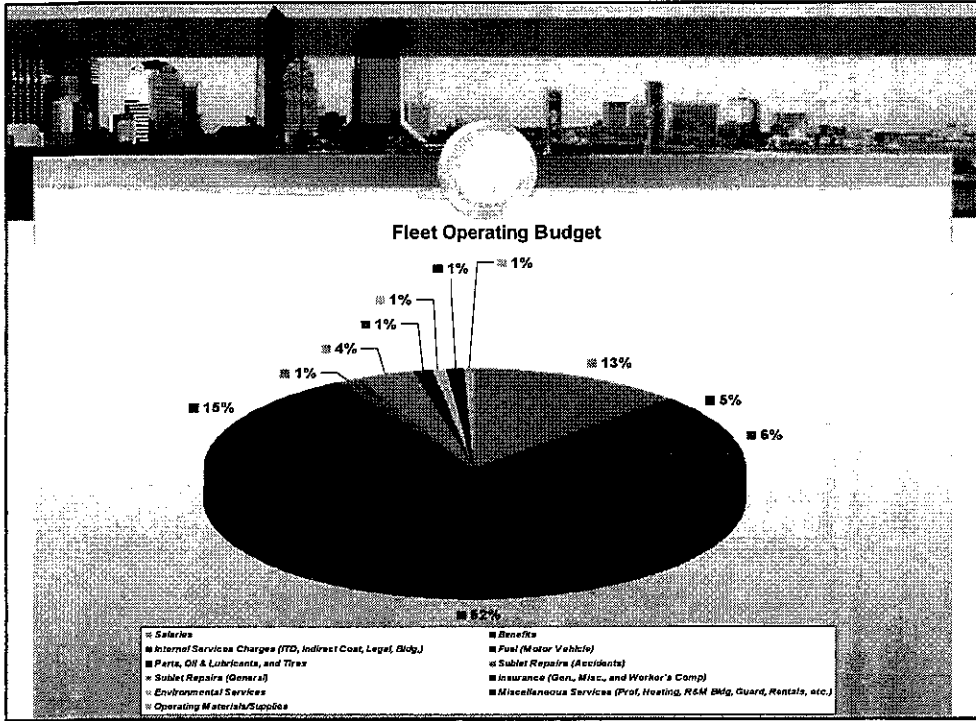
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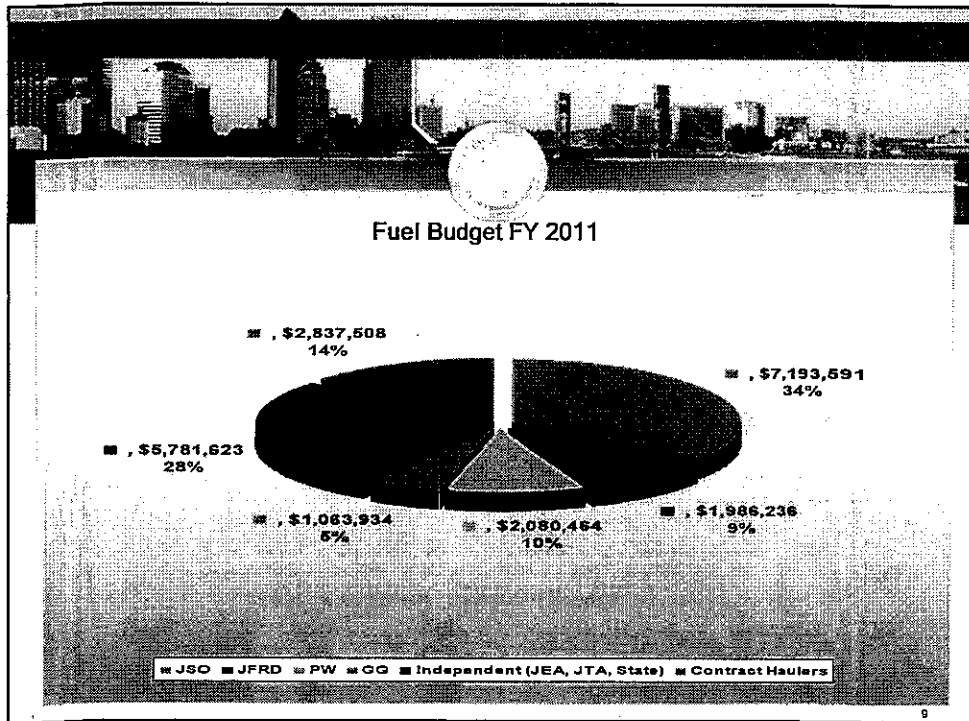


### Operating Budget \$39,617,684

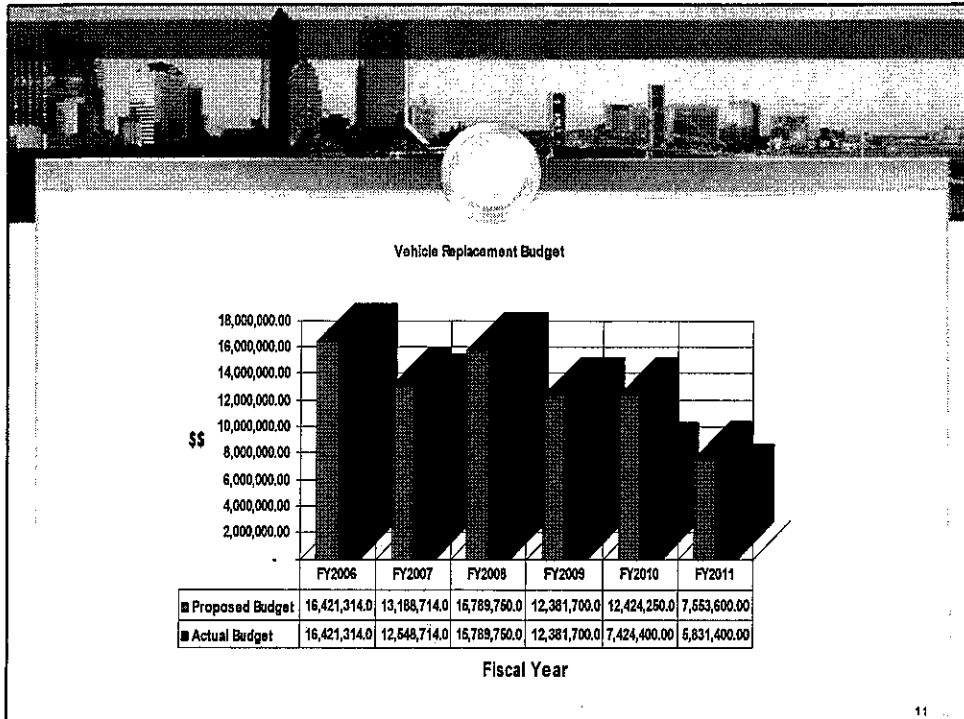
•Significant Change to the Budget from Prior Year  
•Fuel Budget is \$20.9 million a 17.8% increase

Category	Actual FY2009	Actual FY2010	Budget FY2011
Salaries	5,316,394	5,109,299	5,055,722
Benefits	1,554,708	1,830,349	1,846,782
Internal Services Charges (ITD, Indirect Cost, Legal, Bldg.)	2,415,997	2,703,208	2,308,714
Fuel (Motor Vehicle)	14,834,858	17,782,045	20,943,356
Parts, Oil & Lubricants and Tires	5,052,998	0,312,184	0,150,000
Sublet Repairs (Accidents)	422,825	382,979	475,000
Sublet Repairs (General)	1,260,662	1,347,045	1,400,000
Insurance (Gen., Misc., and Worker's Comp)	409,712	549,591	303,881
Environmental Services	381,802	270,321	347,500
Miscellaneous Services (Prof, Healing, R&M Bldg, Guard, Rentals, etc)	413,908	305,750	307,532
Operating Materials/Supplies	280,762	214,555	209,197
<b>Total Operating Budget</b>	<b>32,944,426</b>	<b>36,807,326</b>	<b>39,617,684</b>





- ### Vehicle Replacement Budget
- Method used to determine when to replace a vehicle (mileage, age, maintenance cost per mile)
  - Significant budget reduction FY 2010 and FY 2011
  - Able to do so by extending life of vehicle
  - Have not seen a significant rise in maintenance cost
  - Expect budget to go up due to 2 years life extensions




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- Priorities**
- Optimize the Utilization of Vehicles & Equipment
  - Reduce the Downtime of the Equipment
  - Maintain the Productivity of our Technicians @ 90% of available hours
  - Reduce the Overdue PM & Safety Inspections
  - Focus on customer satisfaction and improved services (4.8 on 5.0 Scale)



## Fleet Operations (Four Business Units)

- Repair and Maintenance
- Tire Operations
- Fueling Operations
- Parts/Material Support

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- Repair and Maintenance
    - Service more than 5600 pieces of various equipment (police cars, fire & rescue, garbage packers, heavy trucks, off-road equipment, motorcycles, etc.)
    - Services provided to City agencies as well independent agencies, and state agencies
    - Performed 74,000 Work Orders in FY 2010
    - Billed 103,000 Labor Hours

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- **Repair and Maintenance (cont)**

- Services provided includes:
  - a. Paint & Body repair
  - b. In-depth maintenance for light vehicles
  - c. Welding and Fabrication
  - d. Heavy Truck and off-road equipments repairs
  - e. Rebuilt and repair hydraulic system
  - f. Perform in-house warranty repair for Ford, GM, Pierce and International (Only Government & Dealerships, not private sector)

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- **Tire Services**

- Installation and repair of car and heavy truck tires
- Front-end alignments
- Inventory management (tires & related supplies)
- Provides mobile tire services during the day
- Manage the sublet tire services
- Manage heavy truck tire Retread program
- Off-Road tires are sublet

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- **Fueling Operations**

- Total capacity of 240,000 gallons at 9 fuel sites
- Automated fueling system (records, date, time, site location, vehicle no., gallons, and mileage)
- Mobile Fuel Trucks 4 (1,300, 2,800, 4,000 and 9,000 gallons) all capable of dispensing fuel same as a fuel site
- Provides alternative fuel (B20 biodiesel and E85 ethanol)
- Dispensed 7.4 million gallons of fuel in FY 2010
- Daily average dispensed: 8,200 gallons of diesel & 11,000 gallons of unleaded
- Enough fuel capacity to run the City 14-15 days during an emergency (capacity and mobility are critical during emergencies)

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- **Fueling Operations (cont)**

- Repair and maintenance of all fueling stations
- Fuel management - Fuel is ordered daily
- Commercial fuel credit cards
- Provides offsite/mobile fueling services @ night
- Provide fuel to disaster stricken areas during hurricane and other emergencies.

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- **Parts/Material Supports**

- Manages and maintains parts/material inventory (\$1.0M Inventory and 6200 line items)
- Parts are bid out at a price of 40-60% below retail (example -individual pays \$200, fleet pays \$100 and sell to agency for \$135)
- Responsible for the acquisition of the City's vehicles and mobile equipment:
  - Establishing the replacement criteria (Life cycle analysis)
  - Writing bid specifications for the equipment
  - Disposal of the surplus equipment.
  - Title and tags

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### **Efficiency = Cost Savings Initiatives**

#### **Rightsizing City Vehicles (continuously)**

- **GM Impala vs. Ford Crown Victoria**
  - Comparable in performance and size
  - The Impala is less expensive and more fuel efficient
    - \$5,500 less per vehicle
    - 4 mpg fuel advantage
    - Purchase 260 Impalas per year
    - Fuel savings per vehicle is \$677

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- GM Impala vs. Ford Crown Victoria (cont)

Five year replacement plan savings (1,300 Patrol Vehicles)

Year	Computations (fuel & purchasing)	Annual Savings
1st	$(260 \times \$677) + (260 \times \$5,500)$	\$1,606,000
2nd	$(2 \times 260 \times \$677) + (260 \times \$5,500)$	\$1,782,000
3rd	$(3 \times 260 \times \$677) + (260 \times \$5,500)$	\$1,958,000
4th	$(4 \times 260 \times \$677) + (260 \times \$5,500)$	\$2,134,000
5th	$(5 \times 260 \times \$677) + (260 \times \$5,500)$	\$2,310,000
		(same for 6th & 7th, yr, etc)

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- SUV vs. Sedan

- Twenty (20) SUV on the 2009 vehicle replacement list
- Replaced with Impala realized a savings of \$ 264,500
- Fewer SUV's are being purchased today.

- Sedan vs. Electric vehicle

- Fleet will continue exploring the viability of electric vehicles and hybrids
- Up-front Cost vs. Fuel Cost = Return On Investment = 12 to 14 yrs

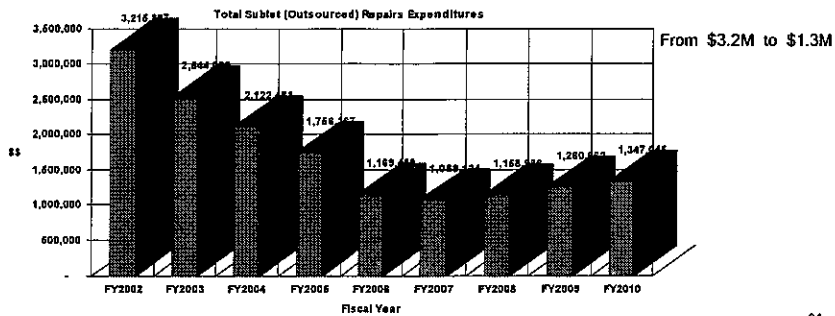
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- **Managing Outsourced Activities**

- Outsourced services (oil changes, transmission repairs/rebuilt, paint & body repairs, accident, tire services after hours)
- Outsourcing oil changes (cost @ \$12.75) and convenience (travel time & distance)
- Reduces the overall down time and maintenance cost
- Concentrate on standard repairs, and warranty work.
- Fleet outsources services that are more competitive in the marketplace.

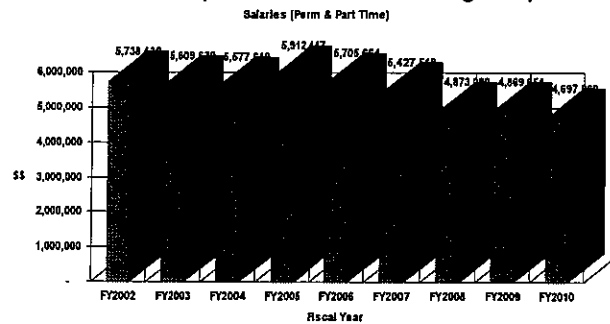
- **Managing Outsourced Activities (cont)**

- Continued reduction in sublet repairs since fiscal year 2002 (≈ \$2.0M)
- At same time reducing payroll and overtime expenditures
- Focused on increased productivity of individual technicians and utilizing best practices



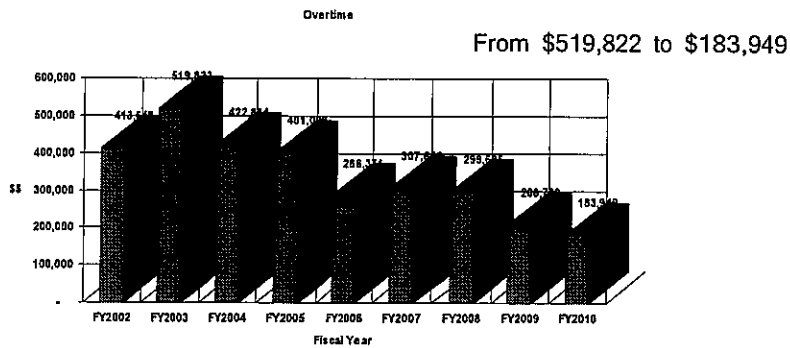
- **Salary Reductions**

- Payroll reduced over \$1M (from \$5.7M to \$4.7M).
- Fleet has increased employee to supervisor ratio to 8:1.
  - Attrition of supervisors and not filling the position



- **Overtime Reductions**

- Monitored and eliminated unnecessary overtime
- Increased technician productivity





- **Tire Service Efficiencies**

- Utilization of retread tires (medium and heavy trucks)
- Cost 50% less = savings \$118,263 annually
- Retread tires are never used on emergency vehicles nor the steering axle of non-emergency vehicles
- Removing new spare tires from the surplus vehicles = savings of \$18,000 per year.

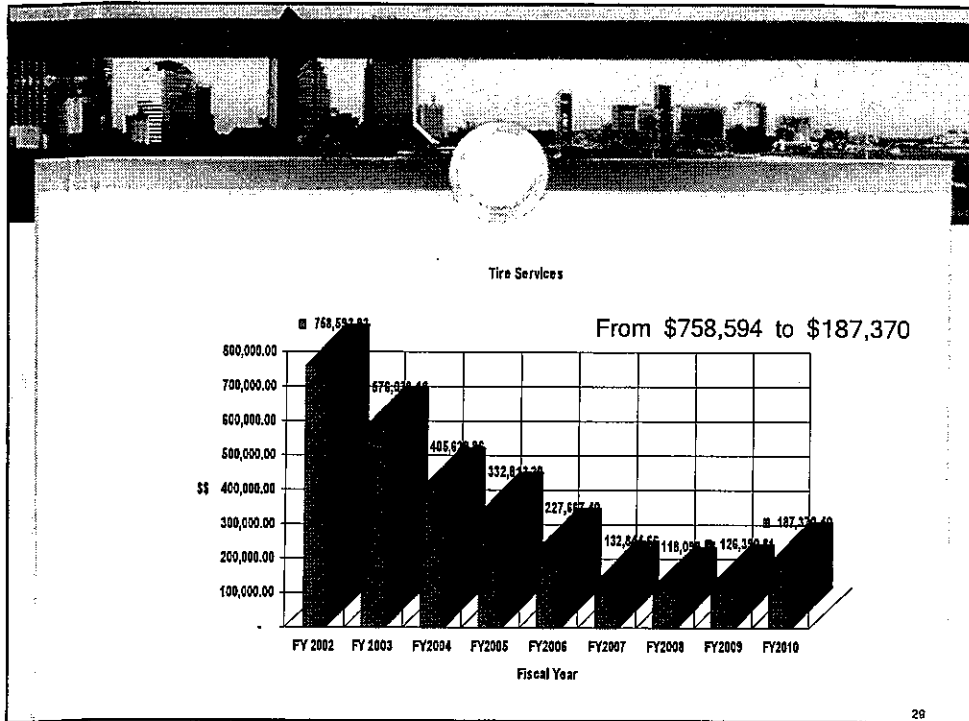
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- **Tire Service Efficiencies (cont)**

- Eliminated the outsourcing of front-end alignments & significantly reduced the outsourcing of heavy truck tire services
- Provide mobile tire services
- All of these efforts significantly reduced the cost of outsourcing of tire services (See next slide)

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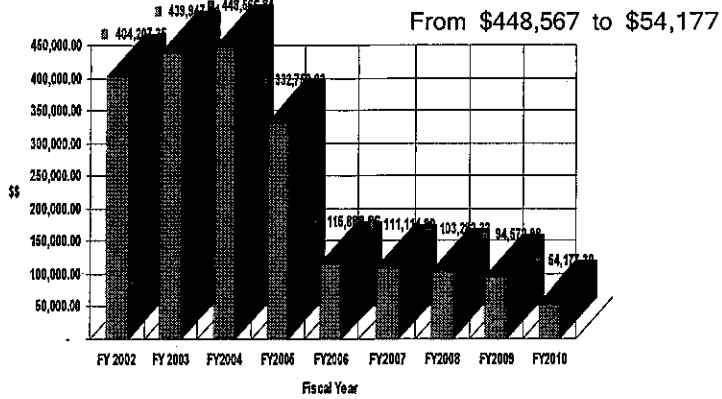


- Fueling Service Efficiencies
- Offsite fueling at night (idle equipment)
  - Thousands of man-hours saved annually (240 nights/yr x 30 trucks/night x 2 employees/truck x [1/2 to 1 hrs saved morning] x \$25/hr wage) = 7200 hrs or 14,400 hrs or \$180,000 to \$360,000 savings per yr.
  - Significant reduction in fuel usage (distance travel)
  - Publish a vehicle idling policy to reduce fuel consumption
    - *20% of the diesel fuel is consumed while idling*
    - *Could result in a \$500,000 savings annually*
  - Purchase unleaded fuel at \$0.30-\$0.40 below market price & diesel at \$0.55-\$0.60
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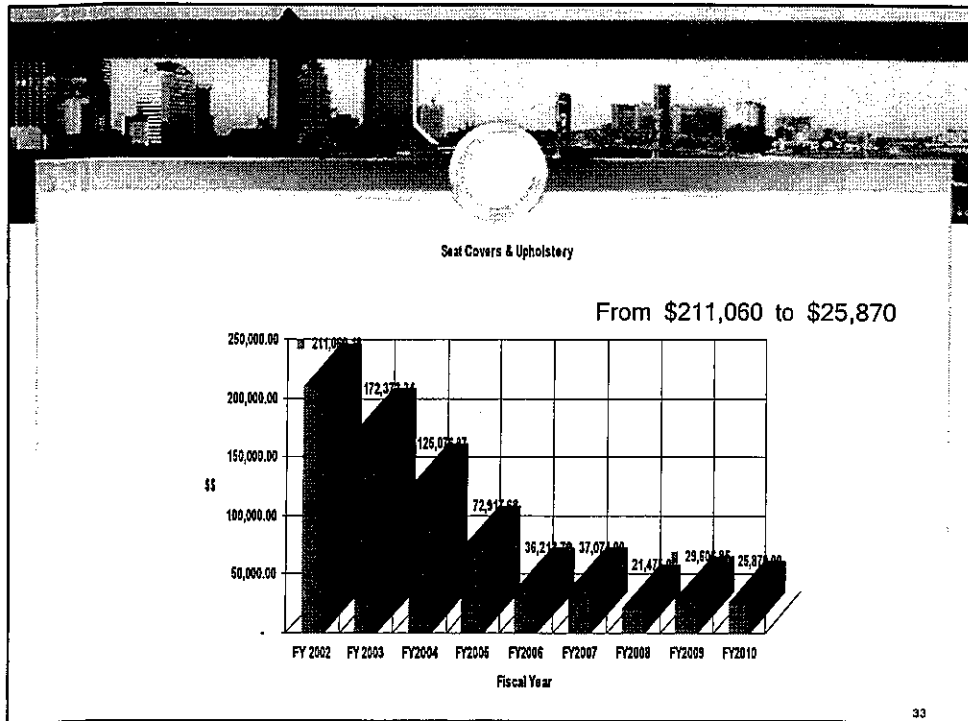
### Other Cost Saving Measures

- **Re-issue vehicle and repairs** (JSO had a policy where a senior officer is issued a new vehicle and the older vehicle is passed down to a junior officer)
  - Fleet established an extensive wash/detailing service for the re-issue vehicles as opposed to minor body repair/paint and upholstery
  - Reduce sublet repairs on Body and Paint repairs, and Seat Cover & Upholstery
  - See Graph

Body & Paint Repairs







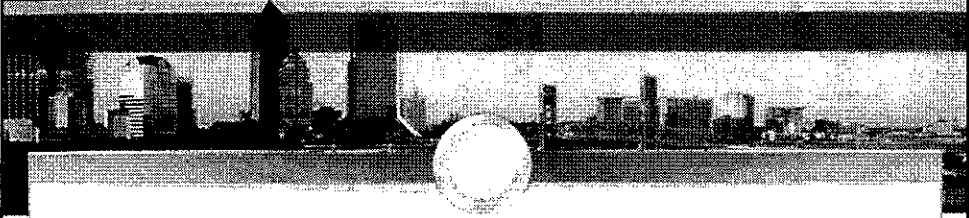
- Other Cost Saving Measures (cont)**
- Extending the interval of the LOF (Lube, Oil, Filter)
    - 3000 miles to 4500 miles for light vehicle
    - 6 months for heavy vehicle
    - Savings of \$111,800 per year.
  - Established a four (4) vehicle pool at Ed Ball building and reduced the vehicle inventory by 70 vehicles
    - \* *currently considering further expansion of vehicle pool*
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### Other Cost Saving Measures (cont)

- Final stage of the Biodiesel production
  - Capable of producing 2,000 gallons of B100 per week (savings of \$2.00 per gallon)
  - Production cost \$1.00 (est.)
  - Green Fuel (E85 Cost 15% less than Unleaded)

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### Insourcing Activities

- In-house warranty repairs generated a revenue of \$276,100 in FY 2009 and \$156,900 in FY 2010
- Provided fuel and maintenance services to JEA, JTA, FDOT, Local Health-State Authority, City of Neptune, U.S. Marshall, and Contract Garbage Haulers) worth \$8.3 millions in FY 2010
  - *Fleet insourcing activities help to reduce the overall charges to our customers*
  - *Insourcing helps to manage the peaks and valleys inherent in a repair and maintenance operation*
  - *Net revenue is approximately \$813,000*

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## Challenging Issues

- Budget cuts while maintaining quality services to the customer
- Reduction in the vehicle replacement budget
- Managing the repair and maintenance of an aging fleet
- Aging work force with a national shortage of technicians
- Green initiatives: Expand the use of Alternative Fuel Vehicles (E85 fuel) and Electric Vehicles.

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## Reasons Not to Privatize

- Best Practice - In-House Control with Strategic Outsourcing
- Only Two Fleets privatized in all of Florida: Ft. Lauderdale and Seminole County
  - *Ft. Lauderdale still has a Fleet Manager and staff to oversee privatized contract. Fleet Manager quoted as saying "cost to run the fleet is now higher, but with less headaches."*
- Three cities outsourced to another governmental fleet agency

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### Reasons Not to Privatize (cont)

- Private sector cannot do warranty repairs, only government and dealerships
  - *Fleet is currently performing repairs on 500 recalled vehicles*
- Cannot depend on private sector during emergencies, i.e., hurricanes/disasters
- Fleet More than a Repair Facility:
  - *Fueling (nine sites and mobile fueling operations - night fueling)*
  - *Acquisition & Disposal of Vehicle and Equipment-title and tags*
  - *Total Fleet Support Facility, (welding, fabrication, machinist, off-road equipment, hydraulics, tires, heavy truck, fire apparatus, parts department, wrecker service)*

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# QUESTIONS



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