



Fleet Utilization Study Project Summary



February 1, 2010

Tony Yankovich, Senior Manager

Handout Topics

- Mercury Associates, Inc.
- Background
- Initial Fleet Study
- Progress
- Utilization Study
 - Findings
 - Recommendations
 - Results
- Moving Forward

Mercury Associates, Inc.

- Fleet Management Consulting Firm
- 500 clients over the past 25 years
- Current Clients
 - Cities of Philadelphia, Salt Lake City, Wilmington (DE), Vancouver (BC), Seattle, Midland (MI), Wentzville (MO), Fayetteville (FL), Olympia (WA)
 - Counties of Montgomery (MD), Berks (PA), San Bernardino (CA)
 - NASA, GSA, NPS, DOE, Department of State
 - Yukon Territory, Government of Saskatchewan

Experts in Fleet Management

a bi-weekly publication www.fleet.com September 2002

automotive FLEET

THE CAR AND TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

WHICH FLEET FUNCTIONS SHOULD NEVER Be OUTSOURCED?

Top Ten Performance Measures for Fleet Managers

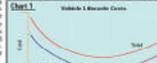
APWA

Rather than putting off needed purchases, consider changing the way you pay for them. Cash, leasing, and debt financing each has advantages and disadvantages from a fiscal, economic, administrative, and political point of view.

By Paul Lauria

When Vehicle Replacement Budgets Shrink: Think Outside the Box

Managers may have concluded that the necessary business that managers are only likely to find the price or the price that is charged for that year 2002. Perhaps the included content of the magazine demonstrates a number of ways to vehicle replacement decisions that are being made. Fleet managers are being asked to consider the impact of the new year 2002. Fleet managers are being asked to consider the impact of the new year 2002. Fleet managers are being asked to consider the impact of the new year 2002.



6 WAYS Fleets Can Succeed in a Managed Competition

Benchmarking fleet costs against peer organizations and ensuring that customers' operations become more productive are two of the key factors for fleet managers to enhance their fleets' success in a managed competition.

By Paul Lauria and Randy Owen

Understanding fleet services

Enhance fleet management

Understanding Your Fleet Costs

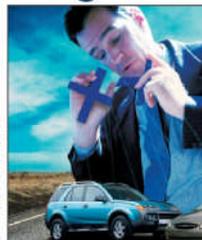
By Paul Lauria

For example, it is not uncommon in government periods (over and over again) to see a large number of government-owned facilities that are being sold. This is a result of the fact that the government is not able to maintain these facilities. This is a result of the fact that the government is not able to maintain these facilities. This is a result of the fact that the government is not able to maintain these facilities.

Effective Strategies for Increasing Fleet Utilization

Having also found a steady growth of the 1990s, many fleet managers are still being disappointed. Fleet managers are still being disappointed. Fleet managers are still being disappointed. Fleet managers are still being disappointed.

There have been many reports that a number of companies are not able to maintain their fleets. This is a result of the fact that the government is not able to maintain these facilities. This is a result of the fact that the government is not able to maintain these facilities. This is a result of the fact that the government is not able to maintain these facilities.



Vehicle REPLACEMENT GUIDE

APWA

14 Government Fleet 101 • August 2002

100 • August 2002 Government Fleet • 11

Mercury Associates, Inc. Cont'd

- Fleet Right-Sizing Studies
 - City of Clearwater
 - Hillsborough County (FL)
 - City of Tampa
 - City of San Francisco
 - City of Salt Lake City
 - Jefferson County (AL)
 - State of Florida DOT
 - City of Colorado Springs
 - Department of Energy

Fleet Background

KEY FLEET MANAGEMENT ACTIVITIES



Vehicle Equivalent Unit (VEU)



5 VEUs



5 VEUs



5 VEUs

Background

- Fleet Management Study
 - Completed in spring of 2009
 - Reviewed all major areas of municipal fleet management and vehicle and equipment maintenance and repair
 - Identified opportunities for improvement
 - FMIS implementation
 - Fleet utilization study
 - Process improvements
 - Etc.

Initial Fleet Profile

- University City fleet
 - 225 units (vehicles, equipment, small engine)
 - 110 vehicles (avg. age – 5.4 years)
 - 92 pieces of equipment (avg. age – 11.7 years)
 - 23 small engine pieces
 - 539.25 VEUs
 - Estimated replacement value - \$10 million

Fleet Staffing

- Current
 - 1 Fleet Manager
 - 5 Mechanics (4.4 wrench turning FTE's)
 - 0 Parts Clerks
 - Shared Administrative Clerk

Initial Findings

- Informal M&R program
- Focus on corrective repairs not PM
- Lack of data
 - Fleet availability?
 - PM compliance?
 - Comebacks?
 - Scheduled vs. unscheduled repairs?
 - Repair turn-around time?
 - Direct labor hours?

Initial Findings Cont'd

- No fleet policies and procedures
- No business continuity plan
- Technical training lacking
- Parts supply and management informal
- Utilization not managed
- FMIS not implemented

Progress!

- FMIS implemented and being used
- Physical inspection of all fleet assets completed
- Upgraded shop tools/equipment
- Created Fleet Liaison program
- Implemented technical training
- Purged obsolete parts
- Establishing formal P&P for fleet
- Managing vendors (parts and service)
- Developing strategic and tactical fleet replacement plans

Progress Cont'd

- Mileage being tracked at fuel pump
- Encouraging ASE certifications
- Initiated use of engine block heaters
- Moving toward fleet sustainability
- And many more!

Why Do We Review Fleet Utilization?

- *Total fleet costs are directly related to the number of vehicles and pieces of equipment in a fleet*

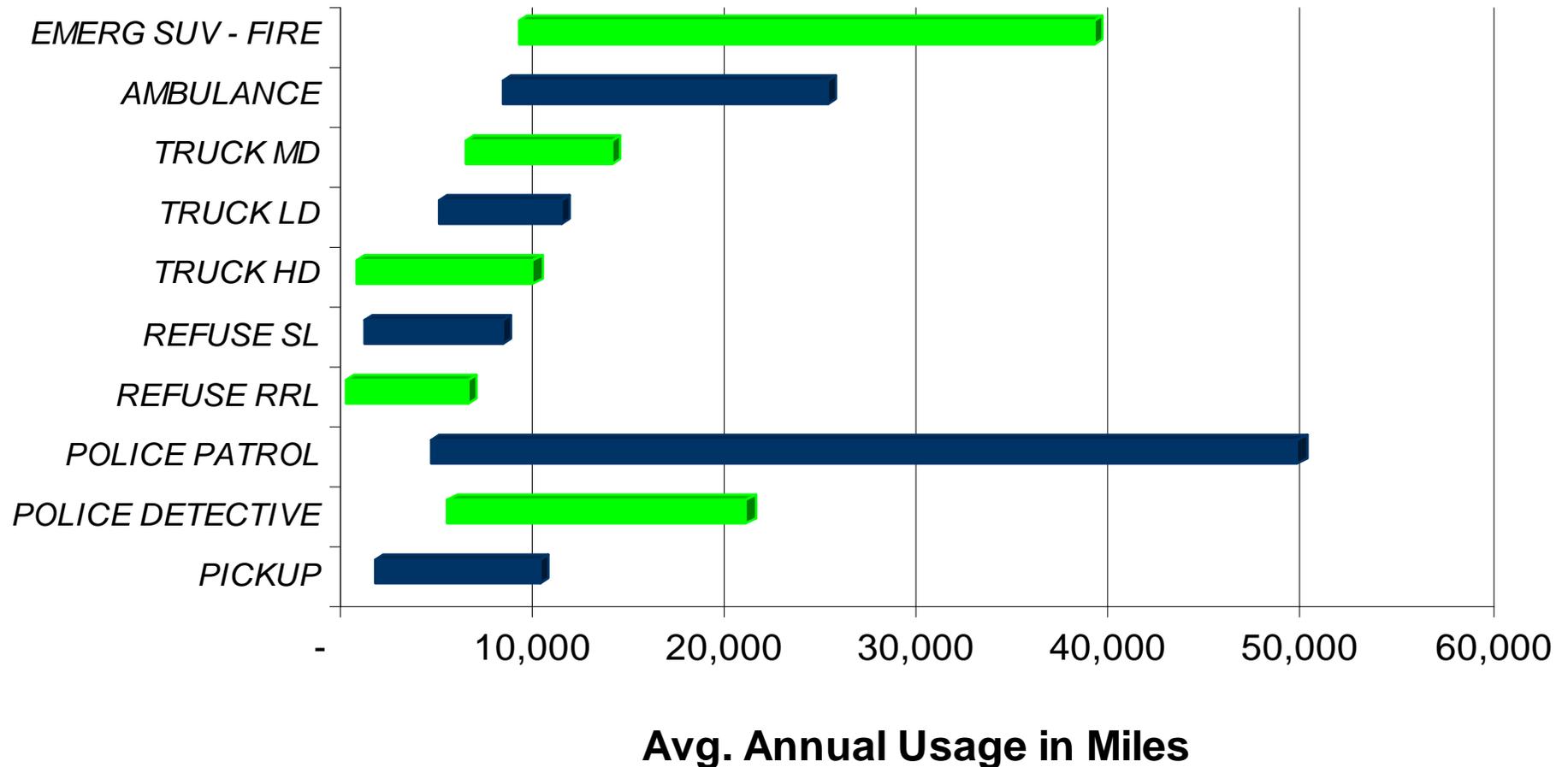
Utilization Study Tasks

- Obtained current fleet inventory
- “Scrubbed” inventory
- Conducted physical inventory of most City vehicles and equipment
- Calculated average annual usage by vehicle classification
- Identified potentially underutilized units
- Met with user agencies to review fleet usage
- Developed recommendations
- Disposed of many target vehicles/equipment

Fleet Summary

Organization	# of Vehicles	# of Equip
Central Garage	3	4
City Manager	1	0
Fire	10	2
Golf Course	1	17
Parks	13	21
Planning	2	0
Police	33	2
Sanitation	23	6
Street Maintenance	24	40
<i>Total</i>	110	92

Fleet Usage



Summary of Recommendations

Organization	# of Units	Retain	Pool	Eliminate
Central Garage	7	5	1	1
City Manager	1	1		
Fire	12	12		
Golf Course	18	15		3
Parks	34	23		11
Planning	2	2		
Police	35	34		1
Sanitation	29	24		5
Street Maintenance	64	48		16
Total	202	164	1	37

Impact of Recommendations

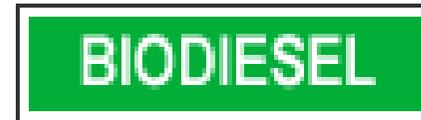
- Proceeds from sale of units - \$150,000
- Annual maintenance and repair cost savings - \$28,000
- Avoided replacement costs - \$1,260,000
- Fleet size reduced by 18%
- VEUs reduced by ~ 13%

Moving Forward

- Review fleet utilization annually
- Justify additions to the fleet
- Develop strategic fleet replacement plan and fund appropriately to prevent future “fleet creep”
- Adjust vehicle types through replacements
- Develop and implement fleet sustainability plan

Alternative Fueled Vehicles

- Top Alternative Fuels for Fleets



- Hybrid vehicles are not AFVs but do help reduce petroleum consumption

www.mercury-assoc.com

tyankovich@mercury-assoc.com