

**Public Works and Utilities Division
FLEET SERVICES DEPARTMENT**

STRATEGIC PLAN

June 15, 2007

Mission Statement: To establish efficient and effective delivery of city services by providing customer departments with safe, reliable, economical and environmentally sound transportation and related support services that are responsive to their needs and that conserve vehicle value and equipment investment.

Fleet: To provide customer departments with fleet equipment, maintenance and related services.

Facilities Maintenance: To provide preventive maintenance services and respond to the immediate repair needs of departments' facilities.

Communications: To provide customer departments with the most efficient, reliable, cost effective communications systems and equipment that resources allow.

Motor Pool: To provide short term equipment needs to departments on demand.

Key Customers:

- City Departments and Utilities
 - Police
 - Fire
 - Street
 - Solid Waste
 - Wastewater Management
 - Parks
- Other Governmental Entities
 - City of Liberty Lake
 - Spokane County
 - Local Federal Agencies

Definition of Product/Services:

- Management of over 1,400 municipal fleet vehicles
 - Equipment specification, purchase, and disposal.
 - Maintenance and repair of vehicles, equipment, communications systems
 - Fleet Management of assets, including establishing maintenance and replacement intervals.
- Management of fueling locations and parts inventories.

- Management of a communications system that includes over 4,000 radios, cell phones, pagers, base stations and other installations
- Management of most of the buildings utilized by the City.

Strategic Analysis – Strengths, Weaknesses, Opportunities and Threats (SWOT):

Strengths:

1. Fleet Services is aware of what it costs to provide services and that costs compare favorably to similar organizations. Cost and other information provided by the management information system has provided a valuable tool to improve the performance of the operation. Fleet can demonstrate that costs are comparable to other alternatives. If privatization were ever to be considered, the organization would compare favorably to any proposal from the private sector. Awareness of costs and how they compare to similar organizations is a major advantage for public fleets when bidding against private companies.
2. Fleet Services provides the full range of services required to manage and maintain a fleet. The department provides for “one - stop shopping” maintenance facilities where customers can obtain service for a variety of equipment at a single location.
3. Decisions are based on the long-term benefits for the fleet customer, not short-term profit motives. Equipment users can concentrate on their goals and core business instead of dedicating resources to equipment issues.
4. Core Competencies
 - Preventive Maintenance Service and Inspection
 - Prepare specialty vehicles for service (Ex: outfit police patrol cars with lights, sirens, radios, etc.)
 - Respond to emergency service calls at all times.
 - Maintain specialized equipment. (Ex.: refuse collection equipment, street sweepers)
 - Utilize the Equipment Management Information System to manage activities, inventories, fixed assets, etc.

Weaknesses:

1. The services the department offers are not utilized by all departments. For varying reasons, some departments maintain their own, separate fueling and maintenance facilities or take their equipment elsewhere for service and repair. This reduces the amount of billable hours and commodities flowing through Fleet Services operations. Fixed overhead costs must then be allocated over fewer hours of labor or gallons of fuel, thereby increasing rates.
2. Outdated, separate maintenance facilities. Facilities that are outdated and undersized result in inefficiencies and redundancies in tools, equipment, inventory and staffing.

3. High hourly rates. The department must cover a high number of fixed overhead costs resulting in high labor rates. Although rates do compare favorably in most areas, this casts the department in an unfavorable light when directly comparing rates to outside vendors for some maintenance and repair operations.
4. Staff is in inappropriate assignments resulting in some critical tasks not being performed. "Temporary" assignments are the result of previous personnel cuts where staff was reduced but the work load remained constant.

Opportunities:

1. The Operations Complex - Construction of a single, modern facility would improve productivity and eliminate redundancies required as a result of maintaining two facilities.
2. Reorganization. Position staff as required to support necessary functions, reduce overhead. Utilize existing staff as intended.
3. Restructure billing methodology – Convert from direct charge for repairs type billing to usage based rates that reflect the true cost of owning and operating equipment.

Threats:

1. The issue of privatization will become even more important in the future. Departments and upper city management may determine that privatizing fleet operations would result improved service at a lower cost, especially if customer satisfaction is low. Privatization has occurred in other governmental fleets based solely on the perception of poor service and high costs.
2. The Operations Complex does not get built. This would require the department to continue operating out of old, worn out facilities that are rapidly deteriorating. The current operating conditions contribute to the problems of redundancies and inefficiencies which increase fleet user's costs and negatively affect customer satisfaction.
3. Increasing fleet size, spiraling costs, an aging fleet with no funds for replacement.

Key Success Factors (KSF):

1. Reorganize the department to position staff with the right qualifications in the right position to enable the department to better fulfill its mission.
2. Eliminate two outdated facilities and consolidate operations into a single, modern, efficient facility designed for current and future operational requirements.
3. Restructure rates to reflect true costs of equipment and to encourage more efficient use of equipment resources and centralized maintenance and fueling operations.

Goals and Strategies:

GOAL #1 Implement Reorganization Plan as recommended in the Matrix Report (Mayor's Priority for Financial Stability) (Fleet Dept. Section 2, pg. 16-6, 2 recommendations, Bucket #2) (SWOT – KSF)

Strategy

Eliminate the Assistant Director position; upgrade one vacant Equipment Shop Foreperson position to Equipment Shop Supervisor. Develop job descriptions and specifications for the Equipment Analyst and Equipment Shop Supervisor positions by working with the Civil Service and Human Resources Departments. Obtain Council approval to authorize the new positions. Recruit, test, interview and hire.

Once new positions are filled, return Automotive Parts Technician currently performing some of the duties of the Fleet Analyst position to appropriate job duties (*Fleet Dept. Section 2, pg. 16-6*). Return the Automotive Mechanic position currently assigned to the parts operation to the shop assigned to commission and de-commission vehicles. (By 9/30/07)

GOAL #2 Reallocate the Facilities Maintenance staff within Fleet Services to a proposed Facility Maintenance Department within the Public Works and Utilities Division (Mayor's Priority for Customer Service) (Fleet Dept. Section 2, pg. 16-6, Buckets #2 and #5). (SWOT – Opportunity)

Strategy

Provide assistance as required to create the new department and merge current Fleet Services facilities maintenance staff, equipment and operations into the new department.

GOAL #3 Eliminate the Performance of Body Repairs in House, Retain the function of Commissioning and De-Commissioning equipment (Mayor's Priority for Financial Stability) (Fleet Dept. Section 3, pg 16-8, 9, Bucket #3). (SWOT – Opportunity)

Strategy

An existing Auto Body Specialist position will be vacated through attrition by May, 2007. Eliminate the position once it is vacant. Outsource all collision repair work. Assign the Automotive Mechanic position currently working in the parts area (see Goal #1) to commissioning and de-commissioning equipment with the remaining Auto Body Specialist. (Completed)

GOAL #4 Develop Serviced Based Operating Charge Back Rates and Rates That Depict the Cost of Owning Vehicles and Equipment (Mayor's Priority for Financial Stability) (Fleet Dept. Section 4(1), pg 16-19, Buckets #2 and #5). (SWOT – KSF)

Strategy

Develop a two-tier billing structure for equipment. One portion would be usage based on the actual cost of operation. The second portion would be cost of

ownership. Combined, these reflect the true cost of owning and operating equipment and will provide economic incentives for managing equipment utilization and replacement. Usage based rates will be developed using historical cost information by class of equipment as a baseline and projecting costs for the next fiscal year based on projected costs of fuel, labor, and parts for the period. The cost of ownership will be based on replacement costs (in accordance with replacement guidelines and schedules developed in Goals #6 and #7. (By 7/1/08)

GOAL #5 Develop a proposal for consideration by the Mayor's Office of a reduction of the City's fleet size by 10%. (Mayor's Priority for Financial Stability) (Dept. Section 4(1), pg 16-19, Buckets #2 and #5) (SWOT – Threat)

Strategy

Interview managers in departments to whom the vehicles are assigned to gain an understanding in regards to how each vehicle is utilized and assigned.

Establish criteria to test the cost-effectiveness of all components of the fleet. These criteria should include such items as:

- Utilization (mileage/hour) ranges by equipment class and assignment.
- Utilization patterns including seasonal peaks and valleys.

Develop equipment utilization standards based on above and industry standards for the consideration of the mayor (*Dept. Section 4(1), pg 16-19, Buckets #2 and #5*).

Identify specific units within the fleet which appear to be underutilized. Once specific units have been isolated, explore opportunities to increase utilization and/or reduce costs through a variety of approaches such as:

- Expanded pooling.
- Replacing vehicle assignment with mileage reimbursement and/or car allowances for selected users.

Based on the above, develop a preliminary list of specific units that are candidates for either elimination or alternative means for providing vehicle/equipment capabilities to user units. Then, analyze other opportunities to reduce fleet costs through such approaches as:

- Pooling of vehicles.
- Expanded use of mileage reimbursement/car allowances as per above.

(By 12/31/07)

GOAL #6 Develop a formal replacement policy for the City's fleet for the consideration of the mayor (Mayor's Priority for Financial Stability) (Fleet Dept. Section 4(2), pg 16-23, Buckets #2 and #5). (SWOT – Threat)

Strategy

Develop replacement guidelines by class of vehicle based on historical cost information (from the management information system - M5), industry standards, and manufacturer's recommendations. (By 10/31/08)

GOAL #7 Develop a Five Year Replacement Plan for Consideration by the Mayor That Identifies the Units Proposed for Replacement Over the Next Five Fiscal Years by Unit Number and the Estimated Cost Per Unit and by Fiscal Year (Mayor's Priority for Financial Stability) (Fleet Dept. Section 4(2), pg 16-23, Buckets #2 and #5). (SWOT – Threat)

Strategy

Apply replacement guidelines developed in Goal #6 to the City of Spokane fleet. Develop a 5 year replacement schedule based on guidelines and projected equipment utilization. Utilize information from the M5 system. (By 10/31/08)

GOAL #8 Consolidate Maintenance Facilities (Mayor's Priority for Financial Stability) (Fleet Section 2(3) pg 16-24, Bucket 4) (SWOT – Opportunity)

Strategy

Continue working with the current plan to construct a new maintenance facility at the Operations complex site that would replace the two exiting facilities. Once the new site is operational, evaluate the potential of eliminating one Automotive Parts Technician, as well as other areas that possibly can be streamlined as a result of consolidating two facilities into one. (Completion to coincide with Goal #1 of Public Works & Utilities Division.)

GOAL #9 Retain the Normandie Fuel Site to Provide More Convenient Service to Customers Until the Operation is Relocated to the Operations Complex (Mayor's Priority for Customer Service) (SWOT – Opportunity)

Strategy

Replace the RNI fuel system currently operating at the Normandie site with the Maximus fuel control system. The old system is obsolete and replacement parts are becoming difficult to obtain. This system, used at the new fuel site, is fully integrated with the M5 system and will eliminate the need for users to have multiple devices to access two sites. This conversion is scheduled for March, 2007. (Completed)

GOAL #10 Resolve Construction Issues with Fuel/Wash Facility (Mayor's Priority for Customer Service) (SWOT – Opportunity)

Strategy

Continue working with the Engineering Department to address the serious defects in the concrete as well as other issues associated with the construction of the Fuel/Wash facility. (Ongoing)

GOAL #11 Complete System Upgrade of Fleet Management Information System (M5) to the Next Major Technological Release (2.0)
(Mayor's Priority for Customer Service) (SWOT – Opportunity)

Strategy

Upgrade existing hardware/software configurations to:

- Oracle 10g
- Larger hard drives for the Test (cosm5test) and Production (cosm5iis) servers to 60 – 80 Gig minimum.
- Windows 2003 Server and iis 6.0
- Crystal 11
- Microsoft.NET Framework

Upgrade the Test system and database on 3/1/07.

Troubleshoot new version in Test.

Migrate Production system to 2.0 on 7/1/07

(Completion on hold due to staff shortages.)