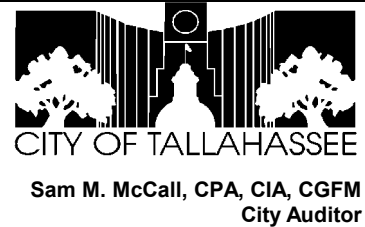


Audit

Follow up

As of March 31, 2000



“Audit of the Fleet Management Program”

(Report #9702, Issued July 2, 1998)

Report #0010

June 22, 2000

Summary

Public Works Management has not completed any action plan steps assigned to it in our previous Audit of the Fleet Management Program (#9702), issued July 2, 1998.

In that audit we identified several areas where management and administration of the City's fleet could be improved. Specifically, in the area of fleet management and administration, we recommended:

- revision of the Vehicle Use Policy,
- adherence to the vehicle replacement criteria,
- monitoring vehicle usage,
- reviewing the vehicle utilization criteria,
- controlling unauthorized additions to the fleet,
- reviewing the vehicle replacement criteria based on past experience,
- establishing performance measures for fleet management,
- establishing accurate mileage records in the fleet management system (FASTER), and
- using information from FASTER to manage the City's fleet.

We also addressed the implementation of recommendations contained in the Fleet Reserve Fund Review and the need to increase the frequency of the sale of surplus vehicles. Budget & Policy has completed tasks to implement the Fleet Reserve Fund Review and new fleet reserve rates. Procurement Services has begun the Internet Surplus Sales

Program. Fleet Management has completed half of the tasks assigned. While Public Works Management has not completed any of the tasks assigned, a Fleet Management Vehicle Policy has been drafted and is scheduled to be presented to the E-Team in July 2000, with implementation scheduled for October 2000. This draft policy assigns many of the responsibilities to department directors.

Scope, Objectives, and Methodology

Report #9702

The scope of report #9702 was to determine the efficiency and effectiveness of the City's Fleet Management Program. The primary objectives of the audit were to determine if:

- the City Commission's Vehicle Use Policy is being followed to minimize the number of vehicles in the fleet,
- the Fleet Division replacement policy for vehicles is followed and provides for the efficient and effective use of resources, and
- administrative responsibility for managing the City's fleet of vehicles is appropriate for achieving the effective and efficient use of the City's resources.

Report #0010

This follow up report focuses on action steps taken by Budget & Policy, Procurement Services, and the Fleet Management Division. Public Works Management and Fleet Management indicated that no action was taken over the last six months to implement any of the action plan steps they are responsible for. A draft Fleet Management Vehicle Policy was developed for presentation to the E-Team in July 2000.

Background

In Report #9702, we identified that the City's fleet of vehicles, excluding Taltran, consisted of 1,776 vehicles that cost over \$56 million and had a replacement value of over \$89 million. From FY94 through FY98 over \$28.5 million had been appropriated for vehicle replacement.

Previous Conditions and Current Status

In Report #9702, we identified two main areas in the management and administration of the City's fleet: vehicle replacement and vehicle utilization.

The current status of tasks due is as follows:

Tasks Due and Completed by Cost Center			
Responsible Cost Center	# Tasks due by 3/31/2000	Completed	Percent Completed
Budget & Policy	3	3	100%
City Manager's Office	2	1	50%
Public Works Management	9	0	0
Fleet Management	10	5	50%
Procurement Services	5	2	40%
Total	29	11	38%

Table 1 shows the conditions in the audit and the current status.

**Table 1
Conditions Identified in Report #9702 and Current Status**

Previous Conditions	Current Status
Vehicle Replacement Issues	
<p>Public Works Management</p> <ul style="list-style-type: none"> Revise vehicle replacement criteria based on a review of vehicle maintenance costs, mileage, and age by type of vehicle. Assign responsibility and authority to monitor vehicle mileage and age to ensure adherence to the vehicle replacement criteria. 	<ul style="list-style-type: none"> X Originally scheduled for October 1998, draft of revised Fleet Management Vehicle Policy to be presented to E-Team in July 2000. X The draft Fleet Management Vehicle Policy assigns this responsibility to department directors.
<p>Fleet Management</p> <ul style="list-style-type: none"> Review vehicles that have not been replaced to determine if the replacement criteria should be changed or if these vehicles need to be replaced. Review and update FASTER for revised replacement dates and new reserve rates based on the extended life of several vehicles. 	<ul style="list-style-type: none"> ✓ Fleet operations considers age, accrued miles, service history and current condition. A 1994 survey for Los Angeles County shows our replacement criteria is well within the average of vehicle replacement criteria. ✓ Each vehicle was reviewed and new replacement dates were established.

Vehicle Utilization Issues	
<p>Assistant City Managers (ACM)</p> <ul style="list-style-type: none"> • Adopt fleet management performance criteria for annual evaluation of department directors. 	<ul style="list-style-type: none"> X Originally scheduled for October 1998, revised date for completion is July 2000.
<p>Public Works Management</p> <ul style="list-style-type: none"> • Revise the City's Vehicle Use Policy • Establish criteria for the assignment of take-home vehicles. • Assign responsibility and authority for reissuing vehicles that are scheduled for replacement. • Develop methodology for reassignment of vehicles driven consistently less than the number of miles per month as established in Vehicle Use Policy. • Develop performance measures to assess the efficiency and effectiveness of the Fleet Management Program. • Establish procedures to ensure compliance with the Vehicle Use Policy. • Evaluate pilot project for vehicle pool by location. 	<ul style="list-style-type: none"> X A draft Fleet Management Vehicle Policy is scheduled to be submitted to the E-Team in July 2000. X The draft Fleet Management Vehicle Policy outlines criteria for take-home vehicles. X Not addressed in draft policy. X The draft Fleet Management Vehicle Policy assigns this to department directors. X Originally scheduled for September 1998, revised date for completion is June 2000. X The draft Fleet Management Vehicle Policy assigns this responsibility to department directors. X Originally scheduled for March 2000, revised date for completion is March 2001.
<p>Fleet Management</p> <ul style="list-style-type: none"> • Prepare annual exception report on those vehicles within their area that are driven an average of less than the established miles per month outlined in the Vehicle Use Policy. • Develop pilot project for vehicle pool by location. • Operate and conduct pilot project for vehicle pool by location. • Add information to FASTER to improve the effectiveness of utilization reports. • Develop procedure to ensure accurate mileage data for utilization monitoring purposes. • Develop reports for departments and ACMs to assess the efficiency and effectiveness of the City's Fleet Management Program. • Provide reports to departments and ACMs on the efficiency and effectiveness of the City's fleet. 	<ul style="list-style-type: none"> ✓ Fleet operations prepared report for each ACM and each department director in September 1999. X Originally scheduled for December 1998, revised date for completion is January 2001. X Originally scheduled for January 2000, revised date for completion is January 2001. X Originally scheduled for December 1998, revised date for completion is June 2000. ✓ A new mechanism on the fuel pumps reads the odometer, providing accurate mileage when filling the gas tank. X Originally scheduled for December 1998, revised date for completion is September 2000. X Originally scheduled for March 1999, revised date for completion is September 2000.

<p>Procurement Services</p> <ul style="list-style-type: none"> • Establish goals for the Internet Surplus Sales Program. • Develop, implement, and evaluate an Internet Surplus Vehicle Sales Program to optimize sales revenue. 	<ul style="list-style-type: none"> ✓ Goals were established in October 1999, and four sales of surplus items have taken place. ✗ Originally scheduled for December 1998, revised date for completion is September 2000.
<p>Departments</p> <ul style="list-style-type: none"> • Review vehicles that do not currently meet the utilization criteria of 600 miles per month and reassign/eliminate as appropriate. 	<ul style="list-style-type: none"> ✓ Fleet operations provided listing of vehicles by department to directors.

Table Legend:

- Issue addressed in the original audit
- ⇒ Issue sub-components

- ✓ Issue addressed and resolved
- ✗ Issue not resolved

Significant Outstanding Issues

As noted above, a significant number of issues (18 action item steps) have now been postponed till June 2000, two years after issuance of the original audit.

We appreciate the cooperation of the Department of Management and Administration and Fleet Management Division for the assistance provided in this Audit Follow Up.

Appointed Official Response

City Manager Response:

The March 31, 2000, fleet audit follow-up report indicates 38% of the total tasks have been completed. Considerable work has been done and a draft revised vehicle use policy has been

completed and shared with the audit department. Based on that department's comments, further revisions have been made and a presentation to the executive team is scheduled on Friday, June 23. Following that meeting, a draft policy will be sent to department directors for comments. Please note that the draft revised vehicle use policy addresses many of the incomplete tasks and will bring these issues to closure within its adoption anticipated this summer and implementation on October 1, 2000.

While the internet surplus vehicle sales program is an effective tool for maximizing revenue from surplus equipment, there are some outstanding policy issues which require addressing prior to full implementation of this program. I plan to further discuss this matter with staff prior to the September deadline. I appreciate DMA's assistance in this audit.

Copies of this Audit Follow Up or audit report #9702 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@mail.ci.tlh.fl.us).

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