

## **Fleet Maintenance for County Vehicles**

### **Background**

Maintenance of Ventura County vehicles is currently being administered by the Fleet Services Department of the General Services Agency (GSA). This report looks into how this is accomplished and whether certain areas can be improved.

### **Methodology**

Information was obtained from GSA on fleet maintenance rates and how they are determined. In addition, GSA provided procedures for procurement of services.

Sheriff's Department personnel were interviewed and they also made a presentation. The GSA El Rio Maintenance Facility was visited.

This report deals with the fleet maintenance activity and how fleet maintenance rates are established. It also covers actions currently underway to use private vendors for fleet maintenance.

### **Findings**

- F-1. The Fleet Services Department of GSA uses an activity based costing model that associates the costs of providing services to a particular class of vehicle.
- F-2. Costs are either "fixed costs" which are recovered through vehicle rental charges or "variable costs" which are recovered through vehicle mileage/usage charges.
- F-3. Fixed costs include a replacement charge (depreciation). GSA and County overhead and indirect expenses are shown in Table 1. These costs are not attributable to a functional area of activity.
- F-4. Variable costs are a direct function of vehicle use and consist of operating and maintenance costs.
- F-5. To develop variable costs, each budgeted expenditure account is separated into functional areas of activity, e.g. labor, parts, tires, fuel, etc. Activity totals are then allocated to vehicle classes, based on a ratio of historical class operating costs.
- F-6. When activity allocations are completed, total direct costs by vehicle class are summarized. The total cost is divided by estimated mileage, a 5-year average, to derive a per mile charge to users.
- F-7. Sheriff's Department officials stated that rates charged by GSA are higher than private vendors would charge.

- F-8. Estimated rates supplied by prospective vendors may be 15% to 45% lower than GSA, depending upon vehicle class.
- F-9. GSA is in the process of issuing a Request for Proposal (RFP) to prospective vendors for fleet maintenance.
- F-10. A rough estimate of the portion of direct cost attributed to fuel consumption is 20%.
- F-11. Fuel rates are not current since they are based on estimates, which are a year old.
- F-12. Maintenance is performed at several facilities throughout the County.
- F-13. The inconvenience of a central heavy maintenance location is a problem for some users due to distances from certain County locations.
- F-14. San Bernardino, Kern and Los Angeles Counties (partially) use private vendors for fleet maintenance.

**Conclusions**

- C-1. A more timely method should be used to determine fuel rates that reflect the current market. (F-4, F-5, F-10, F-11)
- C-2. Down times and maintenance costs are not consistent for similar maintenance tasks from one GSA location to another. (F-12)
- C-3. RFP for Camarillo Police vehicles is an excellent step forward to determine if private vendors are more economical and should be used. (F-9)
- C-4. Low mileage users are subsidizing high mileage users because fuel rates are part of the costing model. (F-4, F-5, F-6)
- C-5. Other counties use private vendors. (F-14)

**Recommendations**

- R-1. Modify costing model so that fuel rates are not included. (C-1)
- R-2. Establish a credit card system charged directly to the using agency for fuel costs. (C-1)
- R-3. Use information gathered from Camarillo vendor maintenance data to compare With GSA maintenance data. (C-3)
- R-4. Compare rates and downtimes with other counties that use private vendors. C-5)

**Responses Required**

Director, General Services Agency (R-1, R-2, R-3, R-4)

Chief Deputy, Support Services, Sheriff's Department (R-2, R-3)

**Table 1. Indirect Expenses**

Management and Supervision	Facility Charges
Information Systems and Support	Facility Maintenance
Data Processing Support	Insurance
Educational Expenses	Telecommunications Expense
Office Supplies	Utilities (all)