City Fleet Services:
Review of Costs and Performance

March 1998

Office of the City Auditor
Portland, Oregon

CITY OF

PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
Audit Services Division

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March 25, 1998

TO: Vera Katz, Mayor
Jim Francesconi, Commissioner
Charlie Hales, Commissioner
Gretchen Miller Kafoury, Commissioner
Erik Sten, Commissioner
David Kish, Bureau of General Services
Rodger Johnson, Fleet Services Division Manager

SUBJECT: Audit of Portland's Fleet Services Division

Attached is Audit Report #236, on City of Portland's Fleet Services Division. The Audit was conducted in accordance with our Fiscal Year 1997-98 Audit Schedule. It includes a summary of results at the beginning of the report.

We have reviewed draft reports with staff from Commissioner Francesconi's office, and from the Bureau of General Services and the Fleet Services Division. They are in general agreement with the report's recommendations. Written responses from Commissioner Francesconi and General Services Director David Kish are included at the back of the report.

As a follow-up to our recommendations we request a written status report in six months from the Bureau of General Services detailing steps taken to implement the report's recommendations. This status report should also be distributed to the Audit Services Division, and the Commissioner in Charge of General Services.

We appreciate the cooperation and assistance we received from the Bureau of General Services and the Fleet Services Division in conducting this audit and preparing the report.

Barbara Clark

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Ken Gavette

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A Report by the Audit Services Division
Report #236

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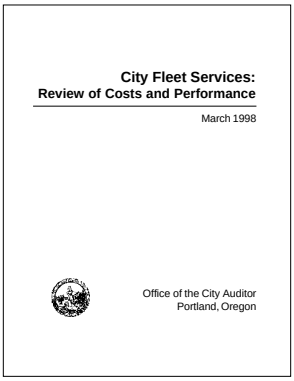

Production/Design

This report was produced in-house using desktop publishing software on Pentium Pro personal computers, and a Compaq Pagemarq 20 Postscript laser printer. It was printed at the Printing and Distribution Division of the City's Bureau of General Services. Adobe PageMaker 6.5 was used to design and layout the finished product. Tables were created and drawn manually using PageMaker. Other graphs and charts in this report were produced with Quattro Pro for Windows and PageMaker. Text was initially written in WordPerfect for Windows then imported into PageMaker.

Desktop Publishing: Robert Cowan

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Summary

This report analyzes the performance of the City of Portland's Fleet Services Division. Fleet Services is part of the Bureau of General Services responsible for the central management of City vehicles and equipment. The Division has 76 full-time positions and a 1997-98 budget of $20.3 million. Fleet Services owns and maintains about 2,400 vehicles and pieces of equipment.

To evaluate the performance of the Fleet Services Division, we matched Division operations to fleet "best practices", compared Portland's fleet rates to other cities and local private garages, and analyzed selected performance indicators. The results are summarized below.

Key management practices are in place

The administrative and financial practices of the Fleet Services Division are consistent with good fleet management practices. Our review of fleet management literature, discussions with fleet consultants, and interviews with other city fleet managers showed that Fleet Services has essential elements of a well-managed fleet operation in place. Specifically, some of the desired practices employed by the Fleet Services Division include:

- centralized management of vehicles and equipment
- recovery of the full costs of operations through charges to users
- use of an internal service fund to account for revenues and expenses
- saving replacement reserves by including a replacement charge in user rates
- a management information system with the capacity to track vehicle maintenance, cost information, and Division performance data.

Fleet rates are low

Charges for selected vehicles and equipment in Portland are significantly lower than other cities we surveyed. Our comparison of fixed and per mile charges for sedans, pick-ups, patrol cars, and cargo vans showed that Portland had lower rates than six other cities with similar charges. In most cases, Portland's rates were one-third to one-half that of other cities. City of Portland rates for these classes of vehicles also declined by about 20% since 1992.

Portland's labor charges for repair work not included in the routine maintenance charges, are higher than a 14 city average - $58.62 per hour in Portland versus $48.59 in other cities. However, Fleet Services' hourly labor rate of $58.62 is less than the average rate of $60.92 charged by 12 private Portland-area garages. In addition, parts markup percentages are much lower in Portland (18%) than the average of other cities (24%). It is difficult to reach conclusions about relative cost by comparing hourly labor rates

because mechanic productivity and skills, and the amount of parts markup can significantly affect the final cost of repair.

Customer satisfaction is mixed

Our discussions with officials from the seven City bureaus that are among Fleet Services' biggest customers, showed that satisfaction is mixed. Users expressed satisfaction with the condition and availability of vehicles, as well as the quality of maintenance and repair work. However, customers are less satisfied with Fleet Services' responsiveness to requests for information about the vehicle replacement and purchasing processes, and the content and rationale for service charges. These concerns are generally consistent with the findings from our review of General Services in January of 1997.

Lack of performance measures

The City's Fleet Services operation and the 14 other cities we contacted generally lacked data on service performance. While Portland and several other cities maintain data on vehicle availability, other measures of performance quality are generally unavailable. For example, Portland, like many other cities, lacks complete information on repair work quality, customer satisfaction, and maintenance turnaround times. We recommended that Fleet Services develop and implement information systems to produce this information in a 1987 audit report. Complete performance measures help management monitor and improve fleet operations, and provide accountability to customers, elected officials and the public.

Conclusions and Recommendations

Contracting City fleet services to another provider is not warranted: rates are low, best practices are used, and vehicles are well maintained. However, customer satisfaction needs to be improved, and objective measures of performance are needed to monitor service quality. We make detailed recommendations for improvement in Chapter 3 of this report. In general, we recommend that the Division of Fleet Services:

- implement customer service initiatives that focus on improving satisfaction with the Division
- implement a performance measurement system that provides information on the efficiency and effectiveness of fleet services activities.

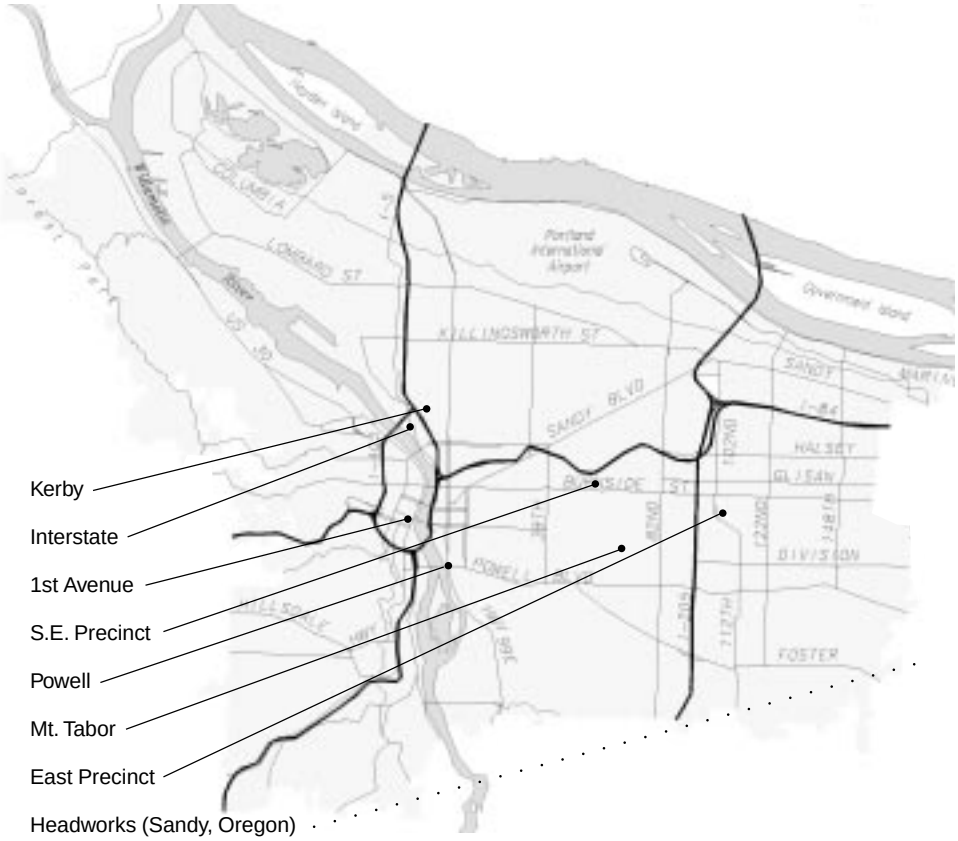
Chapter 1 Introduction

Background

Fleet Services, a division of the City's Bureau of General Services, provides centralized services to other City bureaus. City bureaus pay the Division over $15 million a year to keep over 2,400 vehicles and pieces of equipment on the road and in good condition. The vehicles and equipment are accounted for in 100 different classes, ranging from sedans and passenger vans to street sweepers, aerial platforms and tractor backhoes. The Division is not responsible for the Fire Bureau's fire-fighting apparatus and does not maintain solid waste equipment.

In addition to maintaining the City's fleet, the Division is responsible for acquiring new vehicles, replacing and disposing of older vehicles, and modifying vehicles to meet bureau specifications. The Division operates eight maintenance facilities, including a separate paint and body facility. A fabrication shop is located at the Kerby Garage.

Map 1 Portland's Fleet Services Division Garages



Of the approximately 2,400 vehicles, the most common types are sedans, patrol cars, pickup trucks and vans which make up almost 50% of the City fleet and account for 35% of annual fleet costs. Police patrol sedans alone accounted for about 14% of fleet costs over the past three years. Other costly vehicles are dump trucks, street sweepers, vacuum sweeper trucks and street flushers. Appendix A shows a listing of vehicles by type, quantity, and current annual rates to bureaus.

Table 1 Changes in expenditures, vehicles and positions (adjusted for inflation)

Fiscal Year	City Vehicles	Full-time positions	Mechanic positions	Ratio of Mechs. to staffing	Bureau Expenditures
1991-92	1,986	76	29	.38	$14,982,916
1992-93	2,056	75	34	.45	$15,387,627
1993-94	2,151	74	38	.51	$17,533,691
1994-95	2,241	74	38	.51	$17,572,642
1995-96	2,321	76	40	.53	$17,900,306
1996-97	2,409	76	40	.53	$15,218,340
1997-98(1)	2,393	76	40	.53	$20,259,669
CHANGE	**20%**	**0%**	**38%**	**+.15**	**35%**

(1) Revised City Budget

SOURCE: City of Portland adopted budgets, and Fleet Services Division vehicle reports.

The Division's responsibilities have grown, while the number of full-time positions has held steady. The Division has, however, increased the number of mechanic positions. Table 1 shows the changes in the Division's expenditures, assigned vehicles, and number of full-time and mechanic positions.

Fleet vehicles are assigned to a variety of bureaus throughout the City, with bureaus utilizing pool cars on an as-needed basis. Most vehicles are financed through a rate that Fleet Services charges for each piece of equipment. The Police, Water, Transportation, Parks, BES and Fire Bureaus are the major users of the services. As shown in Table 2, these six bureaus accounted for about 96% of the fixed rate revenue collected by the Division in FY 1996-97.

Table 2 Rental Payments by Major Bureau (adjusted for inflation)

Bureau	FY 1992-93 Rental Payments	FY 1996-97 Rental Payments	FY 1993-97 Rental Pay change	Fy 1996-97 % of City total
Transportation	$5,181,456	$5,107,769	-1%	42%
Police	$2,734,438	$2,997,340	10%	25%
Water	$1,918,122	$1,891,079	-1%	15%
Parks	$ 954,652	$ 913,964	-4%	7%
Fire	$ 358,433	$ 433,144	21%	4%
BES	$ 450,940	$ 423,439	-6%	3%

SOURCE: Bureau of General Services financial records.

Rate structure

The Fleet Services Division operates as an internal service fund. As such, it's goal is to recover all of it's annual expenses through customer billings for services provided.

The Division has several different types of customer charges. The most common are fixed-rate charges which are calculated and charged for each class of vehicle. The fixed annual charge is similar to a rental rate in that all routine costs associated with maintenance and replacement are covered for the life of the vehicle.

The fixed rate is made up of two components. The operating component is designed to equal the average maintenance costs for each vehicle in that class for a year. The replacement component is set aside to purchase a replacement for the vehicle. The replacement rate is basically the difference between the estimated cost of a new replacement

vehicle and the estimated salvage value of the old vehicle, divided by the number of years of estimated life.

In addition to the fixed charges, the Division charges a direct hourly rate for work not covered by the fixed annual charge. These charges cover non-routine repair work that results from unusual wear and tear that would not be expected from normal use of the vehicle. Direct labor charges also apply to all body, paint and fabrication work. About 80 percent of the division's revenue is derived from fixed rate charges and 20 percent from direct charges.

Both the fixed rate charges and the direct billings capture indirect costs associated with maintenance services, such as shop and Bureau of General Services administrative overhead. General fund overhead of 3.75 percent is not captured in the rates but is added to bills as they are invoiced.

Over the past several years the fixed rates for the most commonly used vehicles such as patrol cars, sedans, and pickup trucks, have decreased significantly for both maintenance and replacement. Labor rates have also stayed even or declined. Table 3 shows examples of fixed and labor rates for the past seven years.

Table 3 Fixed and Labor Rate Trends (adjusted for inflation)

	FY 1991-92	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	% change to '97	Current Rates
General Purpose Sedan								
Operating costs	$1,264	1,140	827	825	846	837	-34%	**$ 870**
Replacement	1,645	1,649	1,614	1,521	1,635	1,672	2%	**1,525**
Police Patrol Sedan								
Operating costs	4,648	4,900	4,183	3,901	3,937	3,480	-25%	**3,378**
Replacement	5,427	5,580	5,001	5,007	5,742	5,201	-4%	**4,251**
Standard 3/4 ton Pickup								
Operating costs	1,689	1,743	1,489	1,720	1,456	1,567	-7%	**1,363**
Replacement	1,736	1,585	1,457	1,367	1,315	1,332	-23%	**1,341**
Hourly Labor Rates								
Mechanical	$58.89	$60.10	$57.16	$55.44	$56.00	$56.50	-4%	**$56.50**
Body & Paint	$63.60	$64.63	$62.65	$62.90	$62.22	$62.50	0%	**$63.50**

SOURCE: Bureau of General Services reports.

Elements of a well organized fleet management system

Our review of fleet management literature, discussions with fleet experts and interviews with City personnel and other cities' fleet managers, identified several elements that form the foundations of a good fleet management system:

1) Centralized delivery of fleet services. Centralization establishes clear responsibility for the City's fleet. It allows the responsible organization to set citywide policy and objectives, encourages efficiency, well-maintained vehicles, and takes advantage of volume purchases of vehicles, parts and supplies.

2) Financial policies that clearly identify costs and charge fair rates to customers for services rendered. The full costs of fleet operations should be recovered from users. An internal service fund is the preferred accounting structure.

3) A stable replacement fund which provides long term funding for fleet needs.

4) A management information system that uses current technology, contains scheduling information about vehicles and maintenance needs, and can provide performance information on items such as downtime and repeat work.

5) Customer service initiatives such as annual reports, service agreements and regular satisfaction surveys.

Audit objectives, scope, and methodology

Our objective was to provide objective information on the cost and quality of Portland's Fleet Services by comparing Portland to other city fleet operations and to private-sector repair facilities.

To obtain information from other cities, we developed a survey instrument with the assistance of the Bureau of General Services. The survey solicited information on organizational structure, fleet composition, rate structure and performance measures (see Appendix B). To select comparison cities, we used two basic criteria. First, we selected the six comparative cities used in our annual Service Efforts and Accomplishments Report – Charlotte, Cincinnati, Denver, Sacramento, Kansas City, and Seattle. Second, we selected the top ten best managed cities from

the March, 1995 issue of Financial World Magazine, the latest issue to rank the ten best managed cities in the country. Since Seattle and Portland were already included on our SEA list, the other eight cities were, Phoenix, Dallas, Milwaukee, Austin, Boston, Indianapolis, San Jose, and San Antonio. We also included Oklahoma City to round the number to fifteen comparative cities, based on its population similarity to Portland. Milwaukee did not respond to our survey, so the final number of cities surveyed was reduced to fourteen.

The survey was conducted by telephone during October, 1997. In most cases, we spoke with the directors or assistant directors of the various fleet management operations. In some instances we spoke with analysts to obtain specific information about rates or fleet composition. In addition to the formal survey information, we were able to document anecdotal information about organizational changes in various cities and about attempts at privatization. Some cities also sent us detailed rate workbooks, service agreements, and other documents about their operations.

We could not obtain rental charges for classes of vehicles from rental firms without formal bids or detailed proposals of service level needs. Instead, we obtained labor rates charged by thirteen local garages.

To develop criteria for good fleet management we spoke with consultants, reviewed literature on fleet management, and incorporated comments from interviews with fleet directors from the other cities we surveyed. We also asked other fleet managers and consultants about their experiences with contracting-out fleet services to private providers.

In addition to surveys of other cities and local private sector labor rates, we interviewed nine representatives from each of the major user-bureaus to gain perspectives on their experience with Fleet Services. We also interviewed administrative staff at Fleet Services and toured their facilities to gain an understanding of their operation.

The scope of this report did not include a detailed analysis of rates or rate-setting methodology, except to the extent necessary to understand different billing practices among other local governments. Our report did not assess the adequacy of cost accounting methods, replacement assumptions, sales of overage equipment, reserve methods, or billing and budgeting by Fleet Services.

This audit was approved by the City Auditor and included in the Audit Services Division's FY 1997-98 Audit Schedule. We conducted our audit in accordance with generally accepted government auditing standards.

We limited our audit to the areas specified in the Audit Objectives, Scope, and Methodology section of this report.

Chapter 2 Audit Results

Organizational comparisons

The City of Portland's Fleet Services Division operates like most other city fleet operations we surveyed. Most cities use a centralized agency to manage and maintain their vehicle fleets. Many, like Portland, offer "cradle-to-grave" vehicle services to customers. The biggest difference between cities is the mix of equipment that the agencies are responsible for. Table 4 shows the results of our survey of fourteen city fleet operations.

Centralization- All of the fleet operations were at least partially centralized, and five of fourteen cities surveyed maintain all city vehicles and equipment without exception. However, the maintenance of public safety vehicles was most often mentioned as not being centralized. Five fleet managers said they don't maintain fire department equipment, and two reported that the police departments maintain their own vehicles. In addition, the Kansas City police department is an agency of the State of Missouri, and therefore does not maintain any police equipment. Utility operations, such as water, sewer, solid waste, and airports were also not centralized in some cities.

Perhaps the biggest difference between Portland and other cities is that most other cities maintain solid waste

collection equipment. In Portland, private operators provide this service under franchise with the City.

Service Responsibilities- Almost all of the other fleet organizations are part of a larger department providing basic services to other city departments. Like Portland, most fleet operations are part of a general services, purchasing or administrative department. Several are part of a public works department.

Similar to Portland, other city fleet organizations provide a full range of services from purchase through disposal. Some of the specific cradle-to-grave services provided by Portland and other cities include consultation on fleet needs, development of purchase specifications, titling and emissions testing, preventive maintenance and repair, replacement of over-aged equipment, and disposal and sale of surpluses. Three cities reported only limited involvement in the disposal of old vehicles. In those cities, the purchasing departments handle most of the disposal process.

In two cities, user departments can opt to take their vehicles to private vendors for maintenance. Charlotte just initiated this option as of January, 1998 and has limited experience with this policy. Kansas City has permitted departments to use private vendors for several years. According to the fleet manager there, this option has led to a decline in the condition of the fleet and a breakdown of centralized information about the fleet. Departments are not held accountable for reporting maintenance work that is done by outside sources. Consequently, the fleet manager is not aware of which vehicles need to be serviced or replaced, and accurate budgeting for the operation is difficult.

Table 4 Comparison of other city fleet organizations to Portland

Cities	Services NOT maintained by central fleet organization	Mechanic FTEs	Total vehicles in fleet	Vehicles / FTE	# repair facilities	Full cost recovery	Cost recovery method	Fleet services responsibilities
Austin, TX	None	230	5,000	22	6	yes(1)	Direct Bill	Full
Boston (6)	Fire, Police	N/R	1,900	N/R	N/R	no	Gen. Fund	N/R
Dallas	Fire	240	4,300	18	5	yes(1)	Fixed Rate(2)	No Titling
Indianapolis	None	45	2,200	49	2	yes(1)	Direct Bill	Full
San Antonio	Fire Equip.	117	3,700	32	7	yes(1)	Direct Bill	Full
San Jose	Water, Solid Waste	22	2,250	102	6	yes(1)	Direct Bill	Full
Phoenix	Transit, Airport	166	5,700	34	13	yes(1)	Mileage rate(2)	No Disposal
Oklahoma City	Fire, Airport, Water	25	2,400	96	3	yes(1)	Direct Bill	Full
Charlotte	None	50	3,500	70	4	yes(1)	Direct Bill	No Disposal
Cincinnati	None	63	2,800	44	12	yes(1)	Fixed Rate(2)(5)	Full
Denver	Fire, Police, Airport	80	1,700	21	7	yes(1)	Mileage rate(3)	Full
Kansas City	Police	49	1,200	24	N/R	yes(1)	Direct Bill	Full
Sacramento	None	N/R	2,000	N/R	5	yes	Mileage rate(2)	No Disposal
Seattle	City Light	71	5,000	70	5	yes	Fixed Rate(2)	Full
Portland	**Fire Equip., Solid Waste**	**40**	**2,400**	**60**	**8**	**yes**	**Fixed Rate(2)**	**Full**

SOURCE: Audit Services Division survey of other cities.

(1) Rates do not include vehicle replacement cost.
(2) Also have a labor rate for nontarget, direct billing purposes.
(3) Mileage rate includes fuel.
(4) Full services available but City bureaus have full control and discretion over vehicle maintenance and replacement.
(5) As of January 1998, changed from a direct bill to a fixed-rate system.
(6) Boston has no accurate cost information. They are funded through the City's General Fund and do not work on Enterprise Fund vehicles.

N/R = Not reported

Fleet Size and Facilities- The sizes of the various city fleets vary greatly, ranging from 1,200 to 5,700. This is attributable to both city size and the types of vehicles for which the fleet operation is responsible. For example, the fleet services organizations in Austin, Phoenix, and Seattle are responsible for 5,000 or more vehicles (compared to 2,400 for Portland). On the other hand, Boston, Denver and Kansas City have the three smallest fleet sizes because they are not responsible for much of the public safety fleet.

In addition, cities vary in the number of facilities they operate throughout their city. While Phoenix has 13 different locations that provide various fleet services, Indianapolis has only two. On average, the fourteen cities had six facilities, compared to Portland's eight.

Likewise, there is variability in the number of mechanics assigned to the various operations. In addition to the number of pieces of equipment serviced, the number of mechanics may also depend on the mix of equipment that is serviced. In addition to public safety vehicles, the mix of other equipment, such as solid waste packers, heavy road building and maintenance equipment can determine staffing levels. Portland has more vehicles per mechanic than eight of the twelve who reported their number of mechanics in the survey.

Funding and Rate Methods- Every city but Boston attempts to recover all of the costs of fleet operations through charges to users. While Boston supports their operation through the general fund, the thirteen other cities use internal service funds to account for revenues and expenses of the operations. In Boston, a new manager has been hired

to convert the system to an internal service fund operation. The use of internal service funds and the recovery of full costs through customer charges is the preferred method to account for and allocate fleet costs.

We found that fleet agencies recover full costs in one of three ways: direct billing of labor and parts used by customers, a use charge based on the number of miles or hours used, and a fixed annual rate based on the average cost for a class of vehicle. Many of the cities use a combination of two types. Portland uses a fixed rate for most vehicles, deriving about 80% of its revenue from fixed charges.

Cities that use mileage charges and fixed rate charges also direct bill for special or "nontarget" repairs that are not included in use or annual charges. Non-targeted repairs are those which are the result of wear and tear or damages that are in excess of what would normally be expected on the vehicle. Customers are charged for the direct labor and parts for those special repairs. Cities that use a direct bill method do not have special or non-targeted charges because all services, even routine maintenance, are charged to the customer on an hourly basis.

The most significant difference among cities' financial policies is in the replacement of aged vehicles. Only two of the other cities, Seattle and Sacramento include replacement costs in their rates, as Portland does. In the other cities, user departments, along with the fleet manager, must request replacement funds annually in the budget process. In most cases, fleet managers told us that because fleet replacement needs must compete with other capital needs, replacement funding sometimes falls short of iden-

tified needs. For example, one fleet manager said that her fleet has about $12 million in replacement needs but received only $500,000 this year. A stable replacement fund is critical to a well managed fleet operation because it permits organizations to replace vehicles at optimum times which minimizes vehicle down time and major repair costs associated with over-aged vehicles.

Rate comparisons

To compare Portland fleet rates to fourteen other cities, we collected rate data on six classes of vehicles and pieces of equipment: police patrol cars, general purpose sedans, 3/4 ton pickup trucks, cargo vans, dump trucks and backhoes. These vehicle classes make up over 45% of the City's fleet. Since only three other cities currently use a fixed rate similar to ours, it was necessary to convert Portland's fixed annual rate to a cost per mile rate, and to use our labor rate as a one-on-one comparison to other cities' labor rates. In addition, we presented tables with and without replacement costs because not all cities charge for replacement.

In the following tables, all Portland rates include Fleet and Bureau of General Services overhead rates, and 3.75% for General Fund overhead charges. Rates for the comparison cities include all overhead. We excluded rate information about dump trucks and backhoes from the tables because of the significant differences in the way these vehicles are classified and charged for by different cities.

Table 5 Monthly Fixed Rate Comparison

Fixed Rate with NO Replacement

	Patrol	Sedan	PU Truck	Cargo Van
Dallas	$439.10	$219.48	$392.06	$291.56
Cincinnati	$315.00	$ 90.00	$150.00	$150.00
Portland	$292.06	$ 75.22	$117.84	$111.01

Fixed Rate WITH Replacement

	Patrol	Sedan	PU Truck	Cargo Van
Seattle	$837.00	$214.00	$311.00	$291.00
Portland	$659.59	$207.07	$233.78	$279.09

NOTE: Portland rates include 3.75% for General Fund overhead.

SOURCE: Audit Services Division survey of other cities.

Table 6 Charges per Mile Comparison

Charges per Mile with NO Replacement

	Patrol	Sedan	PU Truck	Cargo Van
Phoenix	$ .27	$ .23	$ .26	$ .40
Denver	n/a	$ .26	$ .48	$ .30
Portland	$ .18	$ .15	$ .20	$ .21

Charges per Mile WITH Replacement

	Patrol	Sedan	PU Truck	Cargo Van
Sacramento	$ .47	$ .31	$ .46	$ .43
Portland	$ .40	$ .41	$ .41	$ .52

NOTE: Portland rates include 3.75% for General Fund overhead.

SOURCE: Audit Services Division survey of other cities.

Comparing charges by the labor hour rate is more difficult because a direct bill is usually made up of several components: 1) the labor rate, 2) parts costs, and 3) a parts markup to cover indirect costs related to parts. Because labor rates can be subsidized by increasing markups on parts, it is important to consider both labor rates and parts markups when comparing charges. In addition, labor rates appear to be related to local cost of living indexes. As shown in Table 7, cities with the highest labor rates also generally have the highest cost of living indexes as reported by the American Chamber of Commerce Research Association.

Table 7 Other City Labor Rate Comparisons (1)

City	Mechanic Labor Rate	Parts Markup	Cost of Living Composite Index
San Antonio	$36.00	n/r	88.2
Charlotte (3)	$38.00	20%	99.8
Cincinnati	$42.00	14%	99.7
Dallas	$42.63	40%	97.5
Kansas City	$43.50	22%	n/r
Denver	$46.00	29%	104.7
Oklahoma City	$46.00	30%	90.8
Austin	$47.50	30%	99.4
Indianapolis	$48.00	0% (2)	96.1
AVERAGE	**$48.59**	**24%**	**100.0**
Sacramento	$51.85	20%	n/r
Seattle	$55.00	23%	113.9
Phoenix	$55.19	36%	103.7
Portland	**$58.62**	**18%**	**107.2**
San Jose	$70.00	30%	n/r

(1) Kansas City, Sacramento and San Jose do not report cost of living data to the American Chamber of Commerce Research Association.
(2) Parts markup included in labor rate.
(3) Rate is for operations costs only.

SOURCE: Audit Services Division survey of other cities, American Chamber of Commerce Research Association.

Table 7 shows that Portland has the second highest labor rate among the cities we surveyed- $58.62 versus an average of $48.59. However, Portland has the third lowest parts markup- 18% versus an average of 24%. The table also shows that Portland has the second highest cost of living index of all the cities in our survey.

Private local garages – We also contacted thirteen local Portland garages to obtain private sector labor rates. We selected major automotive dealers and automotive repair shops within the City of Portland advertised in the yellow pages, offering nonspecialized repair work on American-made vehicles. We found that hourly labor rates ranged from $50.00 to $69.50 per hour.

Table 8 Hourly Labor Rates at Local Garages

Ford Dealer #1	$69.50
Automotive Shop #1	$69.50
Ford Dealer #2	$67.00
Chevrolet Dealer #1	$65.00
Chevrolet Dealer #2	$65.00
Dodge Dealer #1	$62.00
Dodge Dealer #2	$62.00
Chevrolet Dealer #3	$59.00
City of Portland	**$58.62**
Automotive Shop #2	$55.00
Automotive Shop #3	$54.00
Automotive Shop #4	$53.00
Automotive Shop #5	$50.00
Automotive Shop #6	Job rates only
Average *(excluding Portland)*	**$60.92**

NOTES:
1) City rate includes 3.75% General Fund overhead charge.
2) Private garages often have additional charges for miscellaneous costs not included in the labor rates.

SOURCE: Audit Services Division survey.

The average rate for the shops we contacted was $60.92 per hour, compared to $58.62 for Fleet Services. Fleet Service's labor rate was also lower than eight of the twelve garages we contacted.

Caution should be taken when making assumptions about hourly labor rates and total costs for repair work. For example, a repair bill can be greatly affected by the operating efficiencies of individual shops. The total bill in an efficient shop with a high hourly rate might be lower than the total bill for an inefficient shop with a low rate. However, as we shall discuss next, Portland and most other cities we surveyed lacked goals and/or data for such performance indicators as "rework rates" and "customer satisfaction" that would indicate relative efficiency and quality of repair work. Consequently, it is difficult to reach conclusions about relative cost performance by comparing hourly labor rates alone.

Performance comparisons

Performance measures are important tools for objectively assessing the efficiency, effectiveness and quality of a fleet agency's performance. They can provide useful information on the performance of fleet functions. A variety of different indicators could be used to assess fleet performance. For example, customer satisfaction surveys would help managers understand how their customers feel about service costs, quality, reliability, and value. Availability rates would indicate the percent of time vehicles were available for use to meet service needs. Other performance indicators could be developed to measure mechanic productivity, quality of repair work, repair turnaround time, cost, and asset preservation.

We found, however, that performance measures are not generally available from city fleet organizations. We asked

comparison cities to provide information on four performance measures: fleet availability (i.e., what percentage of time vehicles are actually available for use by customers), rework (i.e., how often work is returned to a shop for the same problem), customer satisfaction, and turnaround time for preventive maintenance.

Table 9 shows that most cities, including Portland, lacked many performance goals and actual performance results.

Table 9 Comparison of performance measures used by other city fleet organizations

	% of time vehicles available for use		% of repairs needing rework		% of customers satisfied with service		Turnaround time for preventive maint.(5)	
Cities	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**	**Goal**	**Actual**
Austin, TX	94%	N/A	No	N/A	98%	N/A	No	N/A
Boston	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Dallas	90%	91%	5%	3%	80%	95%	24 hr.	N/A
Indianapolis	95%	98%	<15/mo	N/A	No	N/A	80%<24 hr.(4)	93%
San Antonio	No	N/A	No	N/A	No	N/A	same day	N/A
San Jose	94% (1)	N/A	No	N/A	No	N/A	No	N/A
Phoenix	No	N/A	No	N/A	No	~70%	<15% ovrdue	N/A
Oklahoma City	No	N/A	No	<3%	No	N/A	No	N/A
Charlotte	95% (2)	~98%	<3%	N/A	No	N/A	70%<24 hr	81%
Cincinnati	No	N/A	No	2.5%	No	N/A	No	N/A
Denver	95%	96%	No	N/A	No	N/A	No	N/A
Kansas City	N/R	N/R	No	N/A	No	N/A	No	N/A
Sacramento	No	N/A	No	N/A	No	N/A	No	N/A
Seattle	90%	N/A	<1%	N/A	90%	N/A	overnight	N/A
Portland	**95%**	**96%**	**No**	**N/A**	**No**	**94% (3)**	**No**	**N/A**

SOURCE: Audit Services Division survey of other cities.

(1) Goals: 94% for general, 96% for police, 100% for fire
(2) Goals: Police & sedans 95%, medium trucks 92%, heavy trucks 90%
(3) February - March 1997 survey of Maintenance and Body and Paint customers does not include administrative staff.
(4) This is for police equipment only. Indianapolis has standards for six departments and vehicle classes, and includes all repair and maintenance.
(5) Some cities' turnaround time goals are for all maintenance and repair tasks. Preventive maintenance is not broken out separately.

N/A = Not available (data not collected by the city, unavailable)
N/R = Not reported

Although most of the fleet managers understood the importance of performance measures, and many had goals for certain indicators, few, including Portland, had reliable performance data and established measurement systems. An effort by the International City/County Management Association is underway to develop comparative performance measures for many government operations, including Fleet Services, however, this project is in the developmental stage and data are not reliable at this time.

Vehicle availability is the measure most often reported by other cities. Portland's fleet managers consider fleet availability to be their most important measure. Seven other cities reported an availability goal, five lacked an availability goal, and two did not report. Most often the goal was either 94 percent or 95 percent, similar to Portland's goal of 95 percent. However, of the seven cities which have goals, only four regularly track actual availability. Portland regularly tracks vehicle availability and reports its performance in the annual budget.

Six cities had goals or performance data on the percent of repairs needing rework. Goals ranged from less than 1 percent to 5 percent, while actual reported performance ranged from 2.5 to 3 percent.

Portland has no goals or performance data on the percent of repairs requiring rework. The Division's automated management information system has the capability to record and track repeat work and we recommended that the Division implement this feature in our 1987 audit. However, the Division does not use this feature of the system for performance tracking.

Three cities we contacted had established goals for the percent of customers satisfied with fleet services but only two cities reported actual satisfaction results. Portland has no formal goals for customer satisfaction measurement. In 1996 and 1997 the Division conducted surveys of maintenance and body and paint customers. Responses were generally positive to six questions concerning issues such as garage employee courtesy, vehicle availability, and fixing problems. The Division has not conducted a similar survey covering administrative responsibilities.

Our interviews with City of Portland fleet customers revealed mixed satisfaction. Portland customers are generally satisfied with the quality of maintenance service provided by the Division. They indicate that quality has improved in the past several years, and are also pleased with the general condition of the fleet. However, customers voiced dissatisfaction with the Division's communications concerning the vehicle replacement and acquisition process and fleet charges. Although some bureaus told us Fleet has made efforts recently to open communications, progress has been slow and many feel this issue still exists.

Finally, we also attempted to assess preventive maintenance turn around by asking cities how timely preventive maintenance was provided. Six agencies had some goals for maintenance turn around ranging from same day to within 24 hours. Although we recommended the Division develop and monitor performance standards for repair turn around time in our 1987 audit, it has still not established formal turn around goals for most services nor does it collect accurate data on actual time required to complete specific tasks.

Privatization efforts in other cities

Two of the fourteen cities we surveyed, Charlotte and Indianapolis, competitively bid their fleet services against private service providers. In both cases, officials selected the existing city organization rather than a private company. According to representatives from these cities, the process was costly and took several years to complete.

However, according to managers in those cities, the bid process was useful in several ways. Primarily, it helped focus the organization on customer needs and satisfaction. Both cities' bid proposals clearly defined service levels and the roles and responsibilities of the fleet agency and user organizations. The proposals also defined billing procedures, definitions of target and nontarget repairs, specific and quantitative performance measures with rewards for performance and penalties for nonperformance, and agreements with outside vendors for provision of certain services.

Our discussions with fleet consultants also showed that there is little track record in privatizing large public fleets. We found only one government, the county of Los Angeles, with a privatized fleet as large as the City of Portland's. The next largest privatized fleet was Des Moines, Iowa with about 1,500 vehicles. According to one consultant we spoke to, the largest private fleet providers specialize in turning around smaller operations where the fleet is in bad condition.

Chapter 3 Conclusions and Recommendations

Based on our analysis of Fleet Services Division costs and performance, we conclude that fleet costs compare favorably to others, management practices are sound, and fleet condition and availability is good. Accordingly, we do not believe that contracting fleet operations to another provider is warranted.

However, customer satisfaction can be improved and better performance measurement is needed. Major users are pleased with the quality of vehicles and repair services but remain dissatisfied with vehicle replacement and purchasing, and the clarity and completeness of information on service charges and rates. In addition, Fleet Services lacks adequate measures and methods for monitoring and reporting on their performance. A more complete set of performance measures would help the Division demonstrate program efficiency and effectiveness, identify and correct problems, and publicly account to their customers and City Council.

In order to improve customer satisfaction and performance accountability, we recommend that the Fleet Services Division of the Bureau of General Services take the following actions:

1. *Implement a customer service initiative that strives to improve satisfaction with fleet services.*

The Fleet Services Division should develop Performance Agreements with City user bureaus. This Performance Agreement should clearly stipulate the mission, goals and objectives, service levels, and cost and performance standards for fleet services. Specifically, the Agreement should include:

- Fleet Services management philosophy and commitment to customer service
- detailed description of all maintenance and repair services identifying services covered under fixed annual charges versus those services billed directly
- description of billing procedures and rates for each type of service
- explanation of vehicle replacement procedures and methods and time-frames for acquiring new vehicles
- complete description of facility locations, hours of operation, services provided
- description of quality assurance program and performance standards

- Division organization and staffing plans

- description of periodic, regular reporting of service efforts and accomplishments comparing performance to specific and quantifiable targets.

- the Fleet Services Division and individual bureaus should meet regularly to discuss the Division's performance in fulfilling the agreement.

2. Form a Customer Service Committee composed of representatives from the major user bureaus in the City.

The Committee would meet at least annually to monitor and evaluate the Division's performance. The Committee should provide input to Fleet Services management and serve as a sounding-board for proposed changes and needed improvements.

3. Implement a performance measurement system.

The Fleet Services Division should develop a comprehensive performance measurement system. The system should include a set of performance measures to track efficiency and effectiveness, regular surveys of customer satisfaction, performance standards and targets, periodic comparisons to other cities and historical trends, reliable and consistent data collection, and regular performance reports.

The Division should consider a set of performance measures that provide users with indicators of vehicle reliability and availability, repair and maintenance quality, timeliness of repair work, mechanic productivity, service cost and efficiency, customer satisfaction, and responsiveness to customer needs and requests.

Appendix A

City Vehicles by Type and Lease Rates

City Vehicles by Type, Shared Costs and Lease Rates (1)

Class Rate Code	Description of Class	Number of Vehicles in inventory (2)	Percent of Shared Cost	Operating Rate	Replacement Rate	Annual Fixed Rate
1001	SEDAN, GEN PURPOSE	320	5.1%	$870	$1,525	$2,395
1003	SEDAN, FULL SIZE	85	1.5%	$1,199	$1,935	$3,134
1013	SEDAN, POLICE PATROL	252	14.5%	$3,378	$4,251	$7,629
1020	SEDAN, USED		0.0%	$0	$3,021	$0
1030	SEDAN, COUNCIL LEASE		0.0%	$0	$0	$0
1040	SEDAN, LEASED U/C	26	0.2%	$288	$0	$288
1050	SEDAN, OWNED U/C	22	0.8%	$1,993	$0	$1,993
1200	STATION WAGON	1	0.0%	$399	$2,110	$2,508
1310	UTILITY POLICE	6	0.2%	$1,381	$3,518	$4,898
1501	MOTORCYCLE POLICE	34	1.1%	$2,176	$1,920	$4,096
1601	SCOOTER GEN PURPOSE	16	0.2%	$1,805	$2,789	$4,594
1611	SCOOTER PARKING PATR	20	0.6%	$2,641	$2,309	$4,950
1621	SCOOTER DUMP		0.0%	$0	$3,021	$0
2002	MINI VAN PASSENGER	40	0.4%	$669	$1,512	$2,181
2012	MINI VAN CARGO	50	1.1%	$1,215	$1,252	$2,467
2102	VAN PASSENGER	20	0.3%	$931	$1,684	$2,615
2112	VAN CARGO	69	1.3%	$1,284	$1,943	$3,228
2200	VAN STEP (METRO)	30	1.2%	$2,661	$2,420	$5,081
2206	VAN STEP METRO	3	0.0%	$1,699	$2,314	$4,012
2213	VAN HIGH CUBE	20	0.9%	$2,501	$2,462	$4,963
2301	PICKUP STND CAB MINI	91	1.7%	$0	$2,500	$0
2302	PICKUP STND CAB 3/4T	154	3.8%	$1,060	$1,701	$2,761
2322	PICKUP CREWCAB 3/4T	4	0.1%	$1,363	$1,341	$2,704
2332	PICKUP UTILITY 3/4	50	1.7%	$1,593	$1,647	$3,240
2333	PICKUP UTILITY 1T	24	0.9%	$1,828	$1,684	$3,512
2402	TRUCK UTILITY PAS	81	1.4%	$2,237	$2,500	$4,737
2413	TRUCK FLATBED CLAS 3	16	0.5%	$1,042	$2,073	$3,115
2415	TRUCK FLATBED CLAS 5	6	0.2%	$2,200	$3,239	$5,439
2416	TRUCK FLATBED CLAS 6	14	0.7%	$1,807	$2,608	$4,415
2418	TRUCK FLATBED CLAS 8	2	0.0%	$2,423	$2,908	$5,330
2423	TRUCK DUMP CLASS 3	56	2.8%	$689	$3,316	$4,005
2425	TRUCK DUMP CLASS 5	2	0.1%	$2,874	$3,455	$6,329
2426	TRUCK DUMP CLASS 6	4	0.2%	$2,258	$4,103	$6,361
2427	TRUCK DUMP CLASS 7	66	6.1%	$1,880	$4,319	$6,199
2428	TRUCK DUMP CLASS 8	11	1.5%	$5,003	$3,088	$8,091
2429	TRUCK DUMP CLASS 9	35	6.0%	$6,301	$4,512	$10,813
2433	TRUCK UTILITY CLAS 3	22	0.7%	$11,664	$4,920	$16,584
2435	TRUCK UTILITY CLAS 5	20	1.5%	$2,677	$4,436	$7,113
2441	TRUCK FLATBED DUMP	22	0.9%	$4,061	$6,667	$10,728
2503	TRUCK TANK FUEL CL 3	1	0.3%	$2,120	$1,771	$3,891
2506	TRUCK TANK FUEL CL 6	2	0.1%	$18,598	$3,168	$21,766
2606	TRUCK TRACTOR CL 6	1	0.0%	$3,625	$3,927	$7,552
2608	TRUCK TRACTOR CL 8	8	1.3%	$0	$3,332	$0

Class Rate Code	Description of Class	Number of Vehicles in inventory (2)	Percent of Shared Cost	Operating Rate	Replacement Rate	Annual Fixed Rate
2707	TRUCK TANKER	1	0.0%	$9,758	$2,873	$12,632
3103	TRUCK REFUSE COMPACT	2	0.3%	$0	$4,299	$0
3119	TRUCK ROLL ON/OFF	3	0.7%	$7,042	$4,669	$11,711
3207	TRUCK STREET FLUSHER	6	2.1%	$0	$3,829	$0
3224	VACUUM SWEEPER TRUCK	6	4.0%	$20,239	$8,851	$29,090
3236	TRUCK CATCH BASIN CL	6	1.7%	$15,995	$8,194	$24,189
3257	TRUCK POWER RODDER	3	0.8%	$43,202	$9,695	$52,897
3272	MALL WASHER	1	0.2%	$22,903	$13,041	$35,944
3316	TRUCK ASPHALT PATCH	4	0.7%	$14,649	$16,103	$30,752
3339	SLURRY SPREADER	2	0.0%	$8,755	$4,536	$13,291
3346	PAINT STRIPER	2	0.0%	$11,927	$8,087	$20,014
3367	TRUCK OILER	2	0.4%	$0	$9,984	$0
3428	TRUCK CRANE CABLE	1	0.0%	$0	$9,802	$0
3436	TRUCK CRANE HYDRO CL 6	3	0.2%	$9,949	$4,373	$14,322
3438	TRUCK CRANE HYDRO CL 8	8	1.1%	$0	$5,399	$0
3439	TRUCK CRANE HYDRO CL 9	1	0.2%	$0	$8,329	$0
3503	TRUCK WELDING CL3	1	0.1%	$6,678	$4,154	$10,832
3505	TRUCK WELDING CL5	2	0.0%	$7,642	$8,275	$15,917
3602	TRUCK EMERG/RESCUE	8	0.0%	$12,947	$12,146	$25,093
3616	AERIAL LADDER FIRE	2	0.0%	$3,354	$4,116	$7,470
3652	TRUCK EMRG/RES MISC	4	0.0%	$2,383	$5,275	$7,658
3706	TRUCK AERIAL LADDER	2	0.3%	$0	$4,078	$0
3713	TRUCK AERIAL PLATFOR	8	1.3%	$0	$12,866	$0
3715	TRUCK AERIAL PLATFOR	6	0.9%	$0	$3,520	$0
3717	TRUCK AERIAL PLATFOR	4	1.0%	$0	$2,223	$0
3728	TRUCK CONCRETE	2	0.5%	$7,457	$8,277	$15,734
3733	TRUCK COMPRESSOR	4	0.2%	$8,921	$4,280	$13,201
3736	TRUCK COMPRESSOR	8	0.6%	$8,608	$8,140	$16,748
3740	ARMORED TRUCK	1	0.0%	$13,184	$8,893	$22,077
3758	TRUCK SNOOPER	1	0.0%	$13,599	$6,195	$19,793
4000	TRACTOR GEN PURPOSE	36	0.5%	$3,037	$3,669	$6,706
4064	TRACTOR MOWER GANG	11	0.0%	$4,293	$2,698	$6,991
4065	TRACTOR MOWER FLAIL	5	0.3%	$0	$0	$0
5011	BACKHOE	6	1.2%	$0	$12,389	$0
5012	BACKHOE	23	3.4%	$1,630	$1,332	$2,963
5200	LOADER RIGID FRAME	2	0.1%	$543	$5,693	$6,236
5210	LOADER ARTICULATED	17	1.4%	$5,968	$5,899	$11,867
5220	SCOOP	2	0.5%	$9,192	$5,162	$14,354
5300	EXCAVATOR	7	0.8%	$8,056	$4,842	$12,898
5350	SCRAPER/DOZER	0	0.0%	$3,089	$8,688	$11,778
5351	SCRAPER/DOZER	10	0.4%	$6,003	$3,687	$9,691
5360	ROAD PLANNER	3	0.1%	$8,747	$4,275	$13,023
5400	GRADER 4 X 2	1	0.0%	$7,573	$5,906	$13,479
5420	GRADER 6 X 4	3	0.0%	$0	$2,393	$0
5500	ROLLER PNEUMATIC	1	0.0%	$2,702	$2,346	$5,048

Class Rate Code	Description of Class	Number of Vehicles in inventory (2)	Percent of Shared Cost	Operating Rate	Replacement Rate	Annual FixedRate
5552	ROLLER STEEL WHEEL	3	0.2%	$5,431	$6,042	$11,473
5553	ROLLER STEEL WHEEL	1	0.0%	$0	$2,955	$0
5603	ROLLER VIBRATORY	6	1.6%	$0	$5,212	$0
5700	SWEEPER WAREHOUSE	2	0.0%	$0	$4,365	$0
5710	SWEEPER MALL	2	0.0%	$4,119	$1,881	$6,000
5720	SWEEPER 3 WHEEL MECH	8	7.4%	$0	$3,780	$0
5800	HYDRAULIC HAMMER	0	0.0%	$14,256	$2,256	$16,512
5900	FORKLIFT	22	0.2%	$0	$3,446	$0
8000	TRAILER FLATBED EQUI	116	0.0%	$0	$5,169	$0
8100	TRAILER TANK	5	0.0%	$58,010	$12,602	$70,612
8300	OFFICE TRAILER	8	0.0%	$0	$1,499	$0
9013	ASPHALT KETTLE	23	0.0%	$1,261	$1,709	$2,970
9023	CRACKSEALER	12	0.0%	$0	$550	$0
9103	TRAILER COMPRESSOR	11	0.2%	$0	$1,881	$0
9113	TRAILER COMPRESSOR	15	0.2%	$0	$640	$0
9203	CHIPPER, WOOD/BRUSH	12	0.1%	$0	$1,343	$0
9303	TRAILER STUMP GRINDE	1	0.0%	$0	$861	$0
9404	MATERIAL SPREADER	64	0.0%	$0	$10,568	$0
9414	ASPHALT FINISHER	2	2.0%	$879	$1,143	$2,022
9500	ROLLER TOWABLE	1	0.1%	$1,391	$2,779	$4,170
9603	TRAILER FLOWBOY	3	0.0%	$0	$1,875	$0
9700	DUMP BOX	8	0.0%	$2,030	$2,332	$4,362
9800	SNOW EQUIPMENT	52	0.0%	$1,166	$1,875	$3,041
9900	MISC ACCESSORIES	78	0.1%	$0	$1,056	$0

(1) FY97-98 Rates

(2) Inventory as of 12/10/97

Appendix B
Other City Survey Form

Fleet Services City Survey 10/6/97

City: _____
Contact Person: _____ Phone #: _____
Contact Title: _____
Date: _____ Auditor: _____

PART I BACKGROUND INFORMATION

Is the City government an singular entity or is it consolidated with the County, or some other government?

City govt. City/County Other?

In general, how is vehicle fleet responsibility organized?
(In other words, who is responsible for Police vehicles, Fire vehicles, water vehicles, parks vehicles, pool car sedans, heavy equipment, etc.)

More specifically, what organization is responsible for the functions concerned with the following vehicles:
Write in possible answers: Centralized fleet shop, Dept Shop Contractor Purch Dpt. Other
========== ====== ====== ====== =====

	Police Patrol	Sedans	Fire Apparatus	Heavy Equipment
Maintenance				
Specifications (new)				
Purchase (new)				
Receipt & Titling				
Disposal				

How many FTE are assigned to vehicle maintenance (non-management)?

(Additional Notes on Back)

About how many total vehicles are in the fleet?

What are the hours of operation of the repair shop(s) (is it a 24-hour operation)?

How many repair shop locations are there?

How is the work of the shops organized?
(by type of vehicle? by type of service? by geographic location? a combination?)

PART II COST INFORMATION

In general, how are the costs of fleet management operations recovered?

* Are costs fully recovered by charges to customers/users?
* What is included in the rate?
* Does the rate include full service (maintenance, replacement, purchase, disposal, etc.)

* Any general fund or other support/subsidy?

If fee-for-service, specifically, how are costs recovered for fleet management operations?

☐ Fixed annual rate (similar to ours)
Note: Explain that ours is based on historical maintenance costs for each type of vehicle, includes all wear and tear (does not include operator abuse/misuse, or replacement), ask if replacement is charged separately and that our rates include Gen Serv. OH and services such as specs, vehicle receipt, disposal, emmissions testing, etc.

☐ Fixed annual rate of some other kind
Explain:

☐ Cost of service (direct bill) on an hourly basis for each vehicle (iE., a private - type customer relationship
What is your hourly rate? _____

☐ Mileage or usage basis

☐ No direct charges

☐ Other
Explain:

Additional notes:
Note: This along with the previous question should explain how their rate is built.

As of the end of the last fiscal year:
(can be round numbers-not exact)

	How many?	Avg Age	Manufacturer (s)	Model
Police patrol (full size sedan)				
Police patrol (other sizes)				
Sedans (compact, Corsica,Shadow)				
Gen Purp. 3/4 ton P.U. 8600 GVW (4wd & 2wd)				
Gen Purpose 3/4 & 1 ton Cargo Van				
Gen Purpose 5-6yd Dump 33,000 GVW				
Tractor backhoe op wt >=15,000lb (4&2wd)				

Additional Notes:

IF THEY HAVE AN ANNUAL FIXED RATE SYSTEM SIMILAR TO OURS:

How much is charged annually to the users for the operating costs for each of the following types of vehicles our charges include certain other services besides just maintenance, but no capital replacement charge

	Annual Chrg	Comments
Police patrol (full size)		
Police patrol (other sizes)		
Sedans (compact, Corsica, Shadow)		
Gen Purp. 3/4 ton P.U. 8600 GVW (4wd & 2wd)		
Gen Purpose 3/4 & 1 ton Cargo Van		
Gen Purpose 5-6yd Dump 33,000 GVW		
Tractor backhoe op wt >=15,000lb (4&2wd)		

Notes:

IF THEY DO NOT HAVE A FIXED RATE SYSTEM, BUT HAVE COST DATA:
(can user misuse v warranty-type work be separated out?):

How much does it cost annually to maintain the following types of vehicles?
(what is included in that cost? is body/paint & fabrication included?)

	Annual Chrg	Comments
Police patrol (full size)		
Police patrol (other sizes)		
Sedans (compact, Corsica, Shadow)		
Gen Purp. 3/4 ton P.U. 8600 GVW (4wd & 2wd)		
Gen Purpose 3/4 & 1 ton Cargo Van		
Gen Purpose 5-6yd Dump 33,000 GVW		
Tractor backhoe op wt >=15,000lb (4&2wd)		

Notes:

PART III PERFORMANCE MEASURE INFORMATION

Do you calcu. fleet availability or downtime? *(either as a percentage of the total fleet or some other way, either on an average annual or monthly basis, or as a snapshot (ICMA method).)*

yes	
no	

What is the most recent calculated availability or downtime number?

Is there a goal? What is it?

If availability or downtime can be broken down by type:

	Availability	Downtime
Police patrol		
Sedans		
Pick ups		
Cargo Vans		

How do you calculate availability or downtime?

[Ask specifically if reserve vehicles are included in the total, and if vehicle in for, or awaiting preventive maintenance are included. You might explain how we calculate ours]

What is the replacement criteria for:

	Age	Miles	Freq. of repair	none	other
Police patrol cars					
Sedans					
Pick ups					
Cargo Vans					
Dump Trucks					
Tractor Backhoes					

Do you have a performance measure that includes re-work on maintenance jobs?
If so, how is re-work defined?

Who decides if it is re-work? The customer, the shop personnel?

What is your goal?

What is your most recently calculated number?

Do you have a performance measure that includes customer satisfaction?
If so, how is it determined?

What is your goal?

What is your most recently calculated number?

Do you have a performance measure that includes turnaround time for preventive maintenance work?
If so, how is determined?

What is your goal?

Is it different for different classes?

What is your most recently calculated number?

What is your general policy for the frequency of preventive maintenance? Follow owners'/operators' guides, or more frequent?

Any other performance measures you use and find useful?

Any recently instituted ideas or practices that have proven particularly useful (or failed to be usdeful) in improving the efficiency of the operation?

Responses to the Audit

CITY OF

PORTLAND, OREGON

OFFICE OF PUBLIC UTILITIES

Jim Francesconi, Commissioner
1220 S.W. Fifth Avenue
Portland, Oregon 97204
(503) 823-3008
FAX: (503) 823-3017

Memo

Date: 3/16/98

To: Dick Tracy, Director of Audits
From: Commissioner Jim Francesconi
Subject: Fleet Services Audit

Thank you for providing me with a draft copy of the Fleet Services Audit. Your report was well done and made several helpful recommendations. I am particularly interested in your recommendations that would improve the bureau's ability to provide clear, consisted performance measures and a mechanism to receive customer feedback on a regular basis

I will be working with David Kish and Roger Johnson on how best to implement these recommendations.

Thanks to you and your staff for your good work. Our goal at BGS is continuous improvement and your audit will be a useful tool to help us achieve that goal.

JLF/pc

Faxed 3-9-98

CITY OF

PORTLAND, OREGON

BUREAU OF GENERAL SERVICES

Jim Francesconi, Commissioner
David O. Kish, Director
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March 9, 1998

MEMORANDUM

TO: Dick Tracy, Audits Division

FROM: David O. Kish, BGS Director DOK

RE: Fleet Review, Final Draft

I appreciated the opportunity to review the draft audit of Fleet dated March 3, 1998.

I think it confirmed our belief that we would compare very well to good fleets nationally and to the local market.

I appreciated your staff's hard work in digging out all the data necessary for this report. It is something we have wanted to do for some time, but have not had the resources to do a thorough job.

We also noted your suggestions for improvement and will continue to strive to be better.

Next time we want an A+!

Thanks.

DOK.gk

c: Commissioner Jim Francesconi
Rodger Johnson, Manager, Fleet Services Division

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