



Clark County Auditor's Office

AUDIT OF EQUIPMENT (FLEET) SERVICES

Light Fleet Management and Operations

Report # 13-02

May 22, 2013

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The Audit

Background

- ❖ 2004 Fleet Management Audit
- ❖ 2012 Fleet Purchase & Disposal Audit

❖ Audit Objectives

- ❖ Identify changes since 2004
- ❖ Quantify fleet utilization
- ❖ Evaluate fleet effectiveness

❖ Scope

- ❖ Light vehicles, 2011 full year data



Utilization Standards

Minimum Annual Mileage Standards

❖ 0 to 5,000 miles (common practice)

Recommended

❖ Between 5,000 & 10,000 miles (leading practice)

❖ Over 10,000 miles (best practice)

Days Utilized

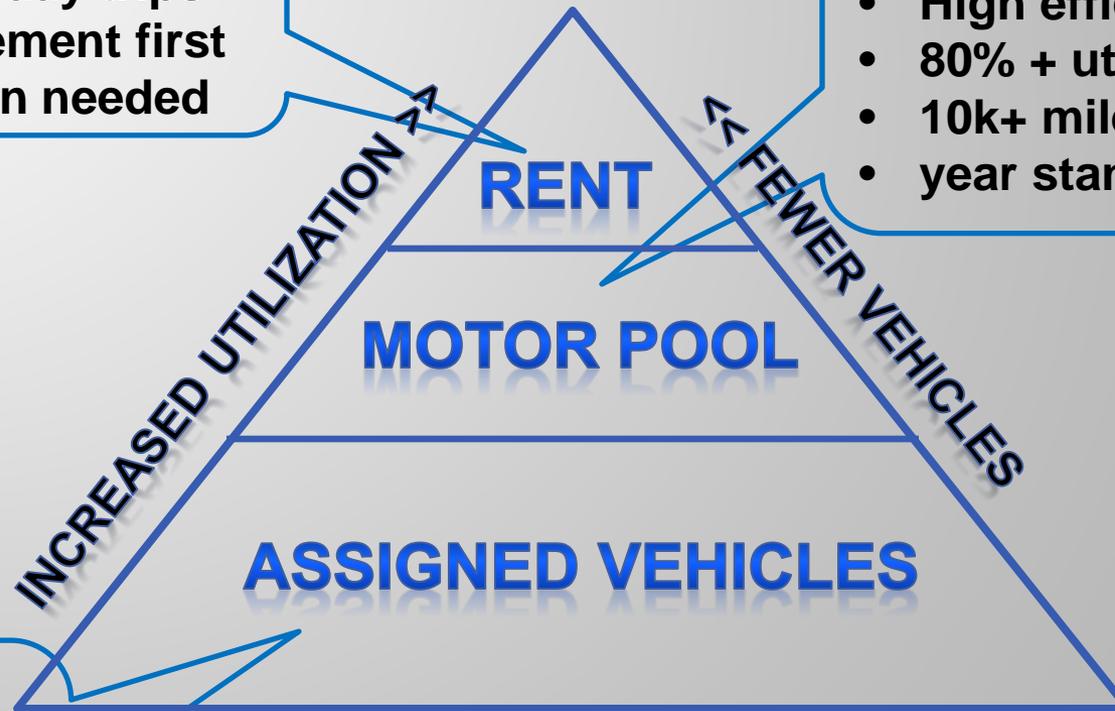
❖ Alternate for certain high use/low mileage

❖ Appropriate for motor pool

Fleet Management Model

- General use vehicles
- Best value for day trips
- Use reimbursement first
- Rent only when needed

- Flexible size
- High efficiency mix
- 80% + utilization
- 10k+ miles per year standard



- Specialized or
- High utilization general vehicles
- 6k miles per year standard



Conclusion #1:

Recent Progress Has Been Made

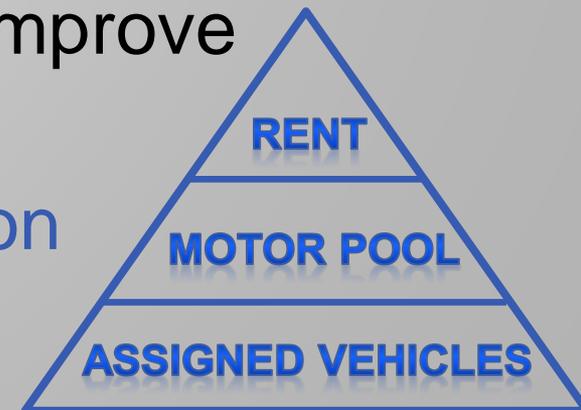
- ❖ Fleet has 25 fewer vehicles than in 2004
- ❖ Most rollover vehicles have been retired
- ❖ Fuel accountability has improved
- ❖ Recent additions of higher efficiency vehicles
- ❖ Maintenance intervals are now being extended



Conclusion #2: The Fleet Remains Underutilized

Utilization unchanged from 2004 to 2011

- ❖ Over a third of the fleet doesn't meet the minimum mileage standard
- ❖ Motor pool: Daily rentals lower than 2004 and decreasing
- ❖ Take home vehicles: Options to improve efficiency exist
- ❖ Day use vehicles: lowest utilization





Conclusion #3

Fleet Effectiveness Has Decreased

Fleet composition reflects low priority

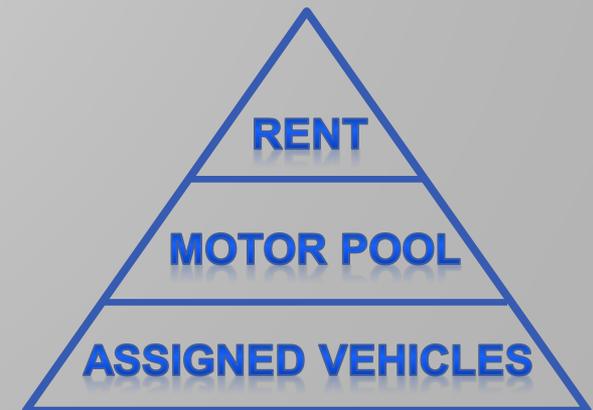
- ❖ No compact or subcompact sedans, SUVs or trucks
- ❖ Most vehicles purchased were full sized sedans and trucks or mid-sized SUVs
- ❖ Only one hybrid outside the Motor Pool in 2011
- ❖ Overall fleet fuel efficiency dropped since 2004 despite technology improvements



Conclusion #4

Missed Opportunities Existed

- ❖ Maintenance management program did not take advantage of current technology
 - ❖ Maintenance interval too short
 - ❖ Onboard computers not used effectively
- ❖ Employee mileage reimbursement are not encouraged by the county
- ❖ External rental vehicles rarely used despite lower cost for longer trips





Conclusion #5: Senior Sponsorship Is Not Visible

- ❖ Fleet Management Review Board was ineffective in controlling fleet composition
- ❖ No visible county standards or goals related to efficiency or effectiveness



Core Issue

“For the fleet to change their current operating procedures requires a clear strategic direction and demonstrated senior management interest.

Lacking such involvement, *it is not likely the Fleet Manager will be successful* in making the fundamental changes needed to significantly improve fleet operations.”



Recommendations:

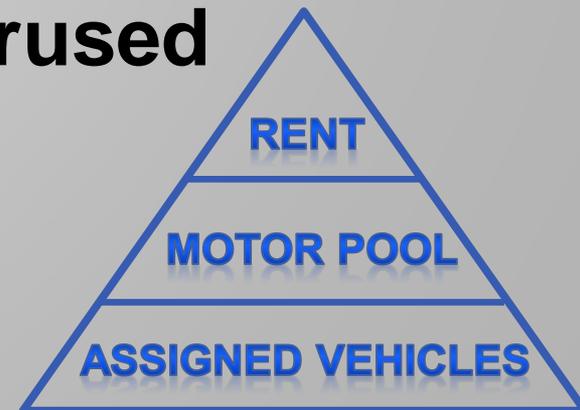
Provide Strategic Direction

- ❖ Continue to use Public Works Director for fleet purchasing decision oversight
- ❖ Discuss draft Fleet Policy with the BOCC for their support
- ❖ Identify appropriate county-level strategic goals and targets
- ❖ Determine specific BOCC actions that would support change

Recommendations:

Reduce Fleet Size

- ❖ **Reduce the motor pool fleet** by at least two low-usage vehicles
- ❖ **Eliminate all rollover** vehicles replaced over six months earlier
- ❖ **Dispose of chronically underused** assigned vehicles.





Recommendations: Diversify Fleet Options

- ❖ Expand employee **mileage reimbursement**
- ❖ Use **rental vehicles** for trips over 80 miles
- ❖ Buy **smaller, more efficient** two wheel drive vehicles as the standard for new or replacement vehicle wherever they can fulfill the mission.

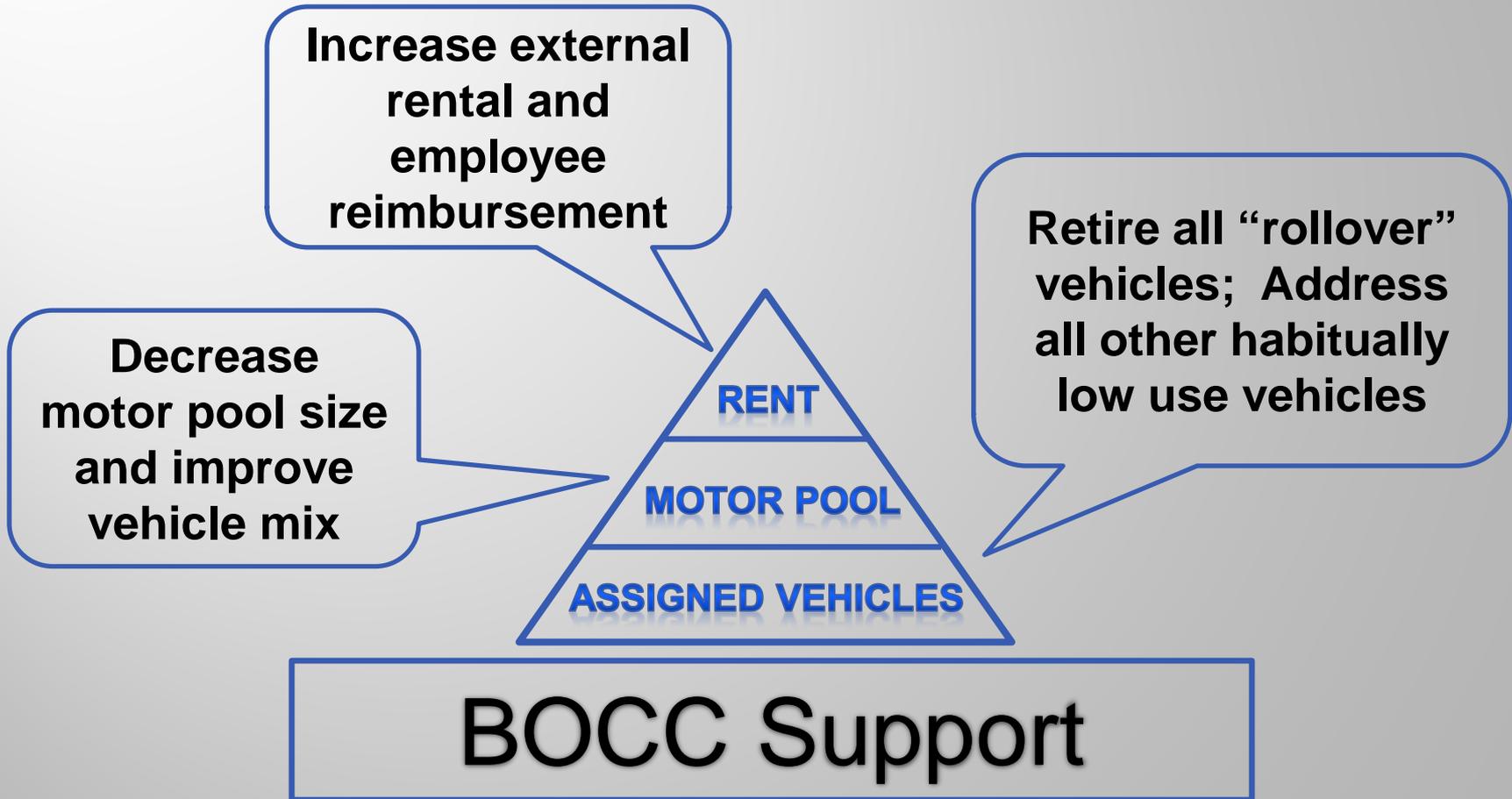


Recommendations:

Management Opportunities

- ❖ Extend **maintenance interval** to 7,500 miles
- ❖ Use **service contracts** to identify service levels and expectations
- ❖ Align **ER&R payments** with vehicle lifetimes
- ❖ Expand **communications** of vehicle and fleet performance data

Fleet Recommendations



Questions?

- ❖ Full audit report is available on County web site under “Audit Services”
- ❖ Past audit reports also on web site