2016-2017 BUDGET QUESTION

Response to Request for Information

DEPARTMENT: Fleet Services

REQUEST NO.: 78

REQUESTED BY: Gallo

DATE REQUESTED: 6/30/16

DATE POSTED: 7/18/16

REQUEST: Please provide the policies used by the City of Austin regarding how often we purchase replacement vehicles, what the process is to request new vehicles that are not replacements, and how vehicle types are determined and assigned to a position.

RESPONSE:

Fleet has an internal policy and procedure for acquisitions (outlined below). The city also has an Administrative Bulletin related to vehicle assignments (attached in email).

How often do we purchase replacement vehicles?

In General, we determine vehicle and equipment replacement needs once a year and those needs are included in the proposed budget. Once Council approves the budget and all signed forms are returned to Fleet, we begin buying vehicles and equipment on October 1st . This continues throughout the year until all approved purchases are made.

Vehicles and equipment are usually sorted into four major Recommendation for Council Action packages (Public Safety, Medium/Heavy duty, Light duty, and Special Equipment) that begin in October and run through April or May. The City purchases an average of 300-400 units per year; if purchased individually, it would require several Council dates and would likely result in delays in getting the needed units into service (i.e. some units may take up to a year to build). Placing them together also allows for more transparency, stakeholders can see at a glance what is being purchased. Additionally, the ability to buy like units in bulk allows the City to take advantage of build date cut offs and in most cases avoid the additional cost associated with having to purchase the next model year. Special circumstances may require deviation from the plan due to the Boards and Commissions process.

Process:

Identification: Each vehicle as it enters the fleet is given an estimated useful life based on age, miles, fuel use, or in some cases regulatory requirements (i.e. Administrative sedan 100,000 miles); this criteria is entered into our asset management system and is tracked daily. When a vehicle reaches this milestone, an automated notification goes out to the customer department to bring the unit in for a replacement inspection.

Determination: When the vehicle/equipment is brought into the assigned shop for its replacement inspection, it is given a physical inspection for overall condition. Additionally, the shop manager will review the maintenance history including overall costs, downtime and any issues brought forward by the customer department. Upon completion of the inspection, the shop manager makes a determination as to whether the unit should be replaced or the life

extended.

Notification: As the vehicles and equipment meet these milestones and are determined to be in need of replacement, they are marked in the management system. In April of each year the accumulated list along with estimated replacement cost is presented to the affected customer departments so that they can incorporate this data into their proposed budget.

Finalized list: Once specifications are determined, individual forms containing the specific unit and all required options are sent to the customer department. All replacement units require the signature of the Director of Fleet as well as the requesting customer department Director. Only requests that have all required signatures will be processed; it is usually at this time the final reading of the budget is taking place.

What process is used to request new vehicles that are not replacements?

Departments wishing to add to their fleet bring forward their "additional" vehicle needs based upon their operational need (i.e. new employees, special projects, annexations, Council directives etc.) and funding at the time we meet for replacements. Customer departments that require additional units also provide written justification (Form 1082), that includes the signatures of the Fleet Director, their department Financial Manager and Director and the ACM of the impacted department. After the request is approved, Fleet follows the same purchasing process as specified above for replacement vehicles.

How are vehicle types determined?

Specifications: During the month of May, Fleet meets with the customer departments to go over the list to determine if the customer department still needs a replacement unit, and if so, any specifications or special needs they may have to meet their operational missions. Once this has been determined, Fleet along with the Sustainability Office work together to ensure that new purchases are in line with Council Resolution 20070215-023. With this resolution, the goal of new vehicle purchasing is to maximize the purchase of alternative fuel, hybrid, and electric vehicles, maximize the diversity of the fleet, maximize vehicle efficiency, and minimize lifecycle costs. The strategy is implemented through a two -step review process; first a determination of operational need (qualitative) and second a cost benefit analysis (quantitative). The Operational Need or qualitative assessment ensures that the vehicle or equipment is needed, that the vehicle being purchased meets the operational needs of the customer department, and that the vehicle purchased is the right size / class of vehicle to purchase or if an alternative / hybrid /electric is available for purchase. Next, the cost benefit or quantitative compares potential vehicles in terms of initial cost, lifetime fuel cost, environmental impact, maintenance cost, depreciation, and resale value. The Office of Sustainability completes an Annual Cost Benefits Analysis report that takes a snapshot of existing technology for differing vehicle classes that can be applied to all purchasing decisions instead of for every vehicle purchase.

How are vehicles assigned to a position? Department management is responsible for vehicle assignments within their departments. See Administrative Bulletin 10-01, City Vehicle

2016-2017 BUDGET QUESTION

Response to Request for Information

Assignment Policy and Administrative Bulletin 82-01, Using and Protecting City Vehicles and Equipment (attached)

City of Austin
Administrative Bulletin

Title: Using and Protecting City Vehicles and Equipment
Administrative Bulletin No.: 82-01
Revised: _____ Annually: _____ As Needed: _____
Prepared by: Financial Services Department
Original Date: March 29,1982 Revised: January 1, 1996
City Manager's Approval: _____

I. Purpose

To provide uniform and consistent guidance to all City departments and personnel on using and protecting City vehicles and equipment. This bulletin supports total quality by communicating both the purpose and the means of achieving constancy. It also helps to bread down barriers between departments because it applies consistently and uniformly to all departments. It helps to remove barriers to pride of workmanship by spelling out what is acceptable and what is not. Finally, it involves all City personnel in optimizing the use and protection of City vehicles and equipment.

II. Policy

It is the policy of the City of Austin vehicles and equipment will be used only for City business and will be operated in a safe, legal and courteous manner. No one will operate a City vehicle while under the influence of alcohol or drugs, including prescribed medication with a "caution" against driving. It is also the policy of the City that we are for and protect this substantial investment of valuable City resources. Department directors are ultimately accountable for the use and protection of vehicles and equipment in their departments; however, all City employees ho use, and maintain City vehicles and equipment have to do their part. Department directors may waive provisions of this policy based upon valid business needs after advising their Assistant City Manager about the waiver.

III. Procedures

The specific procedures for using and protecting City vehicles and equipment are outlined in the table of contents of the attached document. The focus of all procedures is on helping City employees do their jobs better through guidance and information. The goal is to optimize the use of City vehicles and equipment in providing quality services to the citizens of Austin.

TABLE OF CONTENTS

DEFINITIONS

I. Using City Vehicles and Equipment

A. Purpose of using City vehicles

B. Vehicle Assignments

1. Permanent assignment

2. Assignments for emergency call or stand-by

3. Organizational pools

4. Take home vehicles

5. Review and reporting requirements

C. Responsibilities

1. Fleet Board of Directors

2. Department Directors

3. Department Managers & Supervisors

4. Individual Operators

II. Protecting City vehicles and equipment

A. Fiduciary responsibility

1. Top priority for covered, secure parking

2. Secure unattended vehicles and equipment

B. Preventive Maintenance (PM)

1. Goal of PM's
2. PM Service Intervals
3. Operators responsibility for PM's
4. Department managers and supervisors responsibility for PM's
5. Vehicle service center's goals for PM's

C. Vehicle and Equipment Abuse—avoid it

1. Operators, mechanics, supervisors and managers pride in what they do
2. Programs to enhance vehicle appearance
3. Consequences of not avoiding abuse

DEFINITIONS

CITY VEHICLE: Any car, truck, van, boat, trailer or other type of vehicular equipment and all installed or attached equipment owned or leased by the City or any of its departments, boards or other subdivision.

EMERGENCY CALL: The requirement to respond to an emergency situation involving health, safety or welfare of the community and where response time is critical to dealing with the emergency.

FIDUCIARIES: Persons who stand in a special relation of trust, confidence or responsibility in their obligations to others. All City employees have a fiduciary responsibility to the citizens of Austin to properly use and protect City vehicles and equipment.

OFFICIAL USE: Use of City vehicles and equipment to perform any task or job assignment required to carry out the particular department's mission is official use. Operators must avoid any use of City vehicles and equipment that may appear to suggest personal use to a citizen. Operators will be held accountable for unofficial use of vehicles or equipment that they operate.

ON-CALL OR STAND-BY: The requirement to be ready to respond and be available for an unscheduled return to work but response time is not a critical factor to the recall.

TAKE-HOME VEHICLES: A City vehicle authorized, in writing by the department director, to be taken home over overnight or weekend official use by employees on emergency call, normal on call or stand-by.

TOTAL QUALITY: Total quality is both a set of fundamental guiding principles and a leadership and management philosophy. It helps improve service to customers, optimizes processes and improves inputs from suppliers.

I. USING CITY VEHICLES & EQUIPMENT

A. City vehicles and equipment are valuable assets entrusted to us so that we can provide quality services to our customers, the citizens of Austin. The customers define quality in Quality organizations, and our customers tell us that the only proper use of City vehicles and equipment is **official use**.

B. Vehicle Assignments

1. Department directors may permanently assign City vehicles to department divisions, sections, work groups and City employees who work out of their vehicles. All permanent assignments have to be in writing.

2. Department directors may assign City vehicles to individuals who have to respond to emergency calls or who have been placed on stand-by. These assignments also have to be made by the department director in writing.

3. Department directors assign all other vehicles to organizational pools and the department directors monitor their use to ensure efficient operation of the pools.

4. Department directors may not delegate their authority to authorize the taking home of City vehicles and equipment. It is the policy of the City of Austin to keep take-home vehicles to the absolute minimum. Employees who live outside the City service area are not allowed to take-home vehicles. Except for emergency call vehicles, drivers of take-home vehicles must reimburse the City for all commuting miles at the standard City mileage rate.

5. Department directors must, at least annually, review and report all take-home vehicles, permanent assignments and emergency call or stand-by assignments to the City Manager. This report is due not later than November 30 of each year and must include total commuting miles as a percent of total miles driven.

C. Responsibilities

1. The Fleet Board of Directors advised fleet users and City management on all matters pertaining to City vehicles and equipment. The Board is also responsible for the City Administrative Bulletin.

2. Department directors are ultimately accountable for how their department's use, operate and protect all assigned vehicles and equipment.

3. Department managers and supervisors must carefully select capable vehicle and equipment operators; ensure operators are properly oriented and trained; and assist their department directors in monitoring the use, operation, and protection of assigned vehicles and equipment.

4. Individual operators may only use City vehicles and equipment to conduct official City business. If there is any doubt whether a particular use is official, don't use a City vehicle.

II. PROTECTING CITY VEHICLES AND EQUIPMENT

A. All City employees have a fiduciary responsibility for protecting City vehicles and equipment. Department directors have the ultimate responsibility but they need the help and cooperation of all managers, supervisors, operators and maintenance personnel in carrying out this responsibility.

1. To protect the City's substantial investment, City vehicles and equipment will have top priority for any available covered parking. City vehicles and equipment should also be parked on the lowest floors of parking garages. If covered parking is not available, park City vehicles in the most secure, designated City parking areas available.

2. When vehicles are not in use or they are unattended, properly secure the City vehicles and equipment and their keys. Proper securing includes: the engine off, emergency brake set, transmission in park or in low gear, doors closed and locked and wheels choked, if possible.

B. PM (Preventive Maintenance) is essential to protecting City vehicles and equipment and to getting maximum use out of this major investment of limited city resources.

1. The goal of PM's is to reduce the need for unscheduled, emergency maintenance and to maximize the vehicle's useful service life.

2. Department directors may request more frequent PM's than suggested by vehicle and equipment manufacturers. Exceeding the manufacturers recommended service intervals is not authorized.

3. Vehicle and equipment operators must really know their vehicles and hen the last PM was done as ell as when the next PM is due. Operators are responsible for not exceeding required service intervals.

4. Department managers and supervisors must work with their assigned vehicle service center to schedule timely PM's. They need to consider their operation's requirements and efficient operation of the service center.

5. Goals of vehicles and equipment also includes avoiding abuse: high quality PM's minimum vehicle and equipment down-time and all work done at competitive prices.

C. Protecting City vehicles and equipment also includes abuse. Preventing abuse begins with carefully selecting operators, properly orienting and training them and ends with managers and supervisors carefully monitoring day-to-day operations.

1. Avoiding abuse continues with everyone taking price in what th do, how they do it and what their vehicles looks like.

2. We encourage departments to develop innovative programs that enhance the appearance of City vehicles and equipment and help to eliminate vehicle abuse.

3. Departments must establish procedures to investigate abuse and to take corrective actions that prevent reoccurrence. Finally, all City employees must know that repeated abuse will result in severe disciplinary actions.

INDEX

A

Abuse, 3, 7
Assignments, 2, 5
Assistant City Manager, 1

B

Board, (Fleet Board of Directors), 5

C

City vehicle, 4

D

Department Director, 1, 5, 6
Department Managers & Supervisors, 2, 6

E

Emergency Call, 4, 5

F

Fiduciaries, 2, 4, 6

G

Goal, 3, 6

H

Home-take Vehicles (see Take Home Vehicles)

I

Individual Operators, 2, 6

J-N

(None available)

O

Official Use, 4, 5, 6
On-Call, 4
Organizational Pools, 2,5

P

Policy, 1
Preventive Maintenance, 3, 6
Procedures, 1
Purpose, 1

Q-R

(None available)

S-T

(None available)

U-V

(None available)

W

Waiver, 1

XYZ

(None available)