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FRESNO COUNTY SUPERIOR COURT

By \_\_\_\_\_ DEPUTY

**2010-2011  
FRESNO COUNTY GRAND JURY**



**FINAL REPORT  
#1**

**Fresno County  
2010 - 2011 Grand Jury  
Report # 1**

**Fresno County Sheriff's Office Fleet Maintenance Program**

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## **INTRODUCTION**

It is incumbent upon all government agencies to be cost effective in their operations. A committee of the 2010-2011 Fresno County Grand Jury determined the Fresno County Sheriff's Office (FSO) could reduce expenses by utilizing Fresno County Fleet Services for maintaining its patrol vehicles. We recommend the FSO conduct a pilot program to compare fleet maintenance costs and services between County Fleet Services and its contracted outside vendors.

## **BACKGROUND**

In 2003, the Fresno County Board of Supervisors (BOS) approved a proposal for the FSO to assume the responsibility for purchasing and maintaining its own vehicle fleet. County Fleet Services, which is part of the General Services Agency (GSA), previously managed this function. This action mandated the transfer of employees, salaries and budgets to the FSO. A subsequent review was done by the BOS in 2009.

## **PURPOSE OF THE INVESTIGATION**

- Determine if the rationale used by the BOS in 2003 and cost comparisons used in the 2009 review are still valid;
- Compare the fleet maintenance services used by FSO with other government agencies;
- Analyze the FSO Take-Home Vehicle Program;
- Determine if a pilot program comparing maintenance costs between County Fleet Services and other FSO contracted vendors can result in meaningful cost savings.

## **DISCUSSION**

In the early 2000's, the FSO became increasingly dissatisfied with the fleet management program provided by County Fleet Services. The FSO was concerned with the methods the GSA used to charge them for vehicle depreciation, replacement charges, fixed charges for overhead expenses and non-competitive maintenance costs. A review by the Sheriff and the Manager of GSA culminated on April 29, 2003 with a proposal to the BOS recommending several actions. As a result, the leasing/purchasing of new vehicles, vehicle maintenance and the appropriate budgets and personnel were transferred to the FSO. In addition, a Vehicle Take-Home Program was implemented to "improve productivity and reduce daily wear and tear on the patrol cars."

### **Sheriff Vehicle Purchasing**

After the FSO assumed the responsibility for purchasing its own vehicles in 2003, they eliminated the leasing option. This change allowed them more control and flexibility of vehicle selection and depreciation.

Currently, the FSO purchases vehicles as needed through a local dealer. The FSO patrol vehicles are purchased new and driven an average of 45,000 miles per year and are retained as long as they are serviceable. Recognizing there are a multitude of variables that impact the timing of purchasing new patrol vehicles, the FSO makes every effort to retire blocks of cars when they, as a group, have attained five years of service and/or 125,000 miles.

The grand jury feels the current purchasing program is effective and offers no recommendations for changes at this time. However, after 2011, Ford will no longer manufacture the Crown Victoria Interceptor model which will require changes in what patrol vehicles are acquired.

### **Sheriff Take-Home Vehicle Program**

Before the inception of the Take-Home Vehicle Program in 2003, FSO provided officers with patrol cars based on a system of shared or "pooled" vehicles. Deputies coming on duty were issued an available vehicle, and may or may not get a vehicle they had previously driven. Vehicles varied in age and condition, and included those kept on hand as "extras" to provide transportation during regular vehicle maintenance and down time. Prior to implementing the Take-Home Vehicle Program, approximately 164 deputies used 87 vehicles in patrol operations.

The rationale used to justify the Take-Home Vehicle Program included:

- Citizens would feel safer as more patrol cars would be on the street and parked in residential neighborhoods, rather than having deputies drive to and from work, training and other official duties;
- There would be less wear and tear on the vehicles than assigning vehicles to a pool. Vehicles would be better maintained and last longer in the care of one driver;
- Productivity will increase because deputies would no longer have to set up and remove their equipment from their vehicles at the start and end of each shift.

In 2003, prior to allowing deputies to take their patrol cars home, patrol cars would be driven approximately 45,000 miles per year. Today, patrol cars are driven an average of 20,000 miles per year. Consequently, vehicles experience less wear and tear and are maintained better because the driver is more attuned to the vehicle's need for repairs. Vehicle life cycle has also improved.

Currently, the FSO has designated 456 vehicles for patrol use. Although more vehicles are now required to fulfill the needs of deputies, the cost per vehicle has gone down. The value for each vehicle at auction has generally improved. Although, in recent years, many vehicles are driven longer to extend their use and this may result in a lower value when sold.

The grand jury determined the current FSO Take-Home Vehicle Program is successful and meets all the objectives used for initiating the program. A review of vehicle take-home

policies for other Fresno County departments is being conducted to determine if they are equally successful and to ensure no violations of department policy exist.

### **Sheriff Fleet Maintenance**

A cost comparison of services between County Fleet Services and qualified outside vendors, prepared by the Fresno County Administrative Office in August 2009, indicated County Fleet Services could maintain the FSO vehicles cheaper for "A" service (see page 7). However, the FSO continues to use its own internal resources and contracted sources to maintain its fleet. The study was inconclusive because the FSO data was based on 2009-2010 budget information, which was not revised. Invoices from FSO vendors indicate parts and service savings if County Fleet Services performed the work. The grand jury received testimony the FSO could save \$200,000 - \$400,000 annually using County Fleet Services exclusively.

As part of the grand jury investigation, County Fleet Services compiled updated costs using factory suggested repair times and actual fleet service hours worked, and not industry standards. This provided actual costs that are more realistic when compared to the costs supplied by the FSO and their contractors. Additionally, County Fleet Services could provide dedicated mechanics and space for Sheriff's vehicles to ensure timely service and expeditious turnaround time. FSO patrol cars are serviced every 4,000 miles. Pick up and delivery service, as well as pool vehicles, could be made available. This issue requires further discussion between FSO and County Fleet Services. (See Addendum #1)

As a result of these findings, the grand jury proposes the initiation of a pilot program to compare the actual patrol vehicle maintenance costs performed by County Fleet Services and current outside contractors during a six-month period. Additional details are found in our recommendations.

## **CONCLUSIONS**

The grand jury is impressed with the overall management and operation of the FSO vehicle maintenance program and the changes being implemented by County Fleet Services. Recent management/personnel changes are optimizing current operations, utilizing efficient business practices. The grand jury is confident there are additional cost savings to be realized.

## **FINDINGS**

- F101 The FSO fleet management program ensures optimized vehicle life cycle and trade-in values.
- F102 The FSO Take-Home Vehicle Program has proven effective and meets the original objectives of the program.
- F103 The FSO endeavors to maintain its vehicles in a cost effective manner. However, new information from County Fleet Services will result in additional savings. (Addendum #1)

## RECOMMENDATIONS

- R101 Develop a Six Month Pilot Program to evaluate FSO vehicle “A” service maintenance (see list at end of report) and cost comparisons between County Fleet Services and outside contractors. If County Fleet Services is found to be more efficient and cost effective, a one-year contract should be implemented with an option for a second and third year. The grand jury concludes the pilot program will show a cost savings for the FSO vehicle maintenance program. (F103)
- R102 The County Fleet Service manager should review the vehicle take-home policies of all Fresno County departments, ensuring compliance with County policies and procedures. (F102)

## REQUEST FOR RESPONSES

Pursuant to Penal Code 933.05, the Fresno County Grand Jury requests responses to each of the specific findings and recommendations. It is required that responses from elected officials are due within sixty days of the receipt of this report and ninety days for all others.

### RESPONDENTS

- Phil Larson, Chairperson, Fresno County Board of Supervisors (F103, R101-102)
- Margaret Mims, Fresno County Sheriff (F101-103, R101)
- John Navarrette, Fresno County Administrative Officer (F101-103, R101-102)

## SOURCES AND REFERENCES

- Fresno County BOS Agenda Item – Fresno County Sheriff’s Department Fleet Management Proposal – April 29, 2003
- Fresno County BOS Briefing Report – August 29, 2009
- Fresno County BOS Agenda Item – Administration of the Sheriff’s Fleet Program and Information Technology Unit – September 29, 2009
- Fresno County Inter-Office Memo to Allen Moore from Greg Buckley dated November 10, 2010 – Subject: Sheriff R.F.P.
- Interviews with FSO representatives
- Interviews with County Fleet Service representatives
- Web sites:

### **San Jose**

<http://www.government-fleet.com/News/Story/2010/10/Audit-Calls-for-San-Jose-to-Eliminate-93-Take-Home-Vehicles.aspx>

### **San Luis Obispo**

<http://www.government-fleet.com/News/List/Tag/take-home-vehicles.aspx>

**Addendum #1**

<b>Description</b>	<b>Fleet Services</b>	<b>Sheriff</b>	<b>Comments</b>
<b>Vehicle acquisition and up-fitting</b>	Utilize county contracts	Utilize county contracts	Patrol cars/trucks - \$34,000/\$40,000
<b>Vehicle maintenance costs (sedans)</b>	\$41.93 for lube, oil and filter (including everything on the "A" service list plus the air filter).	A-1 contract \$47.20 - \$52.00 (net 20% discount) and Goodman's contract \$51.05 for "A" service list. The use of two vendors ensures quick turnaround and less downtime for deputies.	Sheriff has 2 contracts for vehicle maintenance and repair in Fresno/Clovis metropolitan area – includes pick up and delivery service.
<b>Other Services cost (e.g. front end alignment, A/C service) for sedans, trucks, SUV's &amp; 4x4 trucks)</b>	\$54.59 per hour plus parts (2010-2011 Rate)	A-1 contract \$48/\$47.20 (both net 20% discount) and Goodman's contract \$39.95/\$61.67	Sheriff has 2 contracts for vehicle maintenance and repair in Fresno/Clovis metropolitan area – includes pick up and delivery service. Dealership labor rates \$110/hour; Independent Shop labor rates \$85 - \$92/hour
<b>Hourly rate for additional vehicle services (sedans, trucks, SUV's and 4x4 trucks)</b>	\$54.59 per hour plus parts (2010-2011 Rate)	A-1 contract \$80/hr plus parts; Goodman's contract \$54/hr plus parts	
<b>Other vehicle maintenance costs and repairs/services (e.g. transport vans)</b>	\$54.59 per hour plus parts (2010-2011 Rate)		
<b>Buses/heavy duty trucks service and safety inspections</b>	\$59.82 per hour plus parts (2010-2011 Approved H.D. Rate)		
<b>Smog checks</b>	½ hr. @ \$27.29 (no certificate required)	A-1 contract \$38.40 (net of 20% discount); Goodman's contract \$24 (smog certificate included)	Sheriff has 2 contracts for vehicle maintenance and repair in Fresno/Clovis metropolitan area – includes pick up and delivery service
<b>Vehicle Database</b>	Fleet System tracks costs per vehicle/equipment for acquisition and maintenance, fuel usage, mileage, years of service, depreciation, disposal cost of vehicle	FASTER System tracks costs per vehicle/equipment for acquisition and maintenance, fuel usage, mileage, years of service, depreciation, disposal cost and life cost of vehicle	

<b>Overhead/management of Fleet Program</b>	No additional administration – existing Fleet Manager would oversee division	Sheriff Sergeant	
<b>Personnel required to manage Sheriff's Fleet</b>	Existing GSA Fleet Manager (\$112,600) would oversee Sheriff's Fleet at no additional cost to the Sheriff, 2 auto mechanics (\$151,638) allocated to the Sheriff would need to be transferred to GSA, existing GSA Acct Clerk staff would handle billing/tracking	1 Sheriff's Sergeant (\$153,140), 2 Auto Mechanics (\$151,638), 1 Acct Clerk III (\$60,287)	If Sheriff's fleet is managed by GSA, it could delete one Sheriff's Sergeant and Account Clerk III (annual savings estimate = \$213,427); however, Sheriff would need an equipment coordinator. Alternative for Sergeant position: reassign Sheriff Sergeant to other Sheriff Office responsibilities
<b>Carwash costs</b>	County contracts	County contracts	
<b>Vehicle towing costs</b>	County contracts	County contracts	
<b>Tire acquisition</b>	County contracts	County contracts	
<b>Body shop repair costs</b>	Use three bid system	Use three bid system	
<b>Parts inventory</b>	Maintain complete inventory of maintenance and repair parts (e.g. batteries, filters, tires, brakes, belts, wipers, tune-up parts, A/C parts, Freon		GSA indicates that parts inventory is monitored regularly to ensure obsolete parts are not maintained
<b>Space for Parts Inventory</b>	GSA allocates 5,000 sq. ft. for Fleet. Of this number 700 sq. ft. would be allocated to the Sheriff for inventory		Space cost for GSA Fleet is included in their overhead rate.
<b>Risk management costs – Sheriff's vehicles vary from "normal use" (due to home garaging, use in high speed pursuit and public safety situations and up-fitting of vehicles)</b>	If Sheriff's Fleet is managed by GSA, it would become part the County risk management program	Not currently part of the County risk management program. Estimated cost to establish a Totally Damaged Vehicle Fund: \$400,000/year + vehicle repair costs of \$43,070 annually. The repair cost estimate is based on countywide costs. Actual costs may be higher based on Sheriff's vehicle usage needs.	Adding the Sheriff's vehicle repair & replacement programs would more than likely negatively skew the cost of these programs to the general Fleet; therefore, it is recommended a separate reserve be created

"A" service list for Fleet Service and contract providers is as follows:

- Check operator complaints
- Change oil, change oil filter, check oil pan plug and replace as needed
- Change air filter upon approval (add cost for filter)
- Rotate tires and advise on replacement
- Check tire pressure and add air as needed
- Inspect brake rotors/pads and advise on replacement

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- Lube chassis, doors and hinges, and hood release cable
  - Check brake fluid level, coolant level and add as needed, differential fluid level and add as needed, transmission fluid level and add as needed, power steering fluid and add as needed, windshield washer fluid and add as needed, and battery level and add as water as needed
  - Clean battery cable connections as needed
  - Inspect all drive belts and advise Sheriff of connection
  - Inspect cooling system hoses, clamps and water pump and advise sheriff of condition
  - Inspect drive line and lube u-joints and advise Sheriff of condition
  - Inspect windshield and advise Sheriff of condition
  - Inspect windshield wipers and change if needed (add cost of wipers)
  - Inspect lights and replace bulbs as needed (add cost of lamp)
  - Inspect emergency lights and replace bulbs as needed (Sheriff to provide specialized lamps)