

# Memorandum



CITY OF DALLAS

DATE March 15, 2018

Honorable Members of the Government Performance & Financial Management  
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,  
TO Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Dallas Fleet Management Efficiency Study**

On Monday, March 19, 2018, Errick Thompson, Director of Equipment and Building Services, will brief the Government Performance & Financial Management Committee on the Dallas Fleet Management Efficiency Study. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors

# Dallas Fleet Management Efficiency Study

**Government Performance &  
Financial Management Committee**

**March 19, 2018**

**Errick Thompson, P.E., Director  
Equipment and Building Services**



**City of Dallas**

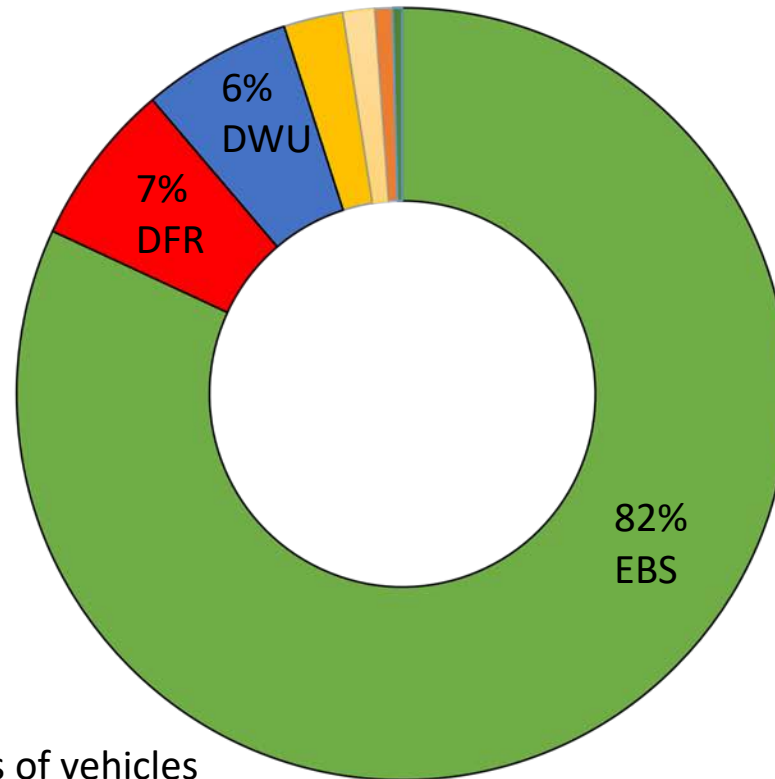
# Presentation Overview

- Provide background on fleet management across the organization
- Discuss operational concerns
- Suggest a path forward and associated fiscal impact
- Recommendation / Next Steps

# Background

## City Fleet of 6,654 Units (across seven departments)

- 82% of the City's overall fleet is currently managed by Equipment and Building Services
- Following slides focus on EBS but intention is to take a closer look at overall City fleet management



Numbers of vehicles

Aviation - 50	EBS - 5,451	Fire-Rescue - 456	Public Works - 88
Sanitation - 165	Trinity - 27	Water - 417	

# Background

## EBS Fleet Management Overview

- Internal Service Fund
- \$52.7m FY18 Budget
- 276.7 FTEs
- Five Service Centers  
(Central, Southeast,  
Southwest, Northeast,  
and Northwest)



# EBS Fleet Service Centers

## Northwest Service Center

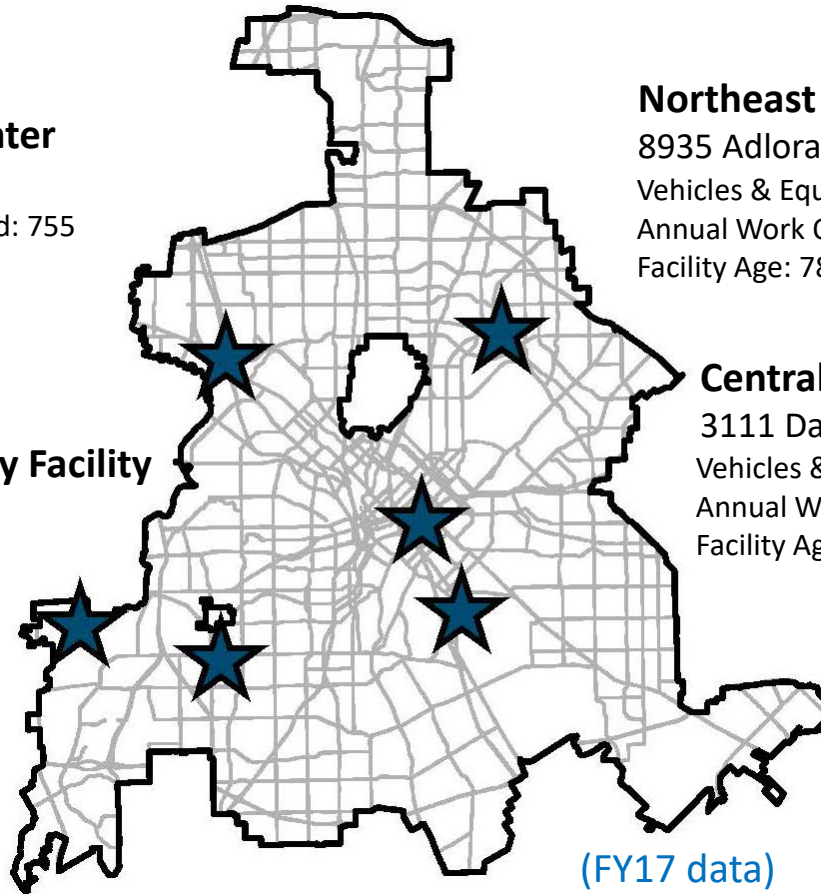
9809 Harry Hines Blvd.  
Vehicles & Equipment Assigned: 755  
Annual Work Orders: 11,663  
Facility Age: 13 years

## Hensley Field Make-Ready Facility

501 E. Leatherneck  
Annual Work Orders: 1,800  
Facility Age: 62 years

## Southwest Service Center

2411 Valleria Dr.  
Vehicles & Equipment Assigned: 877  
Annual Work Orders: 7,914  
Facility Age: 32 years



## Northeast Service Center

8935 Adlora Ln.  
Vehicles & Equipment Assigned: 943  
Annual Work Orders: 6,299  
Facility Age: 78 years

## Central Service Center

3111 Dawson St.  
Vehicles & Equipment Assigned: 1,543  
Annual Work Orders: 16,605  
Facility Age: 38 years

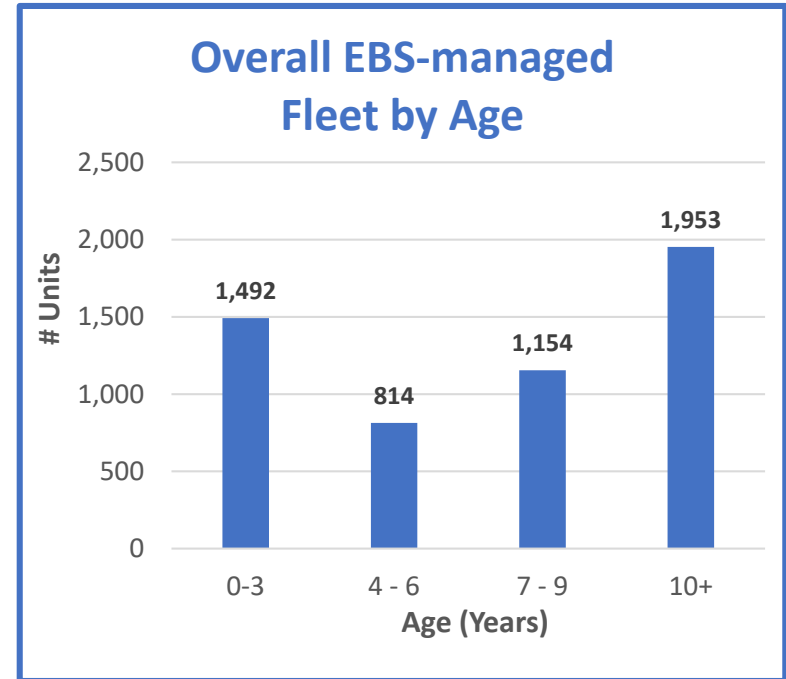
## Southeast Service Center

2761 Carlton Garrett St.  
Vehicles & Equipment Assigned: 1,254  
Annual Work Orders: 14,555  
Facility Age: 66 years

# Background

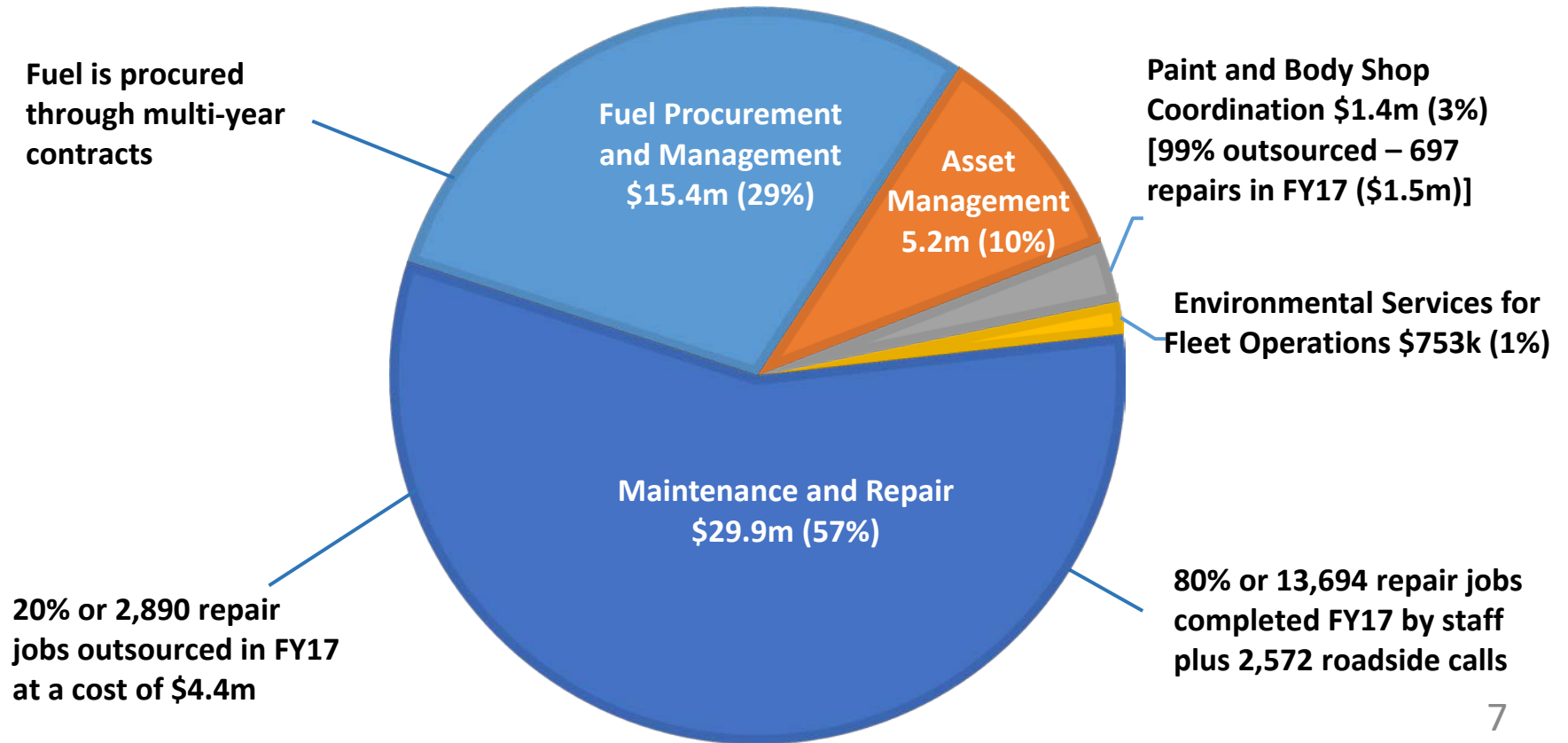
## EBS Fleet Profile

- Diverse – police cars and motorcycles, refuse trucks, sedans, light trucks/vans, dump trucks, construction equipment, and more
- Alternative fuel/SmartWay® vehicles represent approximately 38% of the EBS fleet
- Overall average age of the vehicles is 9 years despite most replacement criteria being 6 – 8 years



# Background

## FY18 EBS Fleet Management Budget \$52.7m

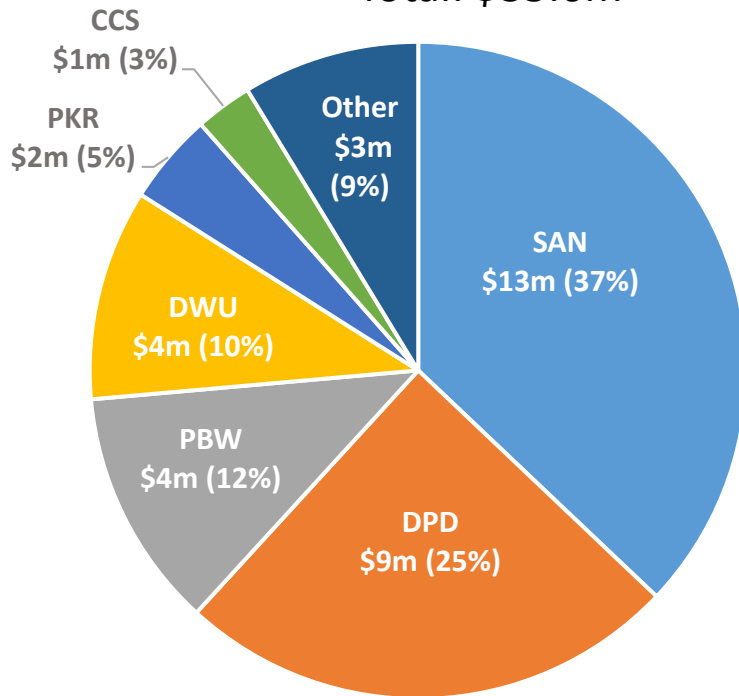




# Background – FY18 EBS Fleet Budget

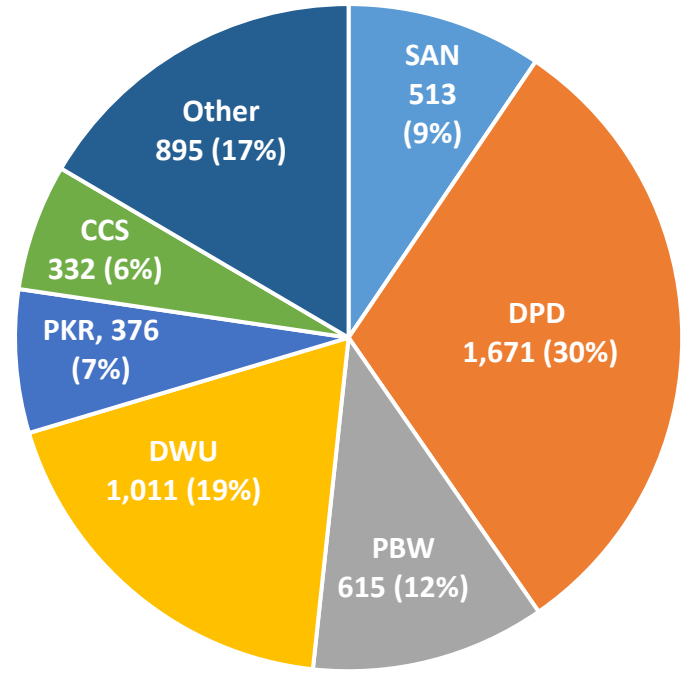
## Expenses Projected to be Billed to Departments

Total: \$35.6m



## Units by Department

Total: 5,413 (budgeted)



■ SAN ■ DPD ■ PBW ■ DWU ■ PKR ■ CCS ■ Other

# Operational Concerns

- Aging fleet results in increased higher-cost maintenance activities (like major transmission service, timing belt replacements, etc.)
  - Increased down-time
  - Expensive repairs
    - (avg. maintenance cost: \$478, avg. repair cost: \$639)*
- Preventive maintenance compliance / vehicle care
- Multiple makes / models add to shop inefficiency (expertise, tools, software and other reference material, parts inventory, etc.)
- Inconsistent replacement funding

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# Proposed Action

- Review current operations
- Confirm and identify opportunities for improvement / additional efficiencies
- Accomplish business plan strategic objectives
- Assess overall efficiency/effectiveness including current fleet asset management technology
- Review large dollar amount contracts
- Assess lease/buy opportunities



# Proposed Action

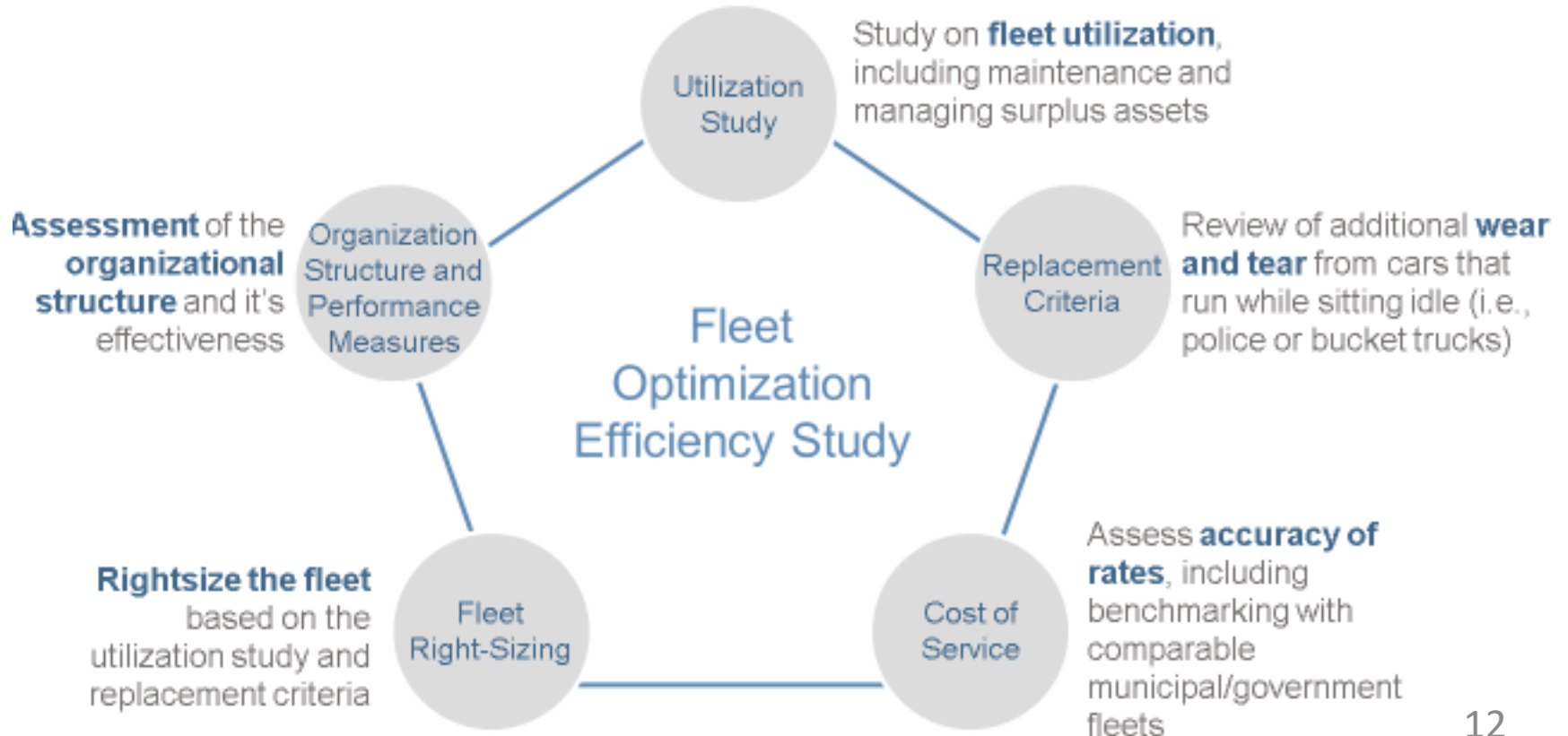
Contract with Alvarez & Marsal Public Sector Services through U.S. Communities Government Purchasing Alliance's cooperative purchasing agreement (estimate \$475,000)

- Cooperative purchasing involves sharing competitively procured contracts between governments with common requirements
- Project scope includes all seven departments with fleet management
- Project also includes partnership with Paul Quinn College
- Recommended source of funds is Equipment Services operating reserve

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# Proposed Action: Study Scope – Five Components

## Proposed three month schedule



# Project Deliverables

- Utilization report for under/over utilized vehicles
- Replacement criteria analysis and recommendations
- Recommended options to simplify/streamline billing
- Fleet right-sizing recommendations and implementation strategy
- Recommended options to enhance organizational structure

# Recommendation / Next Steps

- Council consideration of contract award on April 11, 2018 voting agenda
- Study commences late April
- Consultant and staff develop draft implementation plan August/September

# Questions / Discussion

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# Dallas Fleet Management Efficiency Study

Government Performance  
& Financial Management  
Committee

March 19, 2018

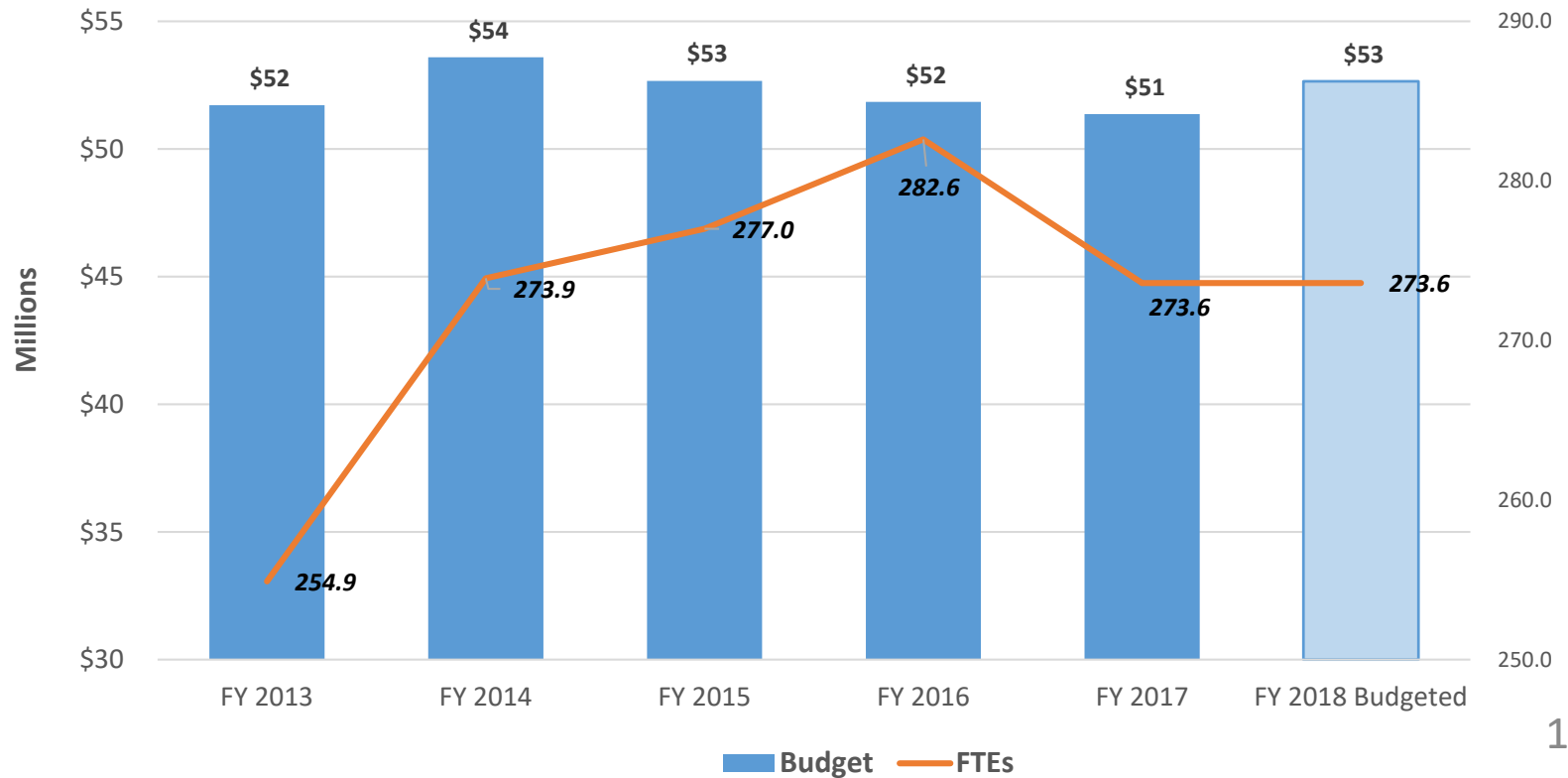
Errick Thompson, P.E., Director  
Equipment and Building Services



**City of Dallas**

# Appendix: Additional Background

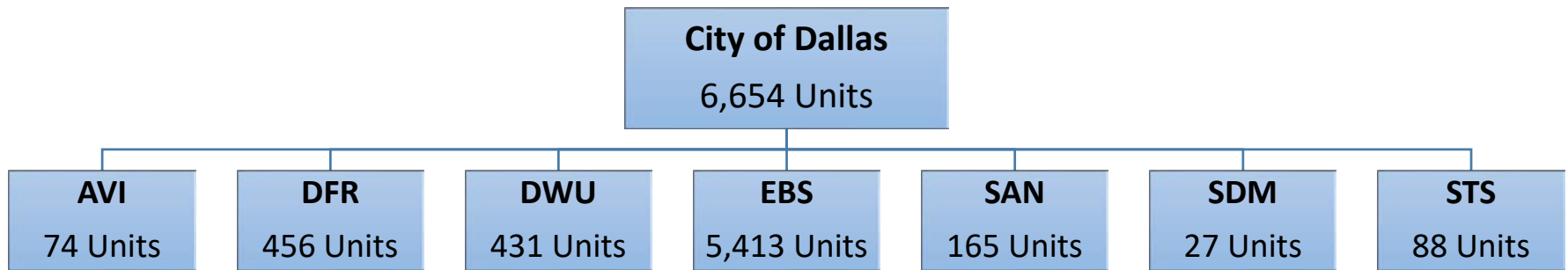
## EBS Fleet Management Historical FY Budget/FTEs



# Appendix: Additional Background

## FY18 City Fleet by Maintenance Department

Total Units: 6,654

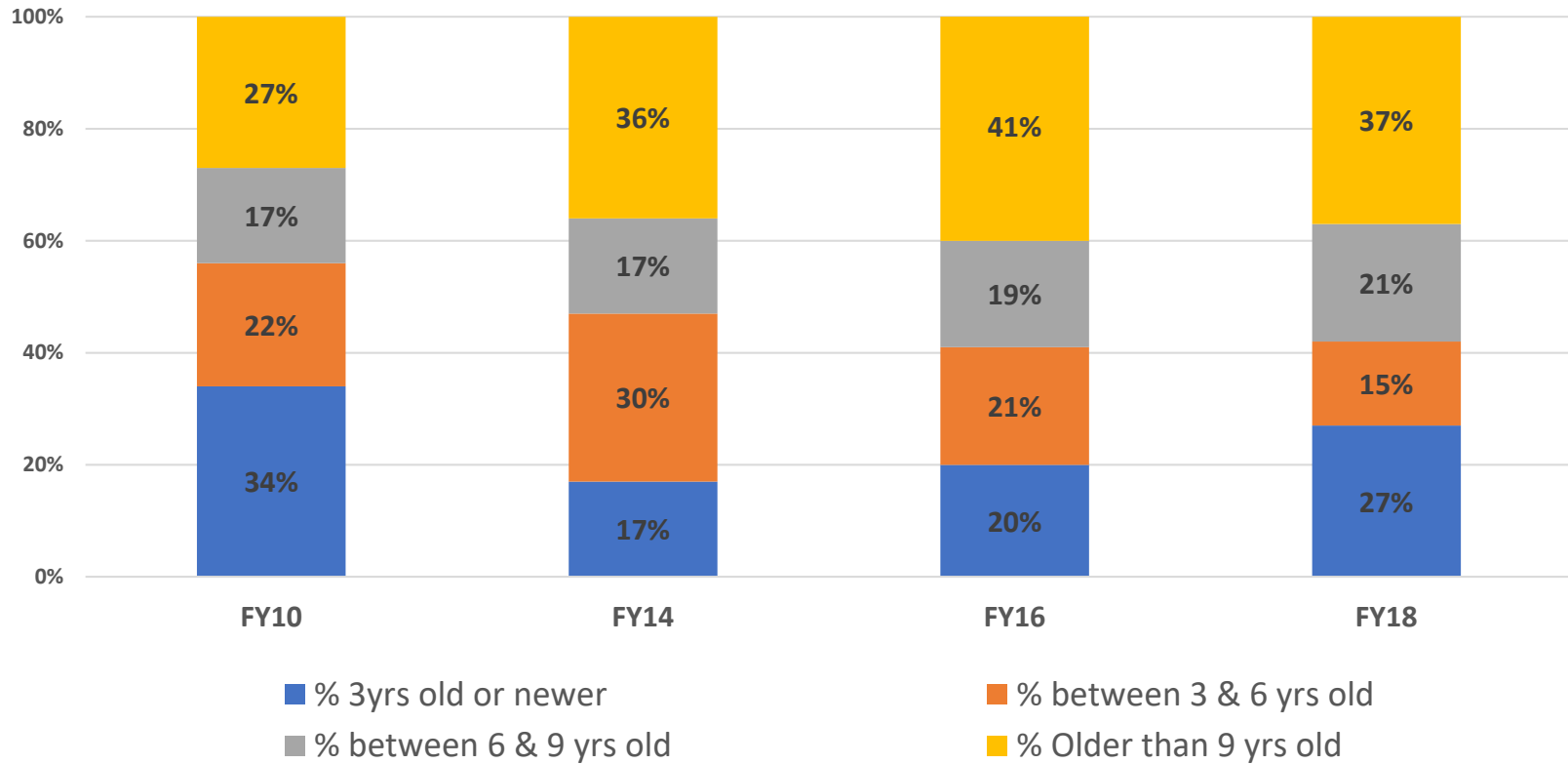


### Unit Examples:

- |                                                                                                                                                                     |                                                                                                                                                     |                                                                                                                                                         |                                                                                                                                                               |                                                                                                                                                                     |                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Backhoe</li><li>• Brush Trailer</li><li>• Tractor</li><li>• Roller</li><li>• Tractor Truck</li><li>• Wheel Loader</li></ul> | <ul style="list-style-type: none"><li>• Escape</li><li>• Explorer</li><li>• F350</li><li>• Suburban</li><li>• Tahoe</li><li>• Trailblazer</li></ul> | <ul style="list-style-type: none"><li>• Backhoe</li><li>• Excavator</li><li>• Marine Equipment</li><li>• Mower Tractor</li><li>• Track Loader</li></ul> | <ul style="list-style-type: none"><li>• Brush Truck</li><li>• Rotoboom</li><li>• Transfer Truck</li><li>• Rear Loader</li><li>• F450</li><li>• F150</li></ul> | <ul style="list-style-type: none"><li>• Gasoline Van</li><li>• Dump Truck</li><li>• F350</li><li>• F150</li><li>• Truck Loader</li><li>• Heavy Haul Truck</li></ul> | <ul style="list-style-type: none"><li>• F150</li><li>• Static Roller</li><li>• Backhoe</li><li>• F350</li><li>• Dump Truck</li><li>• Patch Truck</li></ul> |
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# Appendix: Additional Background

## Age of Active EBS Managed Fleet Over Time

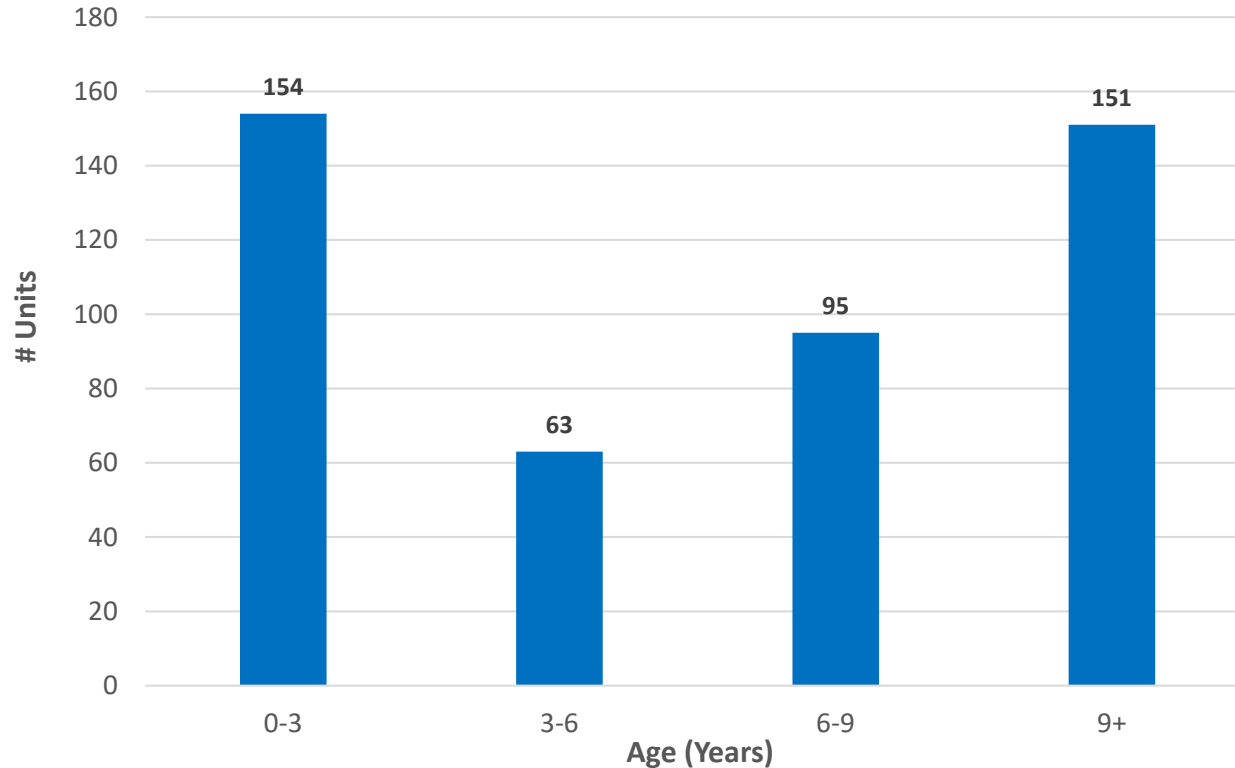


# Appendix: Additional Background

## FY18 EBS Maintained Active Refuse Units by Age

Total Units: 463

*Major Replacement Criteria: 7 Years, 65k Miles*

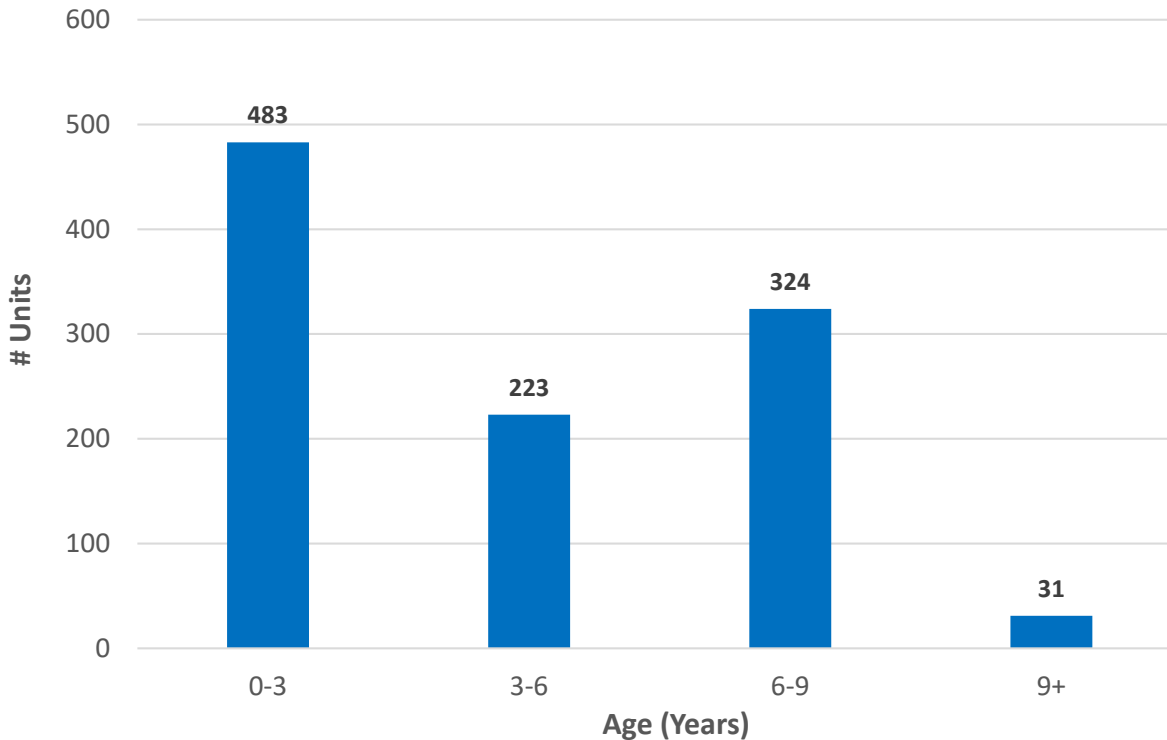


# Appendix: Additional Background

## FY18 EBS Maintained Active **Marked Squad** Units by Age

Total Units: 1,061

*Replacement Criteria: 5 Years, 110K Miles*



# Appendix: Additional Background

## Older Marked Squad Units

*Replacement Criteria: 5 Years, 110K Miles*

- 60 are 6 years old with an average of 98,090 miles
- 166 are 7 years old with an average of 100,267 miles
- 92 are 8 years old with an average of 100,374 miles
- 66 are 9 years old with an average of 98,290 miles

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