



Fleet Optimization – Process for Identifying Underutilized or Surplus Assets

Committee on Government Efficiency Briefing

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- **City of Dallas Fleet Structure**
- **Vehicle Utilization / Efficiency**
- **PM Compliance and Fleet Performance**
- **Next Steps**

City of Dallas Fleet Structure

City of Dallas EFM Owned & Maintained Fleet Structure

Equipment and Fleet Management

- 5 Full-Service, Service Centers
- 1 Make Ready / Body Shop / Motor Pool
- Towing and Recover
- 2,900 active inventoried part numbers
- Supplying fuel to 100 fueling locations
- 9 EV Charging Depot with 90 active chargers and more underway
- Asset Management / Procurement / Auctions / Vehicle Upfit
- Technology / Fleet Management Systems / GPS / Mobile Apps
- Ongoing training and professional development for staff
- Process grant application and monitor CECAP compliance

Assets Types, Count 5,470 pieces

- Various sedans and light duty vehicles
- Various medium-duty trucks
- Various heavy-duty trucks
- Sanitation trucks
- Grapple trucks
- Patrol cars
- Off road equipment
- Motorcycles
- Trailers, generators and compressors
- Street Sweepers and Trenching
- Snow Removal

City of Dallas Department Owned & Maintained Fleet Structure

Department Owned / Maintained Assets

- All active assets counted are captured in M-5
- Aviation has 53 units listed in M-5, Love Field
- Dallas Police Department 5 units
- Dallas Fire Rescue 678 units, 5000 Dolphin Rd
- Dallas Water Utilities 615 units, various locations
- Sanitation 283 units, McCommas Bluff Landfill
- Public Works 23 units

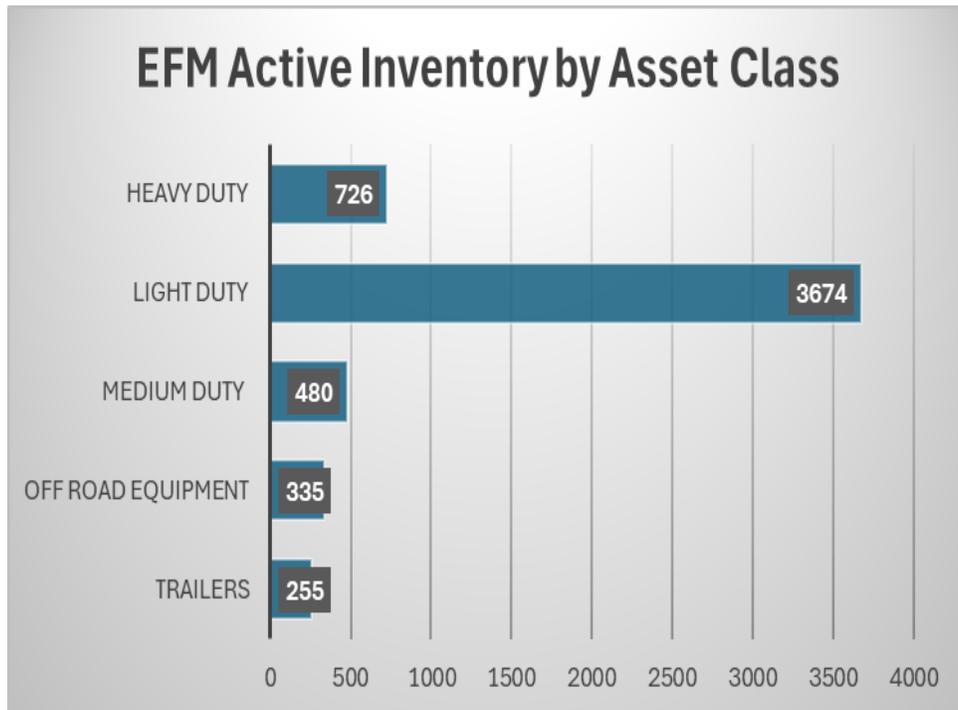
Assets Types, Count 1657 pieces

- Rescue (ambulance)
- Ladder Trucks
- Engines
- Brush Trucks
- Boats and Motors
- Sewer Trucks
- Various Snow Removal
- Various light duty
- Campus units
- Earth Moving
- Heavy Equipment
- Pumps and Trailers

Fleet Governance Timeline

- Governance board established in 2019
 - Lines of communication established
 - New protocols and procedures developed
- Governance committee evolved into:
 - Department specific meetings
 - Ongoing training sessions
 - Ad hoc and 24/7 support
- Standards and Metrics set within fleet aligned with industry standards
 - APWA (American Public Works Association) Top Ten Performance Measures for Fleet Managers (Public Fleet Specific)
 - NAFA (National Association of Fleet Administrators) (Public and Private)
 - Credentialed Public Fleet Professionals
- Equipment and Fleet Management modeled industry standards and best practices
 - Training and documentation of processes
 - Implementation and training for technology GPS / Shop Management Systems (M-5)
 - Guidance in industry trends and best practices
 - EFM trained fleet coordinators inside departments and provided additional resources for continuing education
- Fleet Master Agreements
 - Purchase agreements with vendors and body builders, create stewardship for unit purchase
 - Agreements for service and repair with OEM

Fleet Assets, Equipment and Fleet Management



- There are 109 different manufacturers of assets in this inventory
- There are 375 different models produced by these manufacturers in this inventory
- Various combinations of body systems and attachments
- There are 335 pieces of off-road equipment being supplied and serviced across all departments and an additional 255 trailers
- Of 5,624 assets, 4,880 are vehicles



Vehicle Utilization / Efficiency

Fleet Utilization

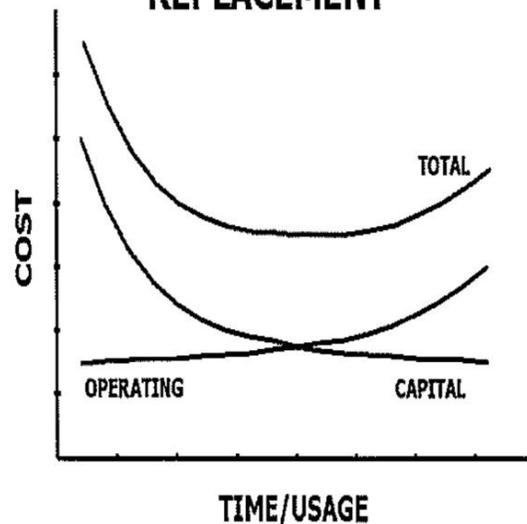
- Utilization :
 - To use, especially to make effective use of
- Inputs for determining Fleet Utilization
 - Unit anticipated lifecycle
 - Miles (last 12 months or lifetime, not linear)
 - Hours (last 12 months or lifetime, not linear)
 - Gallons of fuel
 - Frequency – Hours
 - Age
 - Combinations of any or all
- Reports & Activities for Measuring Fleet Utilization
 - Activity Report (M-5)
 - Usage Report (M-5)
 - Active Inventory Report (M-5) sent to all departments monthly
 - Utilization Summary Report (GPS)
 - Fleet evaluation (GPS)
 - Fleet Replacement Model (Total Cost of Ownership) (M-5)



Fleet Utilization Total Cost of Ownership Model

The accepted economic theory of vehicle replacement maintains that vehicle capital costs decline over time while vehicle operating costs will increase. The combination of these two trends will produce a U-shaped total cost curve and a vehicle should be replaced at the flat portion of this curve.

ECONOMIC THEORY OF VEHICLE REPLACEMENT



Asset Management Determines Optimum Replacement based on Data

- Fixed asset reports (Purchase Price)
- Salvage reports (Historic auction sales)
- Maintenance records (frequency of shop visit and cost of repairs)
- Fuel records
- Asset annual usage

Fleet Utilization, under, at and over

- **Asset lifecycle indicates annual utilization rates**
 - A unit with a lifecycle of 8 years or 100,000 miles (standard sedan) has an annual use requirement of 12,500 miles to accommodate a 100% Utilization Rate
- Asset lifecycle in years is determined by the Total Cost of Ownership Model.
 - Often older vehicles are driven less
 - Repair cost increase
 - Unit Availability decreases
- Private / Public sector industry standards are between 70-85% utilization rates with an industry average of 74.5% (source 2025 Fleetio Fleet Metrics Guide)

MEDIAN UTILIZATION RATE

TIME ASSET SPENT ASSIGNED

74.5%

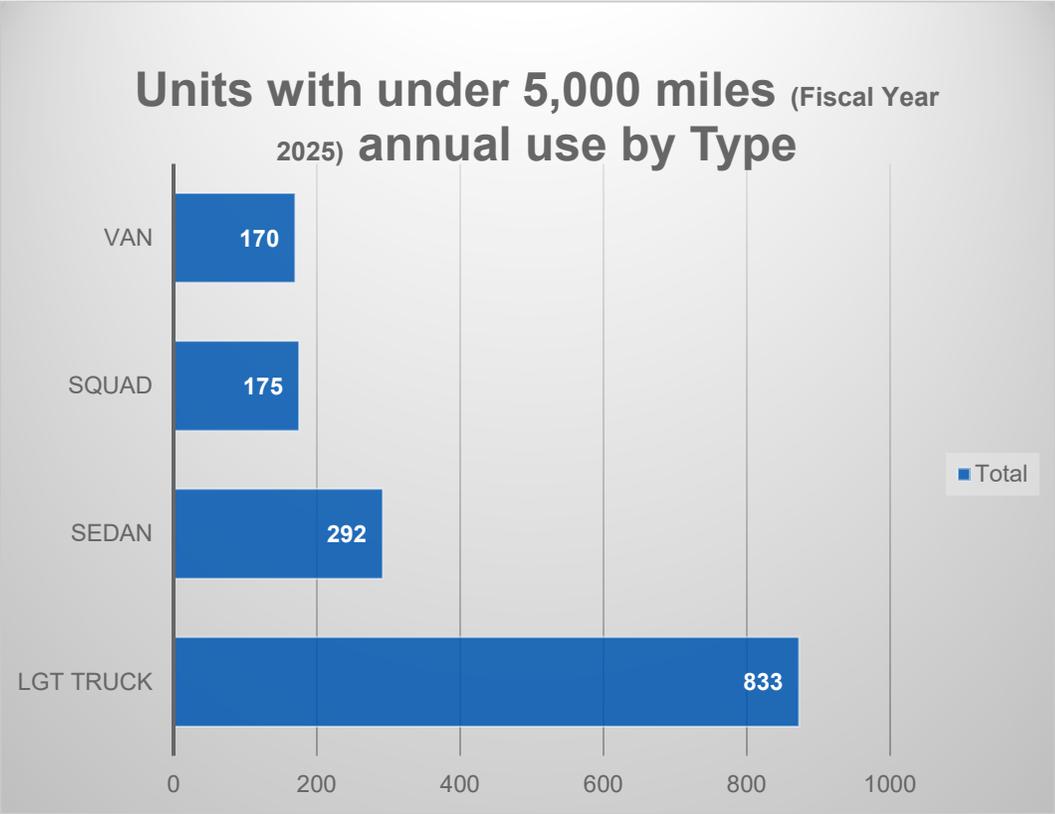
Keep It Rolling

The industry benchmark for asset utilization stands at 74.5% – meaning the typical fleet vehicle spends about three-quarters of its time actively assigned. This metric sits right in the ideal 70-85% utilization range and offers a practical target for fleet managers looking to optimize their operations.

Fleet Utilization cont..

- Analysis begins
 - Evaluating data for errors
 - Evaluating gallons of fuel (does it make sense)
 - Evaluating frequency of use
 - Like kind vehicles are gathered
 - Active Inventory Reports are sent to departments monthly that indicate vehicle usage for their evaluation

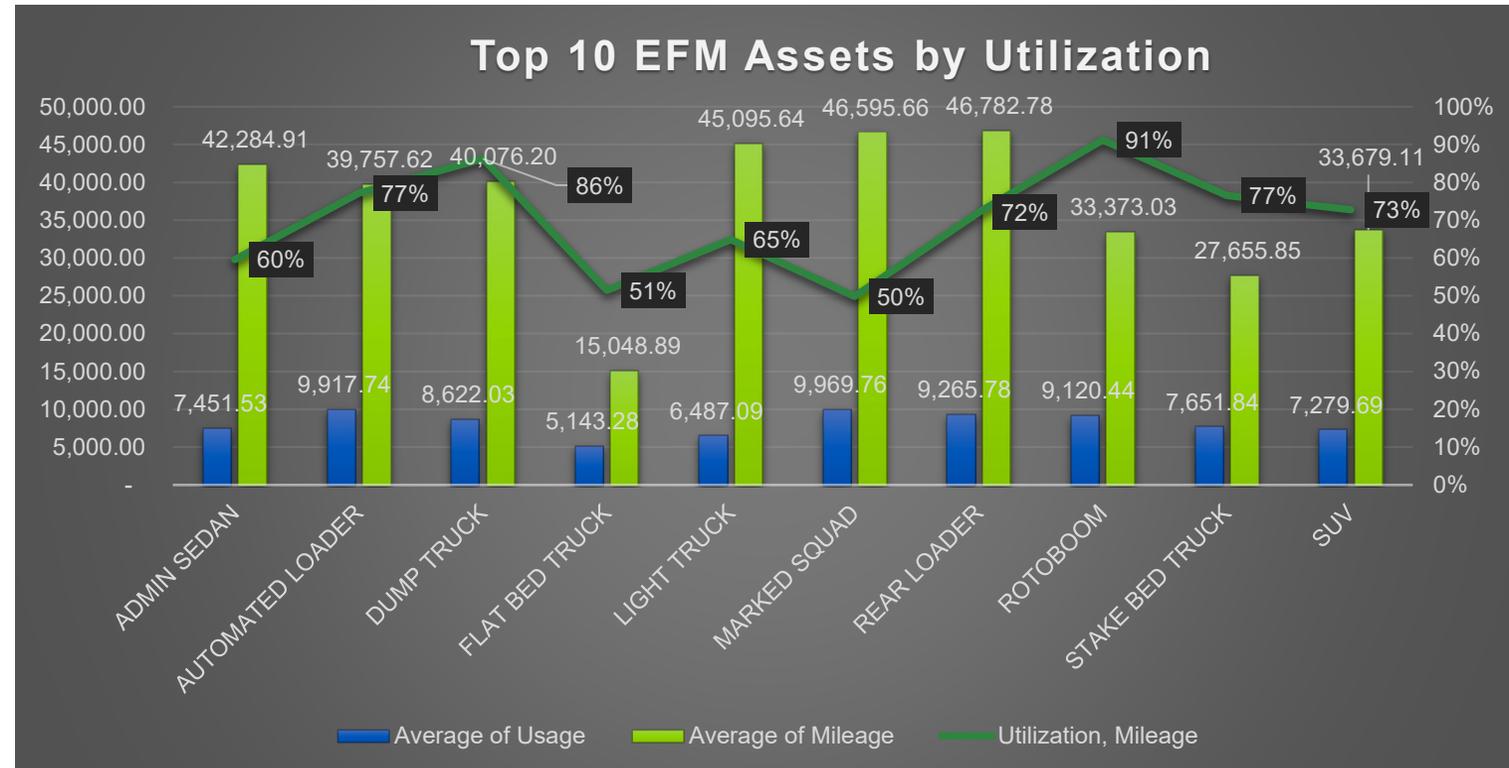
Fleet Utilization cont. Units with under 5,000 annual use by Type



- Assets identified by mileage
- There are 103 variations of pickup trucks and sedans across 30 different using groups
- The average age of units in this category is 6 years and 2 months
- The average total mileage on these units is 34,000
- Last 12 months average usage was 1,320 miles
- These 1470 assets are targeted for analysis for potential surplus

Top 10 Categories by Usage and LTD Mileage

- List of Top 10 Categories with average use and total mileage averages
- Usage is not linear and must be reviewed
- Error in data must be removed
- Most common error occurs during manual mileage updates
- Extended services must be considered
- Hiring cycles impact usage



Fleet Utilization, Light Duty under 5,000 miles annually

Dept	0-1000	1000-2500	2500-5000	Total Under 5,000 annually	Total Light Duty Fleet	Percentage Under 5000 Miles
ATT	1	1	3	5	5	100%
AVI	24	16	15	55	73	75%
BMS	0	1	1	2	2	100%
CCS	12	39	124	175	344	51%
CCX	1	0	2	3	5	60%
DAS	4	1	2	7	45	16%
DFD	13	16	39	68	146	47%
DPD	136	3	235	374	1600	23%
DSV	2	3	2	7	13	54%
DWU	54	84	128	266	528	50%
EFM	19	17	9	45	59	76%
ECR	3	9	6	18	43	42%
FHO	1	0	0	1	1	100%
FRM	20	18	19	57	75	76%
HOU	3	5	1	9	12	75%
MGT	1	0	0	1	1	100%
MSH	7	9	8	24	47	51%
OCC	5	1	3	9	11	82%
OEM	1	1	3	5	6	83%
OEQ	8	6	11	25	40	63%
OHS	0	3	2	5	7	71%
OPO	0	1	0	1	1	100%
ORM	0	0	1	1	7	14%
PBW	18	36	45	99	255	39%
PDV	26	19	22	67	103	65%
PKR	18	46	57	121	192	63%
POM	0	1	1	2	3	67%
SAN	6	6	6	18	50	36%
	383	342	745	1470	3674	40%

Current Status: *Process for Replacement eligible and evaluation*

Step 1. Replacement Considerations Total Cost of Ownership (TCO)

- Application Economic Theory of Asset Replacement
- Department review of Motor Pool Rental History
- Department review of Outside Rental History
- Physical inspection for some equipment types

Step 2. Replacement Model Considerations

- Age
- Total Mileage
- Lifetime Maintenance Costs
- Usage last period 12
- Cost Per Meter
- Last Period 12 Maintenance
- Service Visits History

Step 3 Meetings with Departments

- Input from departments on upcoming projects
- Data verification where necessary
- Review of agency business plans as available

Step 4 Units Prioritized

- Department mission
- CECAP and other City Council priorities
- Evaluate Funding & Grants

Fleet Reduction for Underutilized, Aged Assets & excessive repairs

- On 5/24/2025 Fleet Governance memo sent to all Directors and Assistant Directors.
 - Provide guidance to Directors and Assistant Directors for underutilized Assets
 - Restrict the repair of aged assets
 - “Obsolete or beyond useful lifecycle” units are not counted in Fleet Replacement Model
 - Verified underutilized assets are not funded in the vehicle replacement programs

Data Trends for unit Disposal (Auction and Savage)



- Mix of asset types effects average prices
- Secondary Market conditions effect price

Equipment and Fleet Management Benchmark Update

Metric	Comp	Findings	Benchmark Updates Based on 2018 Data
Average Age	Dallas 2025	7 years	Following recommended fleet replacement funding levels has allowed General Fund fleet assets to become younger in average age
	Dallas 2018	8.6 years	
	Tulsa 2018	8 years	
	Texas 2018	9 years	
	National 2018	8.6 years	
Average Annual Mileage	Dallas 2025	7,874	Dallas General Fleet Light Duty Assets have reduced average mileage by over 1,000 miles per unit down to 7,874 average annual usage
	Dallas 2018	9,088	
	Tulsa 2018	8,277	
	Texas 2018	18,063	
	National	9,338	
Utilization	Dallas 2025	40%*	Light Duty General Fleet Utilization expressed as a percentage traveling under 5000 miles per year has increased. Of the 5,470 general fleet assets 3,674 are classified as Light Duty. Of Light Duty assets roughly 1500 are used less than 5,000 miles annually
	Dallas 2018	32%	
	Tulsa 2018	37%	
	Texas 2018	N/A	
	National 2018	N/A	



PM Compliance and Fleet Metrics

PM Compliance I and II defined

Alvarez and Marsal 2018 PM Graph

PM Compliance II

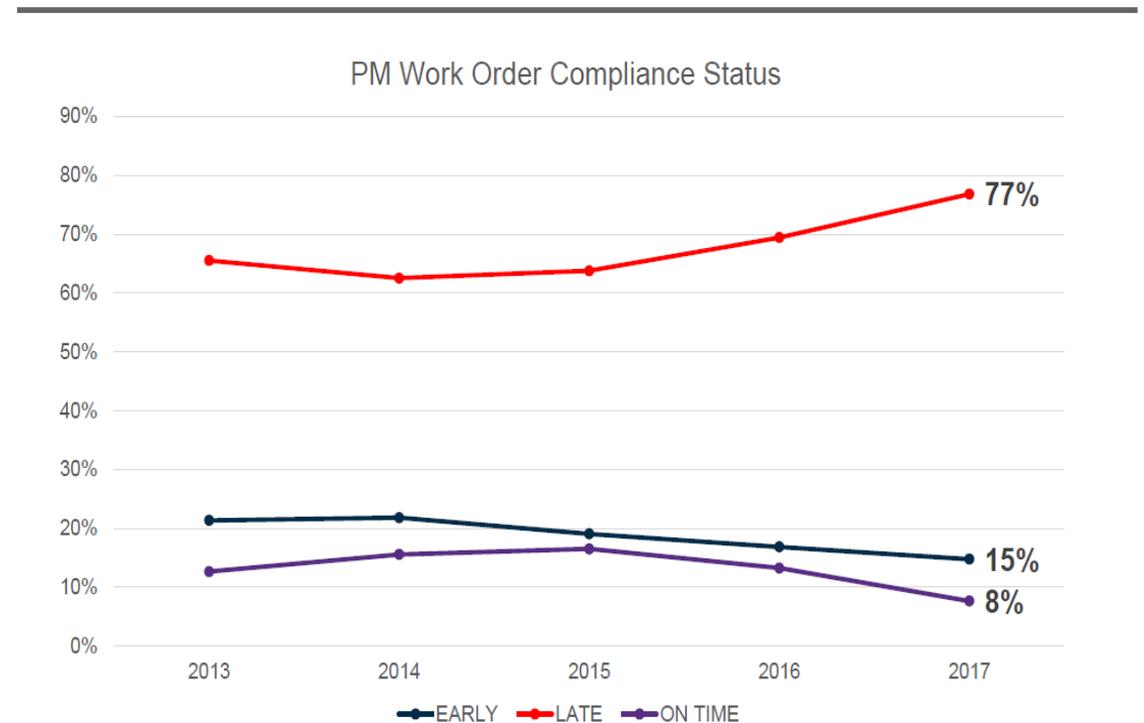
- Represented in **red** in the adjacent graph is a representation of units getting a PM during a year, regardless of schedule.

- Oil analysis was used to verify intervals and oil qualities were performing

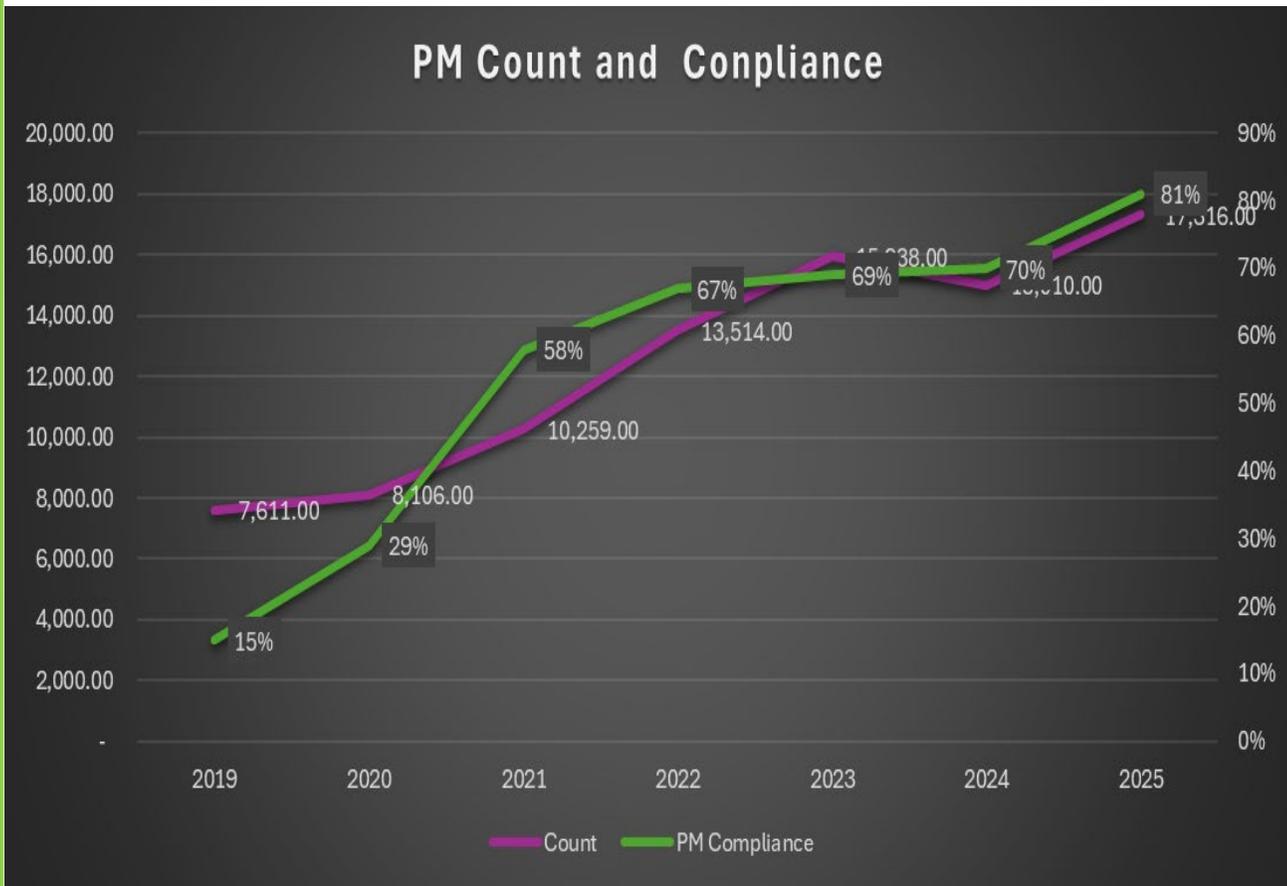
PM Compliance I

- Represented in **purple** in the adjacent graph is a representation of units getting a PM as scheduled.

- The metric is what is currently reported today and is constantly being evaluated for new requirements and maintenance practices



Note: "Early" means the work order was completed before the due date, "Late" means the work order was completed more than seven days after the due date, and "On Time" mean the work order was completed on the due date or within seven days after the due date.



- Industry average for PM compliance is **84.3%** (source Fleetio Benchmark Report 2025)
- In 2018 Alvarez & Marsal study 2017 PM compliance was reported, in the study at 22%
- In fiscal year 2025 EFM finished the year at 81.5%
- Current PM compliance is 85.5%

Fleet Shop Management System & GPS Technology as a Maintenance Tool

The GPS Platform is a City-Wide Tool

- Departments receive detailed monthly reports on their active inventory
- Departments receive weekly and monthly reports for PM services
- Department Fleet Coordinators work with Service Center staff to arrange services with service centers
- All Departments have access to GPS systems and services
- Multiple city-wide trainings have been performed to use GPS system
- Vehicle pre trip and post trip processes are currently being done digitally by some departments utilizing EFM technology

Next Steps

- Continue to evaluate and remove underutilized assets while working with departments to maintain fleet readiness
- Continue to work with departments to condense assets into multipurpose units
- Continue to maximize investment in current technologies to ensure safety, efficiency and compliance
- Support and develop workforce to ensure sustained performance in the agency
- Continue to provide viable alternative fuel solutions for fleet demand

Questions

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**SERVICE
FIRST,
NOW!**

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