

Memorandum



CITY OF DALLAS

DATE December 14, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Follow Up to Questions on the City of Dallas Fleet Management Study Briefing**

On December 5, we briefed the City Council on the City of Dallas Fleet Management Study conducted by Alvarez and Marsal. Below are responses to questions the City Council posed.

1. *Will City staff track and report metrics resulting from implementing these process improvements?*

Yes. The department of Equipment and Fleet Management (EFM) will apprise the Government Performance & Financial Management Committee of its progress quarterly, by memorandum or briefing.

2. *What is the book value of the existing fleet (rolling stock) of the City?*

As of September 30, 2017, the historical costs are \$408 million, and the remaining book value is approximately \$135 million.

3. *Has staff considered privatization of the equipment and fleet maintenance operation?*

Yes. Many components of the operation are already somewhat or wholly privatized. Those include: body shop repairs/painting, automotive glass repair, new vehicle upfitting, towing, and a portion of vehicle maintenance.

Currently, an in-house vehicle maintenance operation is the most cost efficient and effective method to provide these services. However, staff continues to evaluate opportunities for privatization to determine if they would be more effective or cost efficient for the City.

4. *How is vehicle warranty work handled?*

We return vehicles under warranty to the manufacturer or their authorized repair dealer/facility for completion of repairs.

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5. *Has staff looked at changing the make and model of the police marked squad to maximize the total cost of ownership?*

EFM continues to engage the Dallas Police Department in determining vehicle performance and functional requirements. Currently, this fleet is standardized by use of the Dodge Charger sedan. Some local and peer cities are moving towards Sport Utility Vehicle (SUV) platforms for their police departments.

EFM will benchmark and evaluate existing data from other cities to complete a pro forma cost benefit analysis.

6. *Can staff work to address the noise and smoke emitted by Sanitation collection equipment?*

Yes, the newly purchased sanitation collection equipment meets current environmental standards and produces less noise than the models being replaced. If older assets emit excessive smoke, EFM will repair them when Sanitation turns them in for service.

7. *When deploying new equipment, does EFM consider or have an equity strategy in the location/geography for the operational use of these resources?*

User departments have historically determined the deployment of equipment by geography or location. As part of the fleet governance process, EFM will stress the importance of equity across our service delivery areas.

8. *Will a Project Management Office (PMO) be initiated as recommended by the study?*

The first step will be chartering the Fleet Governance Advisory Board. Thereafter, actions will be taken to develop a PMO to track and manage metrics for progress improvements. The PMO will likely be a collaborative effort between departments but operated within the existing resources of EFM.

During the briefing, staff provided background for Agenda Item #66, approved by the City Council on December 12, 2018. As we shared during the briefing, this is the first of two anticipated fleet procurements for City-wide fleet in FY 2018-19. We will proceed with the second phase after further analysis of underutilized fleet, right sizing, and additional avenues for use of motor pool.

Currently, staff is preparing for a public safety fleet purchase that will include the acquisition of marked squad vehicles for the Dallas Police Department and heavy apparatus (ladder trucks, fire engines, ambulances, and boat rescue equipment) for

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Dallas Fire-Rescue. We will return to the City Council to request approval on this action during late January or February 2019.

If you have any questions or concerns, please contact me or Donzell Gipson, Interim Director of Equipment and Fleet Management at 214-671-5131 or via email.



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