

Memorandum



CITY OF DALLAS

DATE March 30, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Additional Information - March 19, 2018 Government Performance & Financial Management Committee Briefing on Dallas Fleet Management Efficiency Study**

Responses to outstanding questions and requests for information from Committee members on the subject briefing are included below:

1. Provide additional information on the cooperative procurement, the competitive process used, and whether the pricing is reasonable.

Staff has recommended a contract with Alvarez & Marsal (A&M) through the U.S. Communities Government Purchasing Alliance (Alliance). The Alliance assists participating public agencies in reducing the cost of purchased goods and services through strategic sourcing by utilizing the volumes and the purchasing power of public agencies nationwide. This is accomplished through an award of competitively solicited contracts for high quality products and services by large and well recognized public agencies. U.S. Communities is jointly sponsored by the National Association of Counties (NACo), the National League of Cities (NLC), the Association of School Business Officials International (ASBO) and the United States Conference of Mayors (USCM).

Fairfax County, Virginia acted as the lead public agency for the specific procurement. Fairfax County issued a competitive solicitation, RFP # 2000001342, for *Innovative Solutions, Applications, Products, and Services*, in October 2014. Thirty (30) proposals were received and A&M was selected through the public procurement process. The process resulted in a competitive fee structure for consulting services to be used by Fairfax County and other participating public agencies of the Alliance. The contract with A&M that we are recommending will use the fee structure and labor categories negotiated during this competitively solicited master agreement. Because the Alliance leverages the market buying power of many participating public agencies, the price is likely lower than the City would be able to negotiate independently.

2. Provide additional information on the various makes and models represented in the fleet.

Equipment and Building Services (EBS) maintains a fleet that includes 23 different manufacturers and 126 models including vehicles, trailers, off road equipment, compressors, stationary equipment, and generators. Attached is a detailed listing.

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3. How are we going to implement this study?

There are five components of the \$475,209 study as outlined in the briefing. The consultant will work through each of the five components listed below with each of the seven departments. The proposal includes 2,590 consulting hours to interview departmental staff, gather data, analyze the data, and draft recommendations.

An additional 360 hours are proposed to assist with beginning implementation of some of the recommendations based on City direction. The overall proposed \$475,209 contract represents 2,950 consulting hours working with seven fleet operations across the City.

- i. Utilization Study: The proposed study includes a utilization gap analysis by vehicle type. Additionally, the review will analyze the City's use of outside rental contracts in lieu of using City owned vehicles when determining overall fleet utilization.
- ii. Replacement Criteria Review: The proposed study includes analysis and recommendations related to the replacement criteria policy and review of lease/buy alternatives by vehicle type. Leasing alternatives will be considered as part of the analysis of alternatives.
- iii. Cost of Service / Billing Rate Modeling: The proposed study includes analysis of the City's internal cost structures and provide recommendations to simplify / streamline the budgeting/billing process. The review and analysis of internal labor rates and associated overheads will provide comparison with local private market labor rates and those of comparable municipal/government fleets.
- iv. Fleet Right-sizing: Using the utilization study and replacement criteria, this component of the proposed study will develop recommendations to right-size the fleet. The review will consider the City's use of outside rental contracts in lieu of using City owned vehicles when determining the proper size of the fleet.
- v. Organizational Structure and Performance Measures: The proposed study will assess the City's overall fleet management organizational structure. Performance measures (including reporting structure, and performance metrics such as hours of service, preventative maintenance, vehicle turnaround time, self-performed vs outsourced repairs, etc.) are to be assessed.

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4. Provide additional details on average, major, and minor repair costs.

In FY 2016-17, the overall average repair cost for EBS was \$196.67. The average cost of a major repair was \$3,775.66. The average cost of a minor repair was \$153.50. Additionally, the FY 2016-17 fully burdened EBS labor rate was \$97.46 per hour and the 16 current contract labor rates (depending on type of vehicle/equipment) average \$135.34 per hour for regular business hours.

Please contact me or Errick Thompson, Director of Equipment and Building Services, if you have additional questions.



Jo M. (Jody) Puckett, P.E.
Assistant City Manager (Interim)

[Attachment]

c: TC 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
Raquel Favela, Chief of Economic Development & Neighborhood Services
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

EBS Fleet Makes and Models

23 Total Makes

Make	Model
ALLIANZ	MT350
AUTOCAR	ACMD42
	ACX64
	WX42
CHEVROLET	1 TON
	1500
	2500
	2500 EXPRESS
	3500
	3500 EXPRESS
	BLAZER
	C1500
	C2500
	C6500
	C7500
	C7H042
	CAVALIER
	CC20953
	CC30903
	CC30943
	CC31003
	CK30943
	COLORADO
	G2500
	IMPALA
	K1500
	S-10
	SILVERRADO
	SUB CC20906
	SUBURBAN
TAHOE	
TRAIL BLAZER	
VOLT	
DODGE	1500
	2500
	2500HD
	2500HD4X4ST
	3500
	CHARGER
	DURANGO
	NITRO
	RAM 2500
RAM 3500	

ELECTRIC V	VAN	
ELGIN	EAGLE F	
FORD	BRONCO	
	CROWN VIC	
	E150	
	E250	
	E350	
	E450	
	ESCAPE	
	EXCURSION	
	EXPEDITION	
	EXPLORER	
	F150	
	F250	
	F350	
	F450	
	F550	
	F650	
	F750	
	FOCUS	
	FUSION	
	POLICE INTER	
	RANGER	
	T150	
	T250	
	T350	
TAURUS		
FREIGHTLINER	CL120	
	M2	
	M2106	
	M2112V	
	FL-60	
	FL70	
	114SD	
	122-SD	
	FL80	
	MM112064S	
	GMC	N9F064
		TC7D064
HARLEY	FLHTP	
HONDA	CIVIC	
	CIVIC GX	

HYUNDAI	360LC-3
	HL730-3
	HL740-3
	HL750-3
INTL	1654
	4200
	4300
	4400 SBA
	4600
	4700
	4900
	5600
	7300
	7400
	7600
KENWORTH	T-300
MACK	MR6885
MITSUBISHI	FD35-D2
	FD70
NISSAN	2300
	LEAF
	UD2300DH
PETERBILT	210
	220
	320
	337
	365
	382 CNG
	579
STERLING	60
	L7500
	LT75
	LT9500
TOYOTA	PRIUS
TRANSIT	CONNECT VAN
	TRANSIT WAGON
VOLVO	EC460
	VDH84FT
	WG64
	WX64
VOLVO/AUTO	ACL64FT