



CITY OF SALINAS

FINANCE COMMITTEE STAFF REPORT

DATE: MARCH 2, 2020

DEPARTMENT: PUBLIC WORKS, FLEET MAINTENANCE

FROM: DAVID JACOBS, PUBLIC WORKS DIRECTOR

BY: RONALD PATTERSON, FLEET MAINTENANCE SUPERVISOR

TITLE: SALINAS PLAN IMPLEMENTATION UPDATE – FLEET CONSOLIDATION UPDATE (OE02)

RECOMMENDED MOTION:

No motion is required for this item. Comments and feedback from the Finance Committee on the implementation of this Salinas Plan initiative is requested.

EXECUTIVE SUMMARY:

This report provides an update on the Salinas Plan recommendation to come up with a Citywide Fleet Consolidation Strategy and explains the need for Fleet Management Information Software as well as the need to add the required positions to complete the consolidation plan. Asset Works is expected to be online in April. There was a delay due to Asset Works losing staff. Fleet has recommended adding two Mechanic II's to perform maintenance on the Police Department vehicles. Human Resources is currently working on the job descriptions. Consolidation will move forward incrementally with the implementation of AssetWorks followed by adding the required staff. Staff is in the process of getting a cost for an interface with finance to minimize the duplication of work.

BACKGROUND:

In 2015, Maintenance Services was tasked with determining the feasibility and process for consolidating the management of the City's diverse fleets. The duplication of maintenance effort by Public Works, Police, and Fire looked to benefit from the economies of scale savings provided by a centralized fleet management system. The City owns a diverse fleet with around 500 pieces of rolling stock and 300 miscellaneous pieces such as trailers and small landscape equipment. The City spent around \$2.3 million to maintain and fuel the fleet.

Four departments currently are involved with fleet operations. Purchasing keeps a master asset list and coordinates replacement activities. Public Works operates the City's main garage and provides some fleet services to the other departments. The Fire Department handles its own fleet maintenance inside Fire Station #1, through vendors and rarely uses Public Works for routine

services other than emissions inspections and testing. The Police Department uses a combination of Public Works and outside vendors for their repair and maintenance effort. In the current system, there are no clear lines of responsibility between departments, a lack of readily available cost and operational data, and no clear strategy to optimize fleet performance.

The City's current decentralized approach is not optimal and is unusual for an organization of our size. Silos of independent fleet operations are inherently inefficient because they produce obvious duplication of effort and fail to capture economies of scale. Centralizing fleet operations in the City would certainly lower costs and produce improved service levels as consistent management practices are applied across departments.

All fleet management and maintenance functions are proposed to be centralized within Public Works. The City must make investments in its fleet program to ensure success. In lieu of Public Works hiring new positions to implement this new protocol, staff proposes that Mercury Associates fulfill these duties on a temporary basis to assist the City with data transfer, fleet policy development, systems integration, and software implementation.