

Audit of Vehicle Management

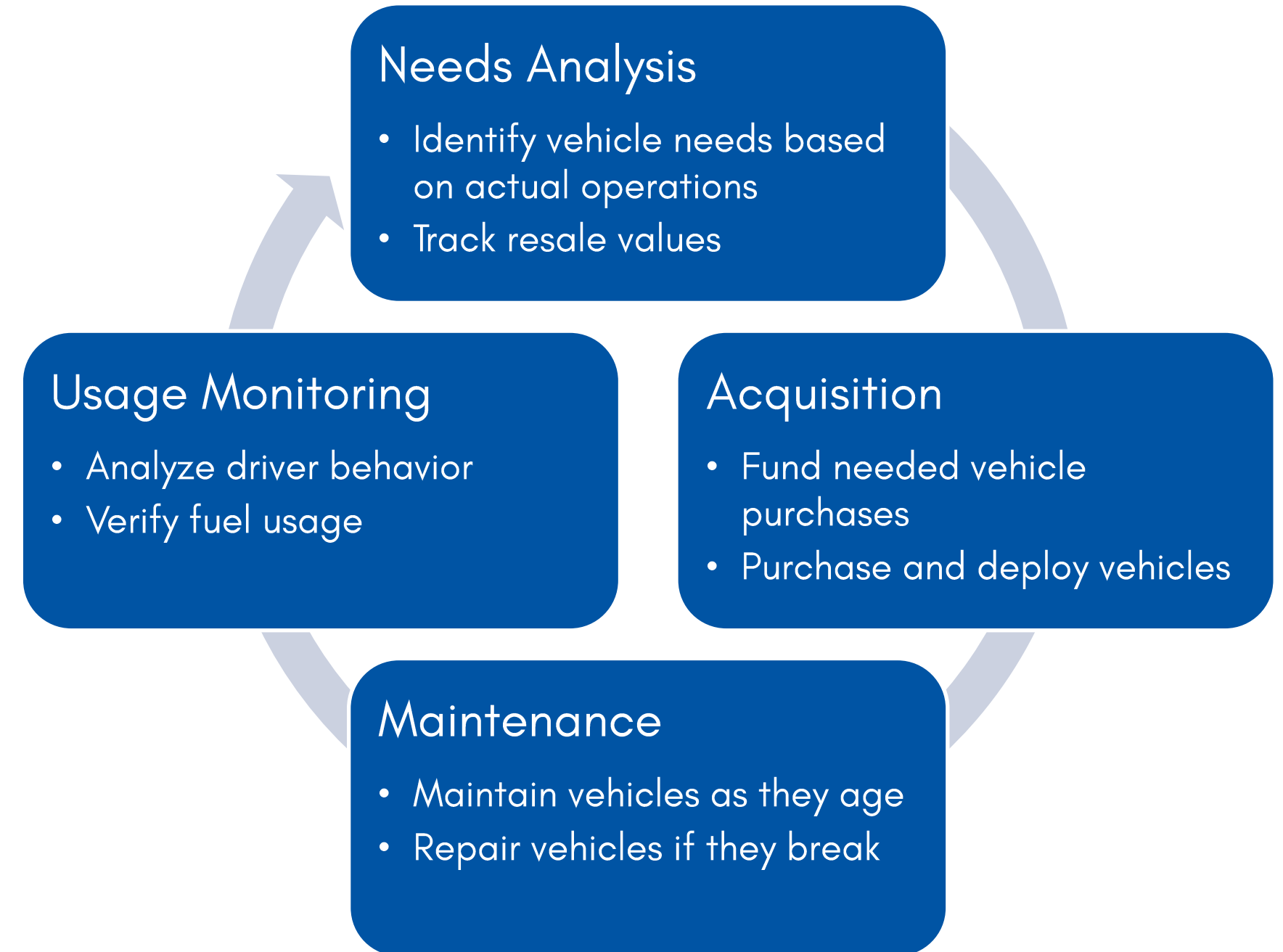
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City Auditor



Purpose of the Audit

- Audit evaluated if the City has a fleet adequate to achieve its objectives while minimizing the total cost of vehicle ownership.
- The City maintains a fleet of almost 1,100 vehicles that must be regularly maintained and replaced to meet its goals. Almost \$20 million in debt has been issued since FY2022 to fund vehicle acquisitions.

Vehicle Management Cycle



Vehicle Needs Assessment processes May Result in a Larger Fleet than Needed due to Diffused Responsibilities

- Needs assessment responsibilities disbursed across the City.
- Vehicle lifecycle data is unreliable, difficult to obtain, or not tracked.
- Vehicles often sold after maintenance costs exceed resale value.
 - About 35 percent of current vehicle repair costs exceed estimated resale value.

Fleet Needs Assessment Responsibilities

Operating Divisions

- Assess vehicle needs; no Citywide analysis guidance
- Vehicle alternatives not formally considered

Budget Division

- Evaluate financial feasibility of fleet additions

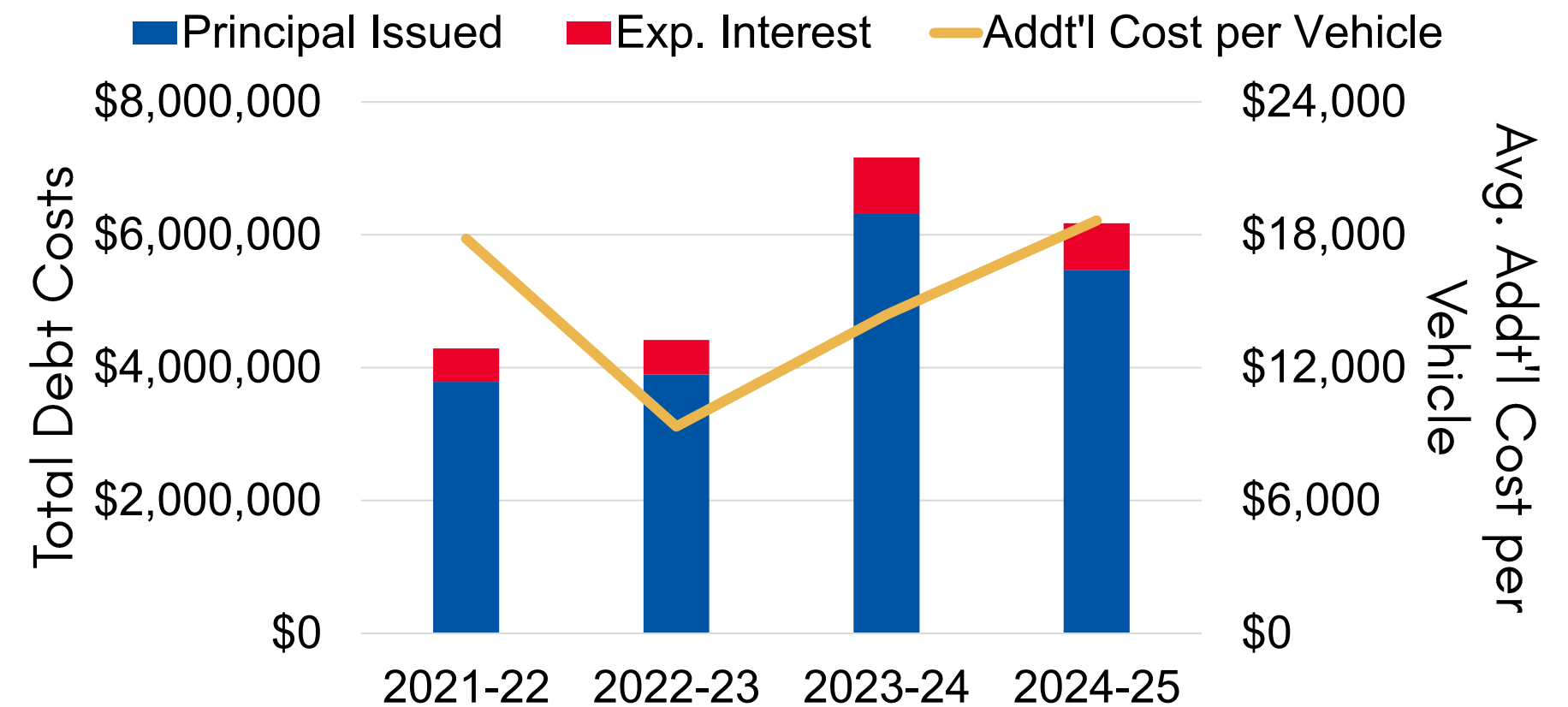
Fleet Division

- Identify needed vehicle replacements; established criteria reasonable, but further refinement possible
- Assess vehicle acquisition reasonability; formal process not established

Debt Funding Acquisitions is Likely not Sustainable due to Increased Ownership Costs; Operational Needs Currently Met

- Debt funding vehicle acquisitions significantly increases total cost of ownership.
- Vehicle replacement acquisitions needed; deferral prevalence indicates funding levels are not adequate.
 - Current replacement needs are estimated at almost \$50 million—about 2.5 times the debt issued from FY22 to FY25.
- Acquired vehicles are generally deployed timely.

Vehicle Related Debt Issuance



Impact of Maintenance on Vehicle Costs and Availability is Obscured due to Fleet Age & Work Order Doc. Practices

- Vehicle inventory exists; telematics data not used to identify maintenance needs.
- Service-level standards established; not always met due to fleet age.
 - Maintenance resources are currently adequate for fleet size.
- Standards for maintenance planning and work order documentation not formally established.

Maintenance Service Goals & Performance

Performance Metric Type	City KPI	Ind. Stnd. Benchmark	City Goal	City Performance
Vehicle Availability	Vehicle Uptime	95%	None	81.5%
	PM Completion Time	None	None	2.13 Hrs.
Cost Controls	Technician Efficiency	None	70%	75.4%
Maintenance Effectiveness	PM Compliance	90%	95%	79.2%

Summary of Maintenance Time & Repair Time

Fiscal Year	Avg. Percent of Time in Shop*	Avg. Hours Being Repaired
2024	35%	4.25
2025	31%	4.50
2026	23%	4.25

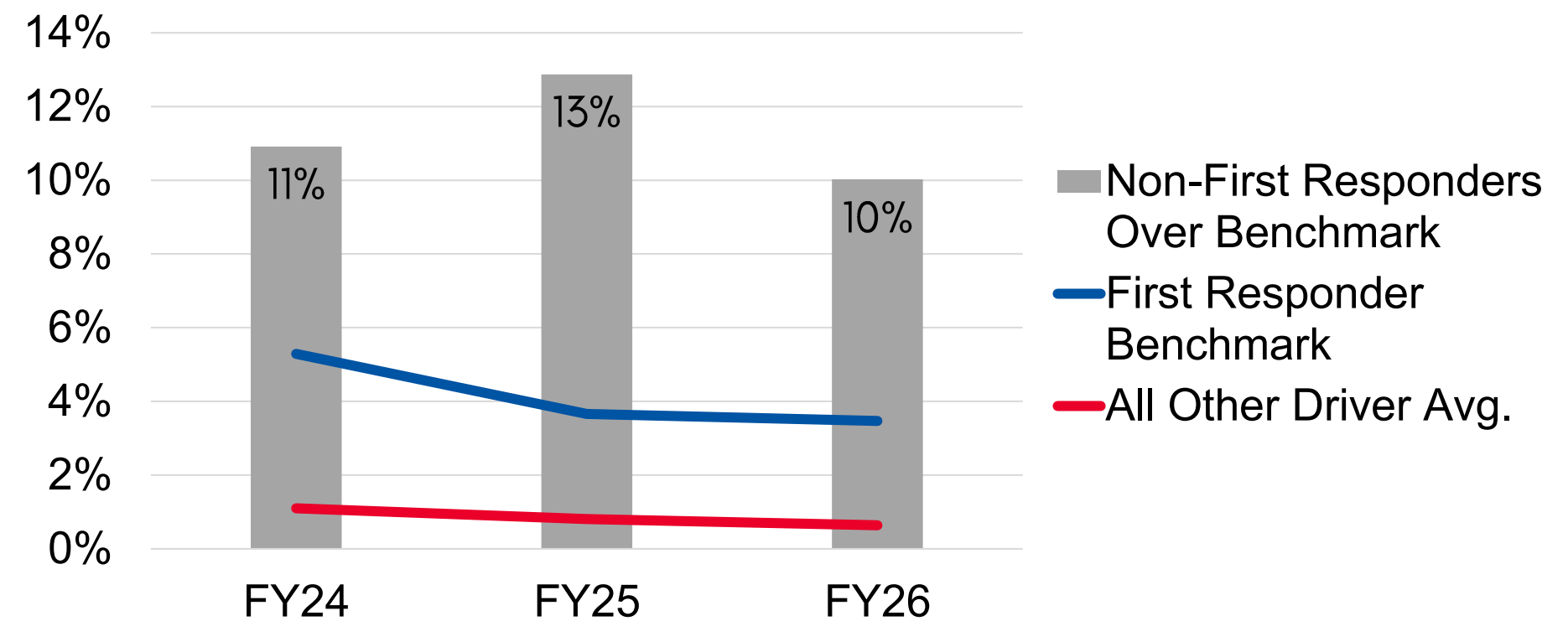
*Shop time is likely overstated due to Fleet work order closure practices.



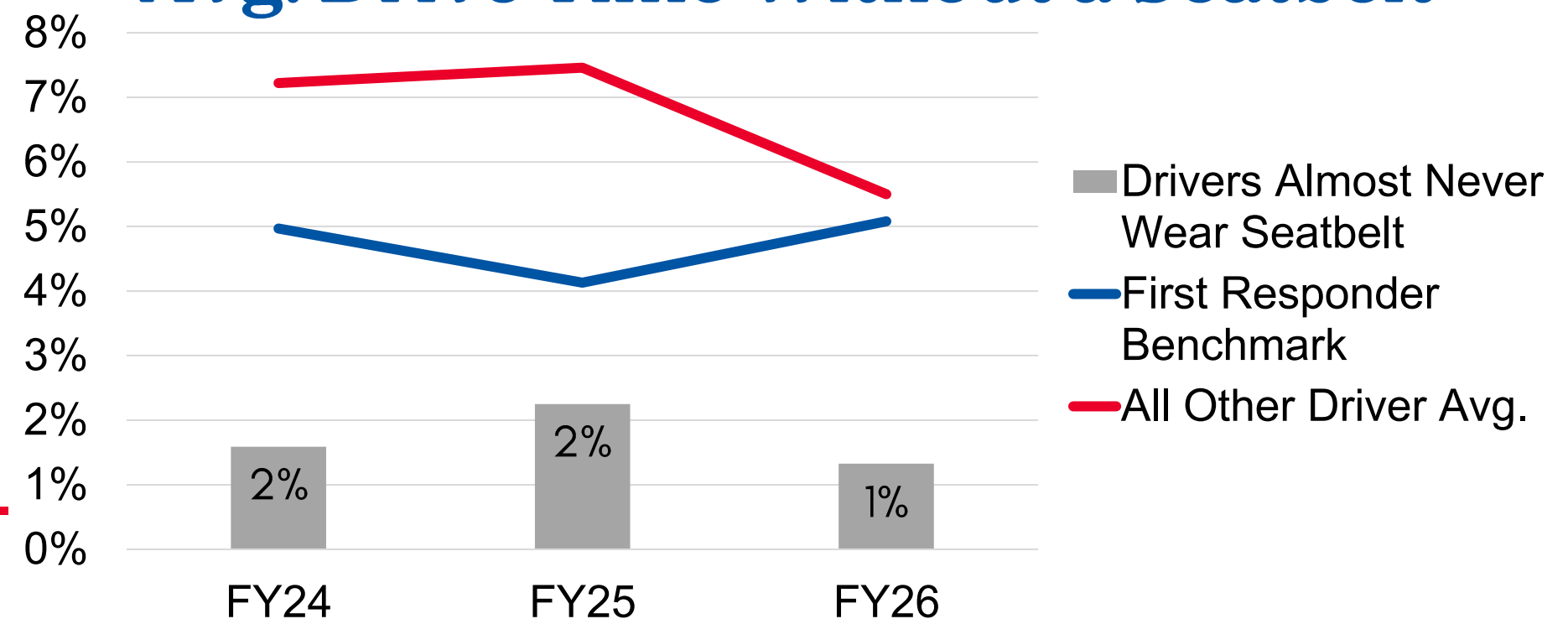
Available Driver Behavioral Data is not Regularly Used to Reduce Financial Liability Risk Associated with Vehicle Fleet

- Not all operating divisions regularly monitor driver behavior despite data being collected.
- Unsafe behaviors are occurring for non-emergency operations, though they are trending downwards.
- Balance between take-home vehicle program costs and benefits is not regularly reviewed due to structural issues.

Avg. Drive Time Excessively Speeding



Avg. Drive Time Without a Seatbelt



Management Response Summary

Rec.	Recommendations*	Response	Implementation Actions*
1	Formalize responsibilities for vehicle acquisition decision-making.	Agree	Will evaluate, refine, & document the existing suitability & reasonableness review.
2	Provide guidance to ops. divs. on conducting vehicle needs assessments.	Agree	Will evaluate, refine, & document the process.
3	Incorporate vehicle usage pattern reviews into the needs assessment process.	Agree	Will incorporate telematics data and develop written guidance on identifying underutilized assets.
4	Develop a plan to minimize funding vehicle acquisitions through debt issuance.	Agree	Financial strategies & alternatives will be reviewed; implementation dependent on Citywide financial policy.
5	Consistently document vehicle replacement decisions.	Agree	Will document in a formal SOP.
6	Ensure vehicles are deployed timely & consistently tested.	Agree	Will define a formal make-ready timeline.
7	Review & act on telematic vehicle error codes.	Agree	Will create guidance for ops. div. on telematics usage.
8	Ensure work orders are completed timely & consistently.	Agree	Will formalize guidance for these activities.
9	Update the Comprehensive Driving & City Vehicle Use Policy to clarify use of telematics driver behavior data.	Agree	Will work with Risk, HR, and Safety to support update and provide operational input.
10	Update the vehicle take-home program parameters & monitoring requirements.	Agree	Will work with Risk, HR, and Safety to support update and provide operational input.

*Detailed recommendations and implementation actions can be seen in the full audit report.



Questions?