

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 1/8/19 **Approx. Start Time:** 11:30am **Approx. Length:** 30 mins

Presentation Title: Fleet Consolidation

Department: Transportation and Development, Finance

Presenters: Dan Johnson, Mike Bezner, Christa Bosserman-Wolfe

Other Invitees: Laurel Butman, Randy Harmon, Warren Gadberry

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This policy session is informational only.

EXECUTIVE SUMMARY:

In 2006, Clackamas County separated its fleet maintenance shop into two separate operations. The management and maintenance of the light vehicle fleet was assigned to the Finance Department while the management and maintenance of the heavy equipment fleet remained within the Department of Transportation and Development (DTD). Since then the county has maintained two separate shops and the two have evolved with very little collaboration.

The incumbent Fleet Manager (Light Fleet - Finance) retired this past summer. Instead of rushing to refill the position, Finance chose to pause, evaluate the operation, and bring DTD into the conversation. In September, Finance hired a public fleet advisory consultant to perform an onsite evaluation and provide recommendations for moving forward. The consultant submitted a report (Executive Summary attached) that details a significant number of deficiencies with the current setup. The report contains recommendations that address operations and important safety issues in the light fleet shop that require prompt action.

The consultant also recommends that the two separate fleet shops combine back into a single operation to improve efficiency and employee morale. Combining the programs will result in several benefits:

- Develop a cohesive maintenance team with more training and promotional opportunities for employees
- Allow management better flexibility when managing operations, providing coverage, and deploying during emergency operations
- Allow for a more comprehensive and unified safety program to address the safety issues in the light fleet shop
- Combine the two separate parts rooms that have separate inventories, eliminating duplication, to allow consolidation and gain efficiencies.
- Hire one new Fleet Manager to oversee both operations

Finance and DTD have discussed options with County Administration, HR, and County Counsel. All Departments agree that the consolidated Fleet operation would best be managed within

DTD. Most other Oregon counties manage their entire fleets within public works and they have experienced positive results. To ensure its shop safety, DTD invited OSHA to inspect the heavy fleet shop in 2017 and passed the inspection. DTD looks to expand this safety track record to promptly address the safety concerns with the light fleet shop.

The two operations will be combined officially on January 12, 2019. DTD named Warren Gadberry to be the interim Fleet Manager for a 6 month period. Warren is currently a Road Operations Supervisor who has been with the County almost 30 years. He has managed the heavy fleet shop for many years and spent his early career working in the combined Fleet operation prior to 2006. Warren has the ability and knowledge to immediately address safety issues while also learning about how the light fleet operations have changed since 2006.

Within this 6 month period DTD Administration will work with Mr. Gadberry to develop further actions to respond to the recommendations in the consultant report, including developing a plan for moving forward after this interim period and what the future permanent management structure should look like. An initial response to the consultant report is attached. Finance will collaborate and provide support as needed to DTD during this transition on Fleet Administration responsibilities.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? N/A

What is the funding source? Road Fund, and charges for services

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?

The purpose of the Fleet Services line of business is to provide fleet management; vehicle rental, acquisition, and documentation; vehicle life cycle care; fuel; and disposition services to County employees so they can conduct business in safe, reliable and cost effective vehicles. For Heavy Fleet, the Transportation Maintenance Department's purpose is to provide repair, maintenance, preservation and emergency response services to the public. DTD will be reviewing the current MFR plan for Fleet Services and updating it under the new structure.

- How does this item align with the County's Performance Clackamas goals?

Build Public Trust through Good Government- combining the two Fleet operations will gain efficiencies and give the other Departments in the County Fleet resources and services that they need to accomplish each of their goals.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

There are no options to consider. This is informational only.

RECOMMENDATION:

There is no recommendation to give. This is informational only.

ATTACHMENTS:

- Final Report Executive Summary - Clackamas County Fleet Assessment dated 10/31/18
- Clackamas County Fleet Assessment Report Response dated December 2018

SUBMITTED BY:

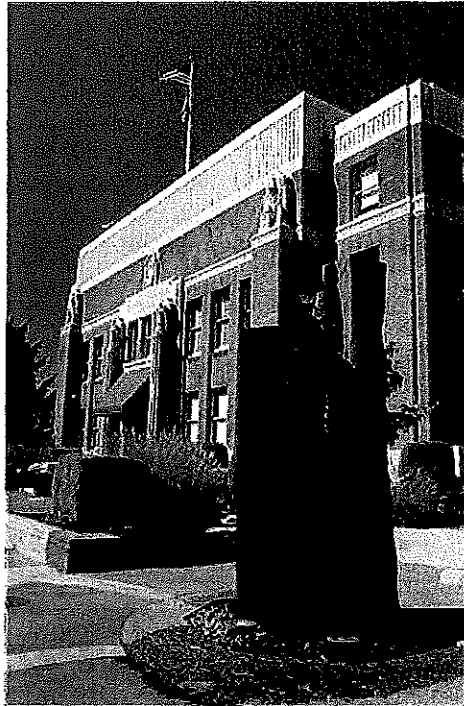
Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Mike Bezner @ 503-742-4651

**Final Report
Clackamas County
Fleet Assessment**



**Submitted by
Public Fleet Advisors LLC**

Site Assessment and Report by:
John S. Hunt, CPFPA, john@publicfleetadvisors.com
Sam P. Lamerato, CPFPA, sam@publicfleetadvisors.com
Public Fleet Advisors LLC, October 31, 2018

Executive Summary

PFA is pleased to provide an analysis and evaluation of Clackamas County's Fleet Services. This report provides a current and prospective regarding business management, financial stability, organizational structure, service quality, employee satisfaction, and customer service. Methods of analysis included staff interviews, observations, fleet software data analysis, research, calculations, and industry expert review. The PFA team is certified by the American Public Works Association (APWA) as Certified Public Fleet Professionals, and they are well respected by the fleet industry.

Results of the data analyzed show ratios below industry standard averages for vehicle downtime, utilization, parts obsolescence, preventive maintenance compliance and customer satisfaction. In particular, comparative performance is poor in the areas of decentralization, employee satisfaction, technical training, vehicle replacement, preventive maintenance, inventory management, and technical training.

Key Recommendations include:

- Provide a safe and healthy work environment
- Review pay inequities, overtime, tool allowance, education opportunities
- Combine Heavy and Light Shops under one (1) Fleet Manager
- Require Fleet Manager to report to the County Administrator
- Fleet Manager needs to work near fleet employees
- Provide Faster Asset Solutions software training to appropriate staff
- Build a new facility for service and repairs
- Improve inventory control/management/accountability
- Implement Automotive Service Excellence (ASE) certification
- Insource appropriate County work- currently outsourced
- Implement cooperative vehicle, equipment, and parts purchasing
- Review charge-back rate methodology with customers
- Meet regularly with customers, listen, and provide solutions
- Add above ground fuel stations & automated fuel management
- Develop business plan and annual report

During the three (3) day on-site fleet assessment, our team discovered a number of key business elements that need immediate attention. PFA highly recommends its training program to assist with fleet improvement. A curriculum can be designed with your priorities in mind, that will guide specific fleet improvement. PFA recommends a phased implementation plan beginning with the most important business categories. If the recommended path is followed, we are confident that Clackamas County will experience significant advancement within your fleet operation.

Clackamas County Fleet Assessment Report Response

December 2018

With the retirement of the Fleet Manager in June of 2018, the decision was made to hire a consultant to review the current Fleet operation. Public Fleet Advisors, LLC were brought in to perform this review September 11-13, 2018. Their review consisted of three days of on-site observation of the Fleet operation and included interviews with Fleet staff, customer representatives and various members of the County management group.

On November 29th, 2018 PFA officially presented their final report to the County Administrator, Deputy County Administrator, and a group of representatives from HR, Finance and DTD. The focus of the presentation was on the following list of key recommendations:

- a. Provide a safe and healthy work environment.
- b. Review pay inequities, overtime, tool allowance, education opportunities.
- c. Combine Heavy and Light Shops under one (1) Fleet Manager.
- d. Require Fleet Manager to report to the County Administrator
- e. Fleet Manager needs to work near fleet employees.
- f. Provide Faster Asset Solutions software training to appropriate staff.
- g. Build a new facility for service and repairs.
- h. Improve inventory control/management/accountability.
- i. Implement Automotive Service Excellence (ASE) certification.
- j. Insource appropriate County work – currently outsourced.
- k. Implement cooperative vehicle, equipment, and parts purchasing.
- l. Review charge-back rate methodology with customers.
- m. Meet regularly with customers, listen, and provide solutions.
- n. Add above ground fuel stations & automated fuel management.
- o. Develop business plan and annual report.

After the presentation, the meeting attendees agreed that the Fleet operation, including the Fleet Manager function, would best be combined with the existing Heavy Shop operation within DTD. The two operations will officially combine on January 12, 2019. DTD will manage the combined operation and will address the consultant's recommendations.

While this work has just begun, DTD has prepared an initial response to each of the key recommendations (shown below). Addressing these recommendations will ensure that the immediate safety and operational issues identified in the report will be corrected.

- a. **Provide a safe and healthy work environment.**
The health and safety of our employees is our highest priority. Transportation Maintenance already has a complete safety program for the Heavy Shop with a full-time safety coordinator, an active safety committee, regular safety training and monthly compliance inspections. By integrating the Light Shop into DTD's existing safety program, we will be able to address all of the identified deficiencies. To address any immediate safety issues, the Risk Management staff already met with the Fleet staff and performed a walk-through inspection of their work areas. A number of deficiencies were identified and corrective action has been taken. Two members of the Fleet staff will be joining the existing Safety Committee within DTD.

- b. Review pay inequities, overtime, tool allowance, education opportunities.**
These perceived issues are addressed in the current DTD-AFSCME collective bargaining agreement. Combining the shops will normalize the processes and policies that govern the shops and help to eliminate these feelings of inequity in the future.
- c. Combine Heavy and Light Shops under one (1) Fleet Manager.**
This has already been done and will be effective on January 12, 2019. There is broad agreement that this is a necessary change that will increase the overall effectiveness and efficiency of the fleet operation for the county.
- d. Require Fleet Manager to report to the County Administrator.**
The County Administrator will support DTD and Finance management throughout this transition and this will continue to be a priority for the County Administrator. However, the combined Fleet Services operation will be managed by DTD. This is a model used by most counties in Oregon.
- e. Fleet Manager needs to work near fleet employees.**
The interim Fleet Manager is located in the same building as the Light and Heavy Shops and will remain there.
- f. Provide Faster Asset Solutions software training to appropriate staff.**
A complete assessment of the computer systems in use by both the Light and Heavy Shops will be conducted and the system that best meets the needs of the combined operation will be used. Additional user training will be provided regardless of the chosen system to ensure that staff are able to perform their functions as efficiently as possible.
- g. Build a new facility for service and repairs.**
There are opportunities to increase the effectiveness of the facilities at the existing location with the consolidation of the Light and Heavy Shop management under one Fleet Manager. If the facilities were ever to be relocated, a new combined shop would be constructed.
- h. Improve inventory control/management/accountability.**
The current parts operations for the Light and Heavy Shops are split and there are different processes in place for each side. The inventories will be combined, redundant inventory eliminated, order points and processes set and inventory counting cycles defined and implemented. Accounts Payable and Accounts Receivable functions will also be assessed and normalized.
- i. Implement Automotive Service Excellence (ASE) certification.**
Training and staff development are vital to the continued effectiveness of our technicians. We will be focusing on establishing a normalized training program to attain and maintain concurrence with industry and manufacturer standards as our priority. We will assess the benefit and effectiveness of implementing a general certification program like ASE once we have achieved our initial training goals.
- j. Insource appropriate County work – currently outsourced.**
Each aspect of the combined Light and Heavy Shop operation will be assessed, and its effectiveness determined prior to making decisions regarding outsourcing work. In general, outsourcing is used to supplement our existing program in areas where we either don't have the tooling, staff or shop space to efficiently perform the needed work.

- k. Implement cooperative vehicle, equipment, and parts purchasing.
As we combine the Fleet operation, we will be integrating the processes for all procurement into a unified policy.
- l. Review charge-back rate methodology with customers.
We will need to perform a complete analysis of the existing funding and rate structure for the Fleet operation and develop a strategy to combine those with DTD's existing operation to ensure that all rates are sufficient to recover all needed costs, are competitive with the industry and are fair to the customer.
- m. Meet regularly with customers, listen, and provide solutions.
Communications with customers will be a priority through the transition and beyond. We will be working to ensure that we understand each customer's needs, and that they understand our program to ensure expectations are managed and met.
- n. Add above ground fuel stations & automated fuel management.
If the operation was ever relocated this would be a priority for the new construction. Currently, we are working on an emergency reserve fueling station to be located at our Barton facility and mobile fuel pods for use in other locations. Transportation Maintenance is also an active participant of the Fuels Task force within Disaster Management. The Task Force is tasked with developing regional fuel supplies for use during emergency operations.
- o. Develop business plan and annual report.
Once we have worked through the initial assessment of the combined light and heavy operation and developed initial goals and strategies, we will begin the development of a long-term business plan. This initial assessment is expected to take less than six months.