



## Developing Strategies to Deal With Longer Vehicle Equipment Replacement Lead Times

**Thursday, September 19, 2024**

- 11:00-12:00 Eastern Time
- 10:00-11:00 Central Time
- 9:00-10:00 Mountain Time
- 8:00-9:00 Pacific Time

This program is sponsored by the APWA Fleet Management Committee

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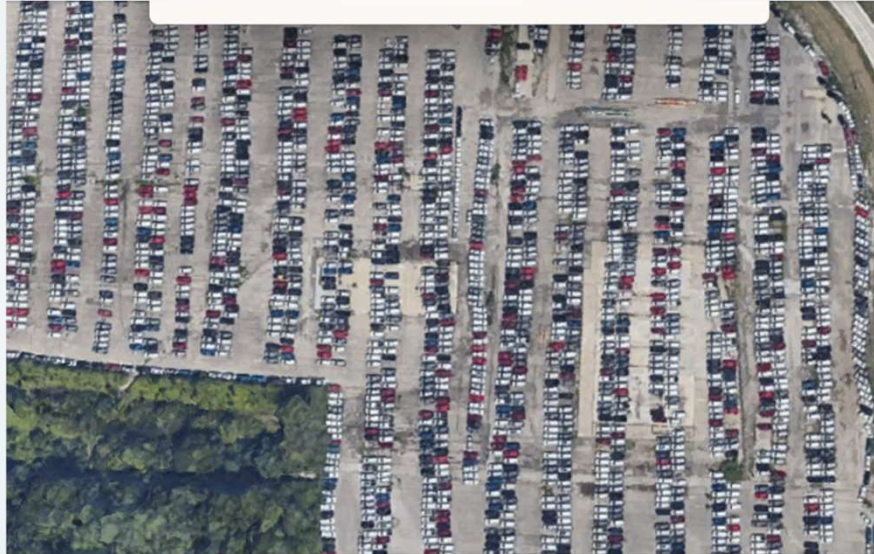
## Review of the issues

- Covid - Big impact (and still causing issues)
- Production delays
  - Lack of parts for assembly
    - Both Foreign and domestic
  - Plants have shut down
    - Work stoppage
  - Computer chip shortage



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## Large back log of vehicles waiting for parts



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## Methods and Best Practices

- Traditional ways
  - Co-op Contract, Large Metro the best
  - State Contracts
  - National Contracts (HGAC, Sourcewell)

These are getting better but, some dealers would not honor these contracts due to supply and demand. May not feel ethical but not within our control.



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## Go the Extra Mile

- Work with the factory representatives
  - Contact them and ask to be included in email chain that will supply you with factory build dates, close out times, production delays
- Work with your supplying dealers
  - Place orders with your dealers and ask them to hold until the order windows open up, be first in line
- Work with your Administration to change your timelines for ordering working within the budget cycle
  - Order early knowing it may take a year for delivery and payment



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## Think outside the box

- Network and find what other entities are doing
  - Received a great idea from a fellow fleet manager
- Order from the dealers lots
  - Copied from City of Moline's council resolution to purchase directly from dealer stock to eliminate the extremely long delivery times.
  - This comes with it challenges
    - Make sure you're getting the best deal for taxpayers while getting the best vehicle possible.



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# Council Resolution

**BILL NO. 23-122**

**ORDINANCE NO. 9685**

AN ORDINANCE APPROVING AN AMENDMENT TO THE PROCUREMENT POLICY TO ALLOW THE FLEET MANAGER TO PURCHASE VEHICLES FROM A VENDOR WITH WHOM THE CITY DOES NOT HAVE A CURRENT CONTRACT IN PLACE, OR WHERE THE VENDOR IS NOT OFFERING A PARTICULAR VEHICLE PURSUANT TO THE CITY'S CONTRACT AS NEEDED, FOR THE CITY OF LEE'S SUMMIT.

WHEREAS, the City's current Cooperative Contract No. 2020-009 Metro Vehicle Bid is unable to lock in pricing for 2023; and,

WHEREAS, most of the participating vendors of the Metro Vehicle Bid will not honor Fleet status; and,

WHEREAS, most of the participating vendors of the Metro Vehicle Bid will not honor agreed upon pricing of said vehicle due to volatility in the supply and demand from buyers offering immediate purchase of vehicles at or above the Manufacturer's Suggested Retail Price (MSRP); and,

WHEREAS, Fleet Division must now go into the open market and "compete" for vehicles; and,

WHEREAS, the following Sections of the Procurement may be temporarily waived when necessary, as approved by the City Manager:

- Section 4 Approval Levels
- Section 5 Solicitation Processes



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# Additional Process for Dealer Lot Purchases

Exhibit A



**LEE'S SUMMIT**  
MISSOURI

**Expedited Vehicle Purchase Form**

Please type or print - Attach this approval to Payment Information Form.

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Vendor Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Is the vehicle being purchased included in the VERP or being added by an approved expansion request? ☐ YES ☐ NO

Is the purchase price of the vehicle equal to or less than the Manufacturers MSRP? ☐ YES ☐ NO - Provide additional information

Vehicle(s) Requested \_\_\_\_\_

Purchase price of vehicle(s): \_\_\_\_\_ Account Code(s): \_\_\_\_\_

Additional Info \_\_\_\_\_



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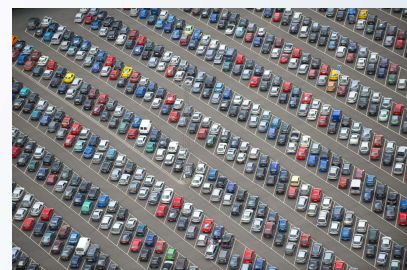
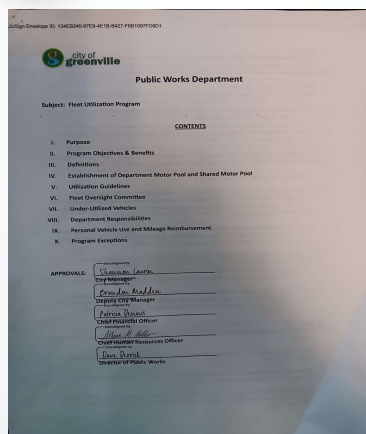
# Reduce your replacement Lead Times through right-sizing and optimizing utilization



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## Reduce your replacement needs:

1. Examine your Fleet.
2. Develop an SOP or Policy to define proper utilization.
3. Combat “fleet-creep” by educating and empowering your customers.



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# Define your Utilization through a Policy or SOP



Utilize your Policy/SOP to:



1. Reduce the size of your fleet so you reduce the # of replacements needed.



2. Encourage vehicle/equipment sharing through scheduling and route optimization.



3. Define the parameters that justify the need for a vehicle



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## Example Utilization Policy

**city of greenville**

**Public Works Department**

Subject: Fleet Utilization Program

**CONTENTS**

- I. Purpose
- II. Program Objectives & Benefits
- III. Definitions
- IV. Establishment of Department Motor Pool and Shared Motor Pool
- V. Utilization Guidelines
- VI. Fleet Oversight Committee
- VII. Under-Utilized Vehicles
- VIII. Department Responsibilities
- IX. Personal Vehicle Use and Mileage Reimbursement
- X. Program Exceptions

**APPROVALS:**

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City Manager

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Deputy City Manager

*Patricia Davis*  
Chief Financial Officer

*Mike D. Hille*  
Chief Human Resources Officer

*Steve Harris*  
Director of Public Works

**I. Purpose**  
The purpose of the City's fleet utilization program is to provide vehicles for City staff to adequately perform their job functions. This program does not apply to the Police Department, Fire Department, and / or the Mayor's Office.

**II. Program Objectives & Benefits**  
The objectives of the program are to:

- Identify underutilized vehicles and reassign them for use by departments / divisions that have frequent travel requirements.
- Eliminate assigned vehicles to employees who have infrequent travel requirements.
- Create a pool of vehicles that are available for employees who have infrequent travel requirements.

By regularly evaluating the utilization of each vehicle, the City can ensure that vehicles are being used effectively, minimizing unnecessary costs, and reducing environmental impact.

This program offers the following benefits:

- Environmental Impact:** Monitoring and optimizing vehicle usage contributes to environmental sustainability. By reducing unnecessary mileage and promoting the use of fuel-efficient vehicles, the City can minimize its carbon footprint and support broader environmental goals.
- Accountability and Transparency:** The program establishes clear criteria for evaluating each vehicle's usage. This transparency fosters accountability within City departments, ensuring that resources are used responsibly and justifiably.
- Flexibility and Adaptability:** The program provides a structured framework for evaluating utilization but also allows for flexibility. Departments can dispose, classifications and provide justifications for retaining specific vehicles, promoting adaptability to changing needs while maintaining an overall standard for efficiency.
- Data-Driven Decision Making:** The program relies on data-driven metrics to evaluate each vehicle's performance. This approach enables the City to make informed decisions based on actual usage patterns, contributing to better overall decision-making processes.

**III. Definitions**  
**Authorized Employee** – Employees of the City of Greenville that meet the City Driver's Standards (HR Policy 7.8).

**Department Motor Pool** – Pool of vehicles assigned to a Department for their use to conduct official City business.

**Department Pool Administrator** – Department employee assigned by the Department Director to manage the Department Motor Pool.

**Fleet Services Manager** – Responsible for maintaining a sufficient supply of pool vehicles at the Public Works Department Facility, City Hall, and the Public Safety Campus and overseeing the use of those vehicles.

**Shared Motor Pool** – Pool of vehicles that are available for use by City employees.

**Take Home Vehicle** – Vehicle assigned by a Department Pool Administrator to an employee to be driven to and from an employee's place of residence and their assigned work location(s).

**IV. Establishment of Department Motor Pool and Shared Motor Pool**  
The motor pools are established through the Fleet Oversight Committee – City Manager approval process as detailed in section VI of this policy. The approval process is undergirded by a comprehensive review of the utilization data of the City's vehicle fleet.

Annually, the City will review the utilization data using the guidelines detailed in section V of the policy and determine the number of vehicles allocated to each Department. The vehicles allocated to each Department will serve as the Department's Motor Pool. The remaining vehicles will be placed in a Shared Motor Pool for use as needed by all City employees. The Shared Motor Pool vehicles will be housed at the Public Works Facility, City Hall, and the Public Safety Campus and will be administered by the Fleet Services Division.

**V. Utilization Guidelines**  
Utilization of each vehicle will be determined based on three (3) factors. Each factor will carry a score which when totaled must equal five (5) or higher to reach minimum utilization.

1. % of days utilized based on the department's standard work week excluding holidays. Score 0-2
  - a. 95%-100% = 0
  - b. 55%-95% = 1
  - c. > 85% = 2
2. % of hours utilized per workday. The workday hours will be based on the department's regular working schedule. Hours utilized outside the department's normal work hours will be evaluated separately. Score 0-5
  - a. 0-25% = 0
  - b. 26-50% = 1
  - c. 51-75% = 2
  - d. 76-100% = 3
  - e. 71-85% = 4
  - f. > 85% = 5
3. Average number of miles driven during the department's regular working hours within the City limits each day. Miles driven outside the City limits will be evaluated separately. Score 0-3
  - a. 0-9 = 1
  - b. 10-20 = 2
  - c. 21-30 = 3
  - d. > 30 = 4



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# Utilization Policy Cont.

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## Example of scoring matrix:

Unit #	% of Available days used	Score	Average % of hours utilized per workday	Score	Average # of miles driven each day	Score	Total
1108	92%	2	27%	1	10	2	5
1002	73%	1	24%	0	5	1	2
1500	8%	0	12%	0	5	1	1
2180	77%	1	30%	1	9	1	3

## VI. Fleet Oversight Committee

Each department will assign the role of fleet oversight committee member who will serve as their department's assigned vehicle manager. This appointee will be responsible for scheduling the use of the department's assigned vehicles and relaying additional needs to the committee during the annual meeting. This annual meeting will be held during the month of January and will be organized by the Public Works Fleet Manager. During this meeting, the committee will review the utilization policy and discuss the roles and responsibilities of each member as they pertain to each department's assigned vehicles. At this time, under-utilized and/or added vehicles will be discussed.

In early February, the Fleet Manager will then present the committee's findings to Office of Management & Budget (OMB) to use in conjunction with the annual utilization report to make final determinations.

To assist in vehicle assignments, it is the responsibility of each department to provide a list of take-home vehicles and mileage reimbursements to OMB which will be relayed to the City Manager's Office (CMO) for review. This request will be sent out quarterly by the Fleet Manager.

## VII. Underutilized Vehicles

Collectively, if a vehicle is scored with a total of 5 or higher, the vehicle is deemed necessary and will be kept in the Department Motor Pool. If the score is under 5, the vehicle will be identified as falling below the utilization target point. These vehicles will be identified by the Fleet Manager prior to the annual meeting and the following possible actions may be taken:

1. Removal from the Department Motor Pool and placed in the Shared Motor Pool
2. Re-assignment to another department
3. Exchanged for a different type of vehicle that better suits the usage
4. Retention with proper justification

## VIII. Department Responsibilities

Based on the vehicle utilization data and the allocation determinations, a sufficient number of vehicles will be assigned to and maintained by the Departments to meet demand requirements. The allocated vehicles will establish a vehicle pool for each Department (i.e., Department Motor Pool) to be administered by the Department (i.e., Department Motor Pool Administrator). The Department Pool Administrator will be responsible for operating and managing their Department's vehicle pool to include:

- Assigning vehicles to employees

- Complying with the City Fleet Division's vehicle maintenance policies.
- Refueling vehicles as required.
- Promptly reporting any vehicle malfunction, repairs, or maintenance issues to the Fleet Division.
- Immediately reporting any damage to pool vehicles including collisions with another vehicle pursuant to the established City policies. The driver is responsible for completing any necessary forms.
- Ensuring that employees assigned to a vehicle shall be responsible for operating the vehicle in compliance with all traffic and parking regulations<sup>1</sup>.
- Maintaining vehicle keys and ensuring the keys are only provided to authorized City employees.
- Maintaining a log of trips for each vehicle.

The Fleet Services Division is responsible for all service and maintenance to be performed on pool vehicles including preventive maintenance.

The Fleet Services Manager will be responsible for maintaining a sufficient supply of pool vehicles at the Public Works Department Facility, City Hall, and the Public Safety Campus. These vehicles can be checked out by City Departments while repair or service work is being performed on their vehicles and / or if they need a vehicle for traveling to conduct official business.

Pool vehicles will be available on a first come, first serve, or reservation basis. Employees desiring to utilize a shared pool vehicles must submit the attached form (Exhibit A) to the Fleet Services Manager.

## IX. Personal Vehicle Use and Mileage Reimbursement

City vehicles should be used whenever practical for City business travel. If other means of transportation are not feasible or use of a private automobile better serves the City's purposes, then an employee may be authorized to use a personal vehicle for City business. The city will pay mileage at the current approved mileage rate.

Personal vehicle usage is subject to the guidelines set forth in OMB Policy 7 – Travel Reimbursement.

## X. Program Exceptions

This program does not apply to vehicles assigned to the Police Department, Fire Department, and/or the Mayor's Office.

Departments wishing to dispute a unit being classified as under-utilized may submit a written justification to the Dispute Resolution Committee to keep the unit active. The dispute resolution committee will be comprised of appointed members from OMB, CM's office, and the Director of Public Works.

<sup>1</sup> Employees receiving a traffic summons while operating a City vehicle are personally responsible for honoring the citation and must notify their department head, motor pool manager and Fleet Service within 24 hours of receiving the ticket and submit an incident report.



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## Avoid Fleet Creep

Proper utilization of current fleet units frees up replacement funds.

Reduces maintenance and fuel costs.

Smaller fleet can lead to a newer, more efficient and more streamlined fleet.

Educate your customers on the benefits of motor pools.

Require justification for additions to the fleet, beyond "I need a vehicle".



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# Request for a Shared Pool Car

**Exhibit A – City of Greenville**

**Request for a Shared Motor Pool Vehicle**  
(Submit an original and one copy)

Date: \_\_\_\_\_ Department: \_\_\_\_\_

Name: \_\_\_\_\_ Job Title: \_\_\_\_\_

Average monthly mileage employee is expected to travel: \_\_\_\_\_

Please explain why it is in the interest of the City for this employee to use a City vehicle in conducting City business:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please explain why a vehicle is needed and why the employee cannot receive mileage reimbursement for the use of a personal vehicle:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Transport of families, friends, associates, or other persons except when responding to or performing official City business or duties is considered to be personal in nature, and the employee will recognize that the City will be held "harmless" in the event of any incident.*



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## Thank you

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