



Office of the Comptroller
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Members of the Public Works Committee
City of Milwaukee
City Hall, Room 205
Milwaukee, WI 53202

File 060508; RE: 2006 Fleet Report.

Dear Committee Members:

My staff reviewed the Department of Public Works' Fleet Report dated August 2006 in relation to the recommendations in our 2004 Audit of City of Milwaukee Fleet Management: Automobiles and Pickup Trucks. The staff also reviewed DPW's August 10, 2006 response to our request for the status of the audit recommendations. My comments regarding each of the recommendations follow.

Recommendation 1: Assign DPW Fleet Services full authority to manage the City Fleet

DPW's May 9, 2005 status update indicated disagreement with this recommendation. DPW's August 10, 2006 status update indicates no change in DPW's response. The Fleet Report does not address this issue.

Recommendation 2: Survey fleet management practices of comparable organizations.

DPW's May 9, 2005 status update states that DPW surveyed 20 cities in early 2005, but the survey was not considered conclusive. DPW's August 10, 2006 status update states that additional benchmarking has not been undertaken but that the recently hired fleet manager has been asked to undertake the appropriate benchmarking for the fleet. The Fleet Report does not address this issue.

Recommendation 3: Develop a vehicle usage policy and procedures manual.

The recommendation states that the policies and procedures should define and guide the personal use of City vehicles by City employees including reimbursement requirements. All personal miles should be reported to and monitored by DPW Fleet Services throughout the year based upon employee logs of miles driven in City vehicles. All commuting miles should be reported and monitored.

Common Council Resolution #040738 states "The Department of Public Works shall develop a Vehicle Usage Policy and Procedures Manual..."

DPW's August 10, 2006 status update states that in 2005, a Fleet Usage Policy and Procedures Manual was prepared and made available to all using departments. The Fleet Report refers to four manuals:

- DPW Operations Division Major Work Rules
- Fleet Services Section Operating Guidelines
- Fleet Vehicle Usage and Safety Manual
- City of Milwaukee Snow and Ice Control Policy

A review of these documents disclosed that the Fleet Vehicle Usage and Safety Manual states that employees' use of City vehicles is to be limited to official City business and that personal use, including for lunch and breaks is not permitted unless authorized by the department or division head. The manual also states that the Commissioner of Public Works will designate employees eligible to take vehicles home. The manual does not address reporting and monitoring of authorized personal use of vehicles. It also does not address commuting miles for vehicles taken home. It appears that this recommendation has been partially implemented.

Recommendation 4: Conduct a study to reduce fleet size for the 2005 budget.

Common Council Resolution #040738 states "The Department of Public Works shall conduct a study to reduce fleet size for the 2006 budget."

The Fleet Report states that 104 light passenger vehicles and 40 determined to be underutilized were sold in 2005. The Fleet Report also describes four fleet reduction studies that indicate the fleet could be reduced by 15 power sweepers, 13 or more refuse packers, 6 sidewalk tractors and 9 end loaders.

The Fleet Report also states that quarterly reports on passenger vehicle mileage are provided to user departments and those departments are asked to evaluate the need for vehicles with less than 3,600 miles per year. Copies of these reports are provided in the Fleet Report.

The Fleet Report states that a procedure has been developed to track any equipment which has been replaced but has not been turned in for disposal. Departments are contacted regarding such equipment.

These actions are consistent with the recommendation and with the goal of reducing fleet size and should be continued.

Recommendation 5: Prepare an annual City fleet management report.

The recommendation states that this report would present and analyze essential cost and availability information and trends, including trends in key performance indicators. The report would also include initiatives to improve fleet services, reduce fleet size and control operational and capital costs.

Common Council Resolution #040738 directs DPW to prepare and submit such a report. The Fleet Report is DPW's response to this requirement.

The report provides useful information, particularly regarding initiatives to reduce fleet size, identify underutilized vehicles and ensure disposal of replaced equipment. The Fleet Report also contains a significant number of pages of data and statistics. This data is necessary for DPW's use in managing the fleet. However, the Fleet Report would be more useful if it provided summaries of this data, along with analysis of trends and planned actions to address problems identified in the analysis.

Recommendation 6: Implement minimum mileage and preventive maintenance policies.

The Fleet Report states that passenger vehicle mileage is compiled on a quarterly basis and reports are provided to user departments. Copies of these reports are included in the Fleet Report. The Fleet Report also states that departments are asked to evaluate vehicles with less than 3,600 miles per year for possible reductions. This appears to indicate that the minimum mileage standard is 3,600 miles per year.

The Fleet Report states that preventive maintenance checklists and procedures have been standardized and documented and that an updated Fleet Maintenance Manual was issued in May, 2006. A copy of a portion of the Fleet Maintenance Manual is included in the Fleet Report. The index to this manual indicates that preventive maintenance check lists exist for both light and heavy equipment. The Fleet Report indicates that, from January through May, 2006, preventive maintenance work was performed within 30 days of schedule 67% of the time.

Recommendation 7: Charge vehicle usage at full cost including depreciation.

DPW's May 9, 2005 and August 10, 2006 status updates indicate that no action has been taken on this recommendation. The Fleet Report does not address this issue.

Recommendation 8: Examine vehicle repair and downtime data.

DPW's August 10, 2006 status update states that fleet availability reports are produced on a monthly basis. The Fleet Report includes copies of these reports.

Recommendation 9: Explore personal vehicle reimbursement and leasing alternatives.

DPW's August 10, 2006 status update indicates that no action has yet been taken on this recommendation.

Recommendation 10: Consider a separate fleet budget.

DPW's status update states that this will be done if a policy decision is made to implement Recommendation 1. As DPW appears to disagree with Recommendation 1, it is unlikely that this recommendation will be implemented.

Recommendation 11: Standardize and document vehicle maintenance.

DPW's May 9, 2005 status update states that this recommendation has been implemented.

Recommendation 12: Develop and report fleet management performance indicators.

DPW's August 10 status update states that some progress has been made in developing performance indicators and that the department will continue to develop additional indicators as appropriate.

The Fleet Report provides reports of the following indicators:

- Average daily vehicle out of service, January-June, 2006.
- Percent of equipment ready for use, January-June, 2006.
- Equipment replaced but not yet sold.

Should you have any questions regarding this letter, please contact me immediately.

Sincerely,



W. Martin Morics
Comptroller

WMM:we/cdk/cs

cc: Jeffrey Mantes, Department of Public Works Commissioner

REF: 2006 Fleet Report Review