



Audit of Fleet Utilization and Replacement

Project #21-09

Prepared by
Office of the Inspector General

J. Timothy Beirnes, CPA, Inspector General
Jankie Bhagudas, CPA, Lead Consulting Auditor





SOUTH FLORIDA WATER MANAGEMENT DISTRICT

November 10, 2021

Governing Board Members

Re: Audit of Fleet Utilization and
Replacement - *Project No. 21-09*

This audit was performed pursuant to the Inspector General's authority set forth in Chapter 20.055, F.S. Our audit objective primarily focused on determining whether the fleet size is adequate to carry out the District's mission, fleet units meeting replacement requirements are replaced in a timely manner, rentals are cost effective, vehicle/equipment are adequately utilized, and fleet purchases are procured using state and other government contracts. Jankie Bhagudas and I prepared this report.

Sincerely,

A handwritten signature in blue ink, which appears to read "J. Timothy Beirnes".

J. Timothy Beirnes, CPA
Inspector General

TABLE OF CONTENTS

BACKGROUND.....	1
OBJECTIVE, SCOPE, AND METHODOLOGY	4
AUDIT RESULTS.....	6
Executive Summary.....	6
Additional Funding Needed to Replace Aging Vehicles and Equipment	8
Vehicle and Equipment Utilization Analysis	26
<i>Light Trucks Adequately Utilized.....</i>	<i>29</i>
<i>Improve Utilization Monitoring of Medium/Heavy Trucks, Construction/Marine Equipment, Tractors and Trailers</i>	<i>30</i>
Construction Equipment Rentals	34
Fleet Purchases made via. State and Government Contracts	34
RECOMMENDATIONS.....	35

BACKGROUND

In accordance with the Office of Inspector General's Fiscal Year 2021 Audit Plan, we conducted an Audit of Fleet Utilization and Replacement.

As of September 30, 2020, the District's fleet was comprised of 588 on-road and 436 off-road vehicles/equipment.

District's Fleet Composition, as of September 30, 2020			
Type	Class	Examples of Vehicle/Equipment	Total
On-Road	<i>Sedans</i>	➤ Mid-size	5
	<i>Light Trucks</i>	➤ ½ ton, ¾ ton, and 1-ton pickups - closed and extended cabs, utility body ➤ Compact and mid-size SUVs ➤ Cargo vans	451
	<i>Medium Trucks</i>	➤ 1.5 ton and 1.75 ton trucks - utility body, utility body with crane, and flatbed	69
	<i>Heavy Trucks</i>	➤ Dump trucks - 12, 14, 18, and 20 cubic yards ➤ 2.5 ton bucket, flatbed, and boom trucks ➤ Semi-tractor trucks	63
	Total On-Road		
Off-Road	<i>Construction / Heavy Equipment</i>	➤ Bulldozers, frontloaders, graders, and forklifts ➤ Excavators – trackhoe ➤ Cranes – truck mounted ranging from 25 tons to 150 tons, hydraulic ranging from 40 tons to 80 tons	97
	<i>Marine</i>	➤ Boats, airboats, towboats, and outboard motors	129
	<i>Trailers</i>	➤ Boat, airboat, and utility trailers	187
	<i>Tractors</i>	➤ Tractors, tractors with boom mowers	23
	Total Off-Road		
Total			1,024

In addition, the District owns the following: 47 pumps, 27 generators, and 153 pieces of miscellaneous equipment (e.g., woodchippers, ATVs, lawn mowers, pressure washers, and golf carts).

The Field Operations Division's Field Operations Bureau (Region 3 – Fleet Unit) is responsible for District fleet vehicle/equipment purchases. The Fleet Unit also provides fleet support to all District programs and projects. Vehicle/equipment replacement purchases are acquired based on fund availability, certain replacement criteria, and input from fleet maintenance staff. In addition, certain fleet acquisitions are made with project funds for specific projects and funds designated for new employees requiring vehicles to perform their assignments. The following are the important steps in the annual fleet replacement process.

- Before the annual Fleet Unit budget is determined, a vehicle/equipment replacement list is compiled. Specifically, the Process and Project Controls Section's, Senior SAP Functional Analyst, assists the Fleet Unit by generating a detailed five-year cost report (replacement report) for each vehicle/equipment using an SAP Business Warehouse query and other SAP fleet related data. The report includes but is not limited to the following data: class, description, acquisition date and amount, inventory number, and age. It also includes the following data for the preceding five years: mileage/hours, maintenance costs, repair costs, fuel costs, cost per mile /hour, and maintenance cost per mile.
- The Bureau Chief of Region 3's Field Operations Division and the Fleet Unit use the replacement report to preliminarily determine which fleet vehicle/equipment meet District replacement criteria by taking specific age, mileage/hours, and maintenance cost per mile/hour into consideration. In addition, a vehicle's condition is considered as part of the replacement analysis.
- The Bureau Chief of Region 3 and the Fleet Unit rank and discuss vehicles/equipment identified for replacements with the other Bureau Chiefs of the Field Operations Bureaus, and other relevant staff. This discussion may result in a revised replacement list.

-
- Based on projected vehicle/equipment funding amounts, the replacement list is usually further revised. It should be noted that funding is usually allocated to the Fleet Unit; however, in certain cases, a cost center may use its funding for vehicle/equipment purchases. These purchases are required to be justified and approved by management and must be procured by the Fleet Unit.
 - Notifications are sent to relevant field station superintendents or cost center management informing them which vehicle/equipment may be replaced. At this point, the field station/cost center can request another type of vehicle that would better serve their business needs or add practical options to the replacement unit.
 - After all discussions and reviews, the Field Operations Division Director makes the final decision regarding which vehicle/equipment will be replaced.
 - After the Division Director's approval and the fiscal year begins, the Fleet Unit starts the procurement process by reviewing State and local government contracts to obtain the best possible prices.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our audit objective primarily focused on determining whether: the fleet size is adequate to carry out the District's mission, fleet units meeting replacement requirements are replaced in a timely manner, rentals are cost effective, vehicle/equipment are adequately utilized, and fleet purchases are procured using state and other government contracts.

To accomplish our objectives, we performed the following:

- Obtained an understanding of fleet operations by interviewing the Fleet Unit's staff and other relevant staff responsible for fleet utilization and replacement.
- Determined whether the District allocates sufficient funding to replace vehicles/equipment that have met certain District replacement criteria, as of the end of Fiscal Year 2020. We also determined whether the vehicle/equipment replacement analysis is adequate. Further, we independently verified the accuracy of data used by the Fleet Unit in the replacement analysis covering the five-year period of September 1, 2015 to September 30, 2020 by comparing Fleet Unit data to audit generated data. In instances where there were discrepancies, we obtained explanations from Fleet Unit staff.
- Determined whether adequate procedures are in place to monitor fleet utilization. We determined whether the usage data used by the Fleet Unit for the Fiscal Year 2019 and Fiscal Year 2020 utilization corresponded to the usage data maintained in SAP. In addition, we determined whether low utilizations were justified.
- Verified whether vehicles/equipment are purchased using state and other government contracts by reviewing Fleet Unit's purchase spreadsheets for Fiscal Years 2016 to 2021. In addition, we selected a judgmental sample of purchases made during Fiscal Year 2020 and obtained supporting documentation maintained by the Procurement Bureau to verify the accuracy of the purchasing data on the Fleet Unit's purchasing spreadsheets. Judgmental sampling was considered the preferred methodology based on consideration of the audit population's size and characteristics, as well as audit efficiency and professional judgment. Although the sample cannot be statistically projected to the

population, we believe the sample, along with the results of the audit tests, provide reasonable assurance for us to determine whether there are adequate controls in place.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

Executive Summary

Overall, the District has a process in place to ensure that vehicles/equipment are being adequately utilized but some improvements are needed, the fleet size is adequate to carry out the District's mission, and fleet purchases are procured using State and government contracts to obtain the best prices.

Due to limited funding and other District priorities over the past several years, the District has not been able to replace its fleet that met certain replacement criteria. Consequently, the number of vehicle/equipment meeting the replacement criteria increases each year along with repair costs for the aging fleet. Specifically, during Fiscal Year 2016 to Fiscal Year 2021 (August 2021) about \$16.6 million has been spent on replacing existing vehicle/equipment (an average of \$2.8 million annually); however, this amount has been insufficient to have any impact on the amount needed for replacements, which keeps increasing each year. Specifically, in Fiscal Year 2021, an estimated \$24.4 million was needed just to replace vehicles and equipment meeting replacement criteria; however, only \$3.1 million was allocated. The following table summarizes funding needs and the projected funding for Fiscal Year 2022.

Fleet Replacement Funding Summary	
Fleet Replacement / Funding Data	Amount
Fiscal Year 2020 Analysis of Fleet Replacement Funding Required to Replace Vehicle/ Equipment Meeting Replacement Criteria in Fiscal Year 2021 – <i>20% of the Fleet needs Replacement</i>	\$ 24,425,434
Fiscal Year 2021 Fleet Funding Allocated to Replace Units Identified in Fiscal Year 2020	\$ 3,116,050
Deferred Fleet Fiscal Year 2021 Replacements	\$ 21,309,384
<i>Note: Deferred Replacement Amount will be Increased by Fleet Unit's Fiscal Year 2021 Replacement Analysis.</i>	
Budgeted Funding for Fiscal Year 2022 Fleet Replacement (Decrease of \$991,769 (32%) from Fiscal Year 2021)	\$ 2,124,281

Further, our analysis disclosed that Fiscal Years' 2019 and 2020 light truck utilization levels appeared adequate and adequate justifications for low utilizations were provided by cost centers. Utilization levels of other units appeared inadequate, as summarized in the following table.

Utilization Summary for Fiscal Years 2019 and 2020								
Vehicle/Equipment Classifications	Fiscal Year 2019				Fiscal Year 2020			
	Adequate Utilization				Adequate Utilization			
	Yes		No		Yes		No	
Light Trucks	408				387			
	350	86%	58	14%	308	80%	79	20%
Medium Trucks	62				66			
	37	60%	25	40%	38	58%	28	42%
Heavy Trucks	59				59			
	10	17%	49	83%	14	24%	45	76%
Construction Equipment	84				92			
	15	18%	69	82%	7	8%	85	92%
Tractors	20				21			
	2	10%	18	90%	3	14%	18	86%

In some instances, cost centers provided reasons for low utilizations while in other instances the reasons were either not provided or were too vague. Fleet Unit staff plans to improve utilization monitoring; for example, hiring another fleet analyst, monitoring utilization more closely, and analyzing whether the entire fleet of bulldozers is needed.

We made 10 recommendations to improve the fleet utilization and replacement process.

Additional Funding Needed to Replace Aging Vehicles and Equipment

Due to limited funding and other District priorities over the past several years, the District has not been able to replace its fleet that met certain replacement criteria. Consequently, the number of vehicle/equipment meeting the replacement criteria increases each year along with repair costs for the aging fleet. Specifically, during Fiscal Year 2016 to Fiscal Year 2021 (August 2021) over \$16.6 million has been spent on replacing existing vehicle/equipment (an average of \$2.8 million annually), however, this amount has been insufficient. Based on the Fleet Unit's Fiscal Year 2020 fleet replacement analysis, \$24.4 million would be needed in Fiscal Year 2021 to replace fleet that meet the various replacement criteria; however, only \$3.1 million was expended on fleet replacement purchases. An estimated additional \$24.4 million will be needed just to replace the vehicle/equipment identified on the Fiscal Year 2021 replacement list. Further, the fleet replacements will continue to increase each year as more and more units meet the replacement criteria if replacement funding levels are not increased. Moreover, budgeted fleet replacement funding for Fiscal Year 2022 is projected to be \$2.1 million, which is 32% less than Fiscal Year 2021 funding levels. At this funding rate replacement costs are likely to increase. The replacement funding is summarized in the following table.

Fleet Replacement Funding Summary	
Fleet Replacement / Funding Data	Amount
Fiscal Year 2020 Analysis of Fleet Replacement Funding Required to Replace Vehicle/ Equipment Meeting Replacement Criteria in Fiscal Year 2021 – <i>20% of the Fleet needs Replacement</i>	\$ 24,425,434
Fiscal Year 2021 Fleet Funding Allocated to Replace Units Identified in Fiscal Year 2020	\$ 3,116,050
Deferred Fleet Fiscal Year 2021 Replacements	\$ 21,309,384
<i>Note: Deferred Replacement Amount will be Increased by Fleet Unit's Fiscal Year 2021 Replacement Analysis.</i>	
Budgeted Funding for Fiscal Year 2022 Fleet Replacement (Decrease of \$991,769 (32%) from Fiscal Year 2021)	\$ 2,124,281

It should be noted that we conducted a fleet replacement and utilization audit in Fiscal Year 2015 (*Audit of Fleet Utilization, Audit #14-15*), which also concluded that fleet replacement was allocated insufficient funding. Specifically, during Fiscal Year 2010 to Fiscal Year 2015, only about \$8 million was spent on fleet acquisition (an average of \$1.3 million per year) and as of Fiscal Year 2015, an estimated \$14.4 million was needed to replace fleet that had met replacement criteria. Thus, based on our audits, it appears funding for fleet replacement has been an issue since Fiscal Year 2010.

Fleet Purchase Details - Fiscal Year 2016 to Fiscal Year 2021

Fleet Unit purchases totaling over \$16.6 million were expended to replace aging vehicle/equipment during Fiscal Year 2016 to Fiscal Year 2021 (as of August 2021). In addition, during this same six-year period vehicles were purchases that were not considered fleet replacements because the purchases did not replace aging vehicle/equipment and were not made using replacement designated funding. Specifically, various business areas expended over \$1 million in allocated funding for purchases classified as new works; for example, vehicles required for a new employee to perform his/her job responsibilities. In addition, purchases totaling about \$4.5 million were made using project related funding for project related work.

The following table summarizes fleet replacement, new works, and project related vehicle/equipment purchases from Fiscal Year 2016 to Fiscal Year 2021 (as of August 2021).

Vehicle and Equipment Purchases Fiscal Years 2016 to 2021 (as of <i>August 2021</i>)								
Fiscal Year	Fleet Replacement		New Works		Project Related		Total Purchases	
	Amount	#	Amount	#	Amount	#	Amount	#
2016	\$ 1,606,357	25	\$ 196,412	4	\$ 209,969	2	\$ 2,012,738	31
2017	\$ 3,548,161	52	None		\$ 14,451	1	\$ 3,562,612	53
2018	\$ 1,690,072	33	\$ 161,358	3	\$4,071,800	29	\$ 5,923,230	65
2019	\$ 3,086,788	86	\$ 376,426	10	None		\$ 3,463,214	96
2020	\$ 3,091,598	71	\$ 82,273	2	\$ 103,885	2	\$ 3,277,756	75
2021	\$ 3,616,755	59	\$ 217,638	2	\$ 189,335	6	\$ 4,023,728	67
Total	\$16,639,731	326	\$1,034,107	21	\$4,589,440	40	\$22,263,278	387
75%		4%		21%		100%		
Average Annual Purchases for Fiscal Years 2016 – 2021								
\$ 2,773,289		\$ 172,351		\$ 764,907		\$ 3,710,546		

Our review of Fiscal Year 2021 purchases disclosed that over \$3.1 million of the \$3.6 million were expended on replacing vehicle/equipment on the Fleet Unit's replacement list. The remaining amount was expended on replacing vehicle/equipment not on the replacement list and on miscellaneous equipment, for example, air compressors, mowers and ATVs.

Incorrect Fleet Purchase Amounts

To determine the fleet purchase totals for each fiscal year, we obtained and reviewed annual purchase spreadsheets maintained by the Fleet Unit. Our review disclosed some calculation errors in Fiscal Years 2016, 2017, 2018, 2020, and 2021 in the purchase totals. Specifically, most purchase totals were understated. During our audit, we discussed the errors with the Fleet Unit and the purchase amounts were corrected. It is important that the purchase amounts are correct since the Fleet Unit uses the spreadsheet to track purchases. It is also used during funding discussions with management.

Vehicle/Equipment Replacement Criteria

The Fleet Unit is responsible for determining which vehicle/equipment should be replaced each year. Staff involved in determining which vehicle/equipment should be replaced consider several factors when determining which units should be replaced since funding allocated to fleet replacement is limited due to other District priorities. The following factors, listed in order of importance, are considered when determining which vehicle/equipment should be replaced.

- Obsolete replacement parts: Vehicles/equipment are replaced when repairs/refurbishments cannot be performed because required parts are obsolete. Vehicles/equipment in this category are given the highest replacement priority.
- Age and mileage requirements: Specific age and miles/hours requirements must be met. In some instances, the miles/hours may be considered separately if usage is met and age criteria has not been met and the unit may be replaced based on miles/hours. The different requirements for each class of equipment is shown in the following table.

Vehicle/Equipment Age and Miles/Hours Replacement Criteria		
Vehicle/ Equipment Classification	Age	Miles/Hours
Light Trucks	12 years	180,000 miles
Medium and Heavy Trucks	15 years	250,000 miles
Construction Equipment	20 years	5,000 hours
Tractors	20 years	5,000 hours
Marine Equipment (<i>Note 1</i>)	15 years	5,000 hours

Note 1: *There are several classifications of marine equipment. Based on our audit, the Fleet Unit will reanalyze age and hours replacement requirements.*

-
- *Fleet Maintenance Shops' Input:* Fleet maintenance staff provide replacement input on problematic units since they are aware of the repairs; for example, they may recommend replacing a low usage vehicle with high repair costs.
 - *Cost per Mile/Hour:* Cost per mile/hour is used in a few instances to determine whether replacement is necessary because high cost per mile/hour does not necessarily warrant a priority replacement. High/low cost per mile/hour may be justified and are discussed with fleet maintenance staff; for example, if it was determined that a unit will not be replaced, then additional investments; such as, transmission replacement, and brake system overhauls, are made to extend the serviceable life of the unit. Our review of the cost per mile/hour calculations disclosed some minor errors; for example, understated mileage/hours were used to determine cost per mile/hour during the period September 1, 2015 to September 30, 2020, which slightly reduced cost per mile/hour. It should be noted that we have initiated an Audit of Fleet Maintenance Operations and these issues will be discussed in detailed in this audit.

***Fiscal Year 2020 Fleet Replacement Analysis and
Estimated Funding Needed vs. Actual Funding Received***

Based on the Fleet Unit's Fiscal Year 2020 replacement analysis, 199 (20%) of 991 vehicle/equipment met age and miles/hours replacement criteria for replacement consideration in Fiscal Year 2021. Replacement percentages ranged from 9% - 50% of the units within each classification. It should be noted that the units identified for replacement in this analysis are primarily based on age and miles/hours criteria and are based on the Fleet Unit's analysis. Actual replacement decisions will also include additional replacement factors (parts availability, staff input, and cost per mile/hour).

The following table summarizes Fiscal Year 2021 replacement data.

Number of Vehicles/Equipment that Met Age, Usage and Other Replacement Criteria Plus Fiscal Year 2021 Estimated Replacement Cost			
Vehicle / Equipment Classifications	Number that met Age and Usage Replacement Criteria		Fiscal Year 2021 Estimated Replacement Costs (Note 1)
Light Trucks	40 of 440	9%	\$ 2,071,285
Medium Trucks	24 of 68	35%	\$ 2,598,065
Heavy Trucks	31 of 62	50%	\$ 4,655,488
Construction Equipment	27 of 96	28%	\$ 11,522,487
Tractors	6 of 23	26%	\$ 584,541
Marine	40 of 116	34%	\$ 2,823,284
Trailers	31 of 186	17%	\$ 170,283
Total	199 of 991	20%	\$ 24,425,433

Note 1: Actual costs may be greater than the estimated replacement amount since the estimated amounts are based on Fiscal Year 2021 costs and only \$3.1 million was expended on the units were not replaced in Fiscal Year 2021.

Based on the Fleet Unit's Fiscal Year 2021 purchasing spreadsheet, fleet replacement purchases totaled \$3.6 million. However, we determined that \$3.1 million of these purchases were specifically for vehicle/equipment replacement. Based on the estimated replacement cost of \$24.4 million and the actual Fiscal Year 2021 purchases, an additional estimated \$21.3 million was needed to replace units on the replacement list. However, the actual replacement costs may be more since the \$21.3 million is based on Fiscal Year 2021 purchase prices. Specifically, based on a 3% price increase it would cost an estimated \$21.9 million to replace the remaining units in Fiscal Year 2022.

The Fiscal Year 2021 estimated replacement data are presented in the following table.

Fleet Unit's Estimated Funding Needed to Replace the 199 Vehicles/Equipment Meeting Age and Miles Replacement Criteria vs. Actual Replacement Purchases, Fiscal Year 2021						
Vehicle / Equipment Classifications	Total Estimated Amount Needed to Procure Replacements		Actual Replacement Costs (Note 1)		Identified for Replacement but not Funded (Deferred)	
	Amount	#	Amount	#	Amount	#
Light Trucks (Note 2)	\$ 2,071,285	40	\$ 563,509	15	\$ 1,507,776	25
Medium Trucks	\$ 2,598,065	24	\$ 393,596	5	\$ 2,204,469	19
Heavy Trucks	\$ 4,655,488	31	\$ 1,039,009	6	\$ 3,616,479	25
Construction Equipment	\$ 11,522,487	27	\$ 375,455	2	\$ 11,147,032	25
Tractors	\$ 584,541	6	\$ 59,900	1	\$ 524,641	5
Marine	\$ 2,823,284	40	\$ 518,137	6	\$ 2,305,147	34
Trailers (Note 3)	\$ 170,283	31	\$ 166,444	6	\$ 3,839	25
Total	\$ 24,425,433	199	\$3,116,050	41	\$21,309,383	158
	100%		13%	21%	87%	79%

Note 1: Based on the Fleet Unit's replacement list, the replacement cost was estimated to be \$3,085,276.

Note 2: Based on the Fleet Unit's analysis, 40 of the light trucks needed replacement. However, our analysis disclosed an additional 40 (18%) met the replacement criteria. Specifically, these trucks were between 12 years to 21 years and driven between 180,323 miles to 267,666 miles. We used the Fleet Unit's replacement cost formula and estimated that the Year 2021 replacement cost of these 40 trucks was about \$1.8 million. According to Fleet Unit staff, these were not included in the analysis because they knew funding was not available.

Note 3: Replacement costs for the remaining 25 trailer units is understated because the actual cost of the six units were higher than estimated.

Audit's vs. Fleet Unit's Age and Miles/Hour Analysis

We analyzed age and miles/hours data for all vehicle/equipment except trailer units and compared our results to the Fleet Unit's replacement results as of the end of Fiscal Year 2020. We found some differences, which are summarized in the following table.

Age and Usage Fleet Replacement Analysis Audit vs. Fleet Unit, as of end of Fiscal Year 2020					
Vehicle/ Equipment Classification	Total # of Vehicle / Equipment	Units that Meet Age and Usage Replacement Criteria			
		Audit		Fleet Unit	
Light Trucks	440	70	16%	40	9%
Medium Trucks	68	0	0%	24	35%
Heavy Trucks	62	5	8%	31	50%
Construction Equipment	96	19	20%	27	28%
Tractors	23	0	0%	6	26%
Marine (Based only on Age)	116	57	49%	40	34%
Trailers	186	<i>Not Analyzed</i>		31	17%
Total	991	153		199	20%

According to Fleet Unit staff, several reasons may account for the differences, for example, all light trucks were not included in the replacement analysis since only limited funding is available for replacement. Nevertheless, we recommend that all units meeting the replacement criteria should be included on the replacement list. Failure to include all units in the annual replacement underestimates funding needed for replacements. Regarding medium and heavy trucks and construction equipment, Fleet Unit staff explained there were other issue that impacted replacement decision; for example, usage, age, input from fleet maintenance staff or cost per mile. We did not analyze trailers because there were several types of trailers and the replacement criteria was unclear. Fleet Unit staff stated that they will reevaluate replacement criteria for the marine and trailer units since there are several different types of units within each classification.

Our audit disclosed that 94 of 689 (14%) vehicle/equipment met the age and miles/hours criteria at the end of Fiscal Year 2020. Our analysis of the different classes of vehicle/equipment are summarized and detailed in the following tables.

Audit Age and Usage Replacement Criteria Analysis, as of end of Fiscal Year 2020						
Vehicle/ Equipment Classification	Total # of Units	Met Age Criteria		Met Usage Criteria		Met Both Age and Usage Criteria
		No	Yes	No	Yes	
Light Trucks	440	228	212	362	78	70
Medium Trucks	68	37	31	68	0	0
Heavy Trucks	62	17	45	57	5	5
Construction Equipment	96	68	28	65	31	19
Tractors	23	20	3	17	6	0
Marine/Trailers	<i>There are several types of units within these equipment classifications. Fleet Unit plans to reevaluate replacement criteria.</i>					

Light Trucks

Audit Analysis of 440 Light Trucks Using Age and Usage Criteria as of end of Fiscal Year 2020			
Classifications	#	%	Conclusions
Age Criteria Replacement: Greater Than 12 Years			
Less than 12 Years	228	52%	<u>Mileage Range:</u> 157 miles to 229,580 miles
Greater than 12 Years	212	48%	<u>Age Range:</u> 12 years to 23 years <u>Mileage Range:</u> 65,608 miles to 267,666 miles
Mileage Criteria Replacement: Greater Than 180,000 Miles			
Less than 180,000 Miles	362	88%	<u>Age Range:</u> 1 year to 23 years <u>Mileage Range:</u> 157 miles to 179,472 miles
Greater than 180,000 Miles	78	18%	<u>Age Range:</u> 7 years to 21 years <u>Mileage Range:</u> 180,323 miles to 267,666 miles
Number of the 440 Light Trucks Meeting Both Age and Usage Criteria			
Met Both Age & Usage Replacement Criteria	70	16%	<u>Age Range:</u> 12 years to 21 years <u>Mileage Range:</u> 180,323 miles to 267,666 miles
Fleet Unit's Assessment of Light Trucks Requiring Replacement and Number Replaced in Fiscal Year 2021			
<u>40 light trucks (9%) were identified for replacement in Fiscal Year 2021</u>			
<ul style="list-style-type: none"> ➤ 15 were replaced in Fiscal Year 2021 with age ranging from 13 years to 19 years and usage ranging from 180,900 miles to 228,335 miles. ➤ 25 were not replaced in Fiscal Year 2021. Ages ranged from 12 years to 21 years and usage ranged from 124,161 miles to 221,576 miles. It should be noted that nine of these trucks met the age criteria but not the miles criteria. 			
<p><u>Conclusion:</u> Based on the Fleet Unit's analysis, 9% of light trucks needed replacement. However, our analysis disclosed that 18% needed replacement. Specifically, we noted that an additional 40 light trucks between 12 years to 21 years and utilized between 180,323 miles to 267,666 miles needed replacement. We used the Fleet Unit's replacement cost formula and estimated that the Year 2021 replacement cost of these 40 trucks was about \$1.8 million. According to Fleet Unit staff, several reasons may account for the differences, for example, all light trucks were not included in the replacement analysis since only limited funding is available for replacements. Nevertheless, we recommend that all units meeting the replacement criteria should be included on the replacement list. Failure to include all units in the annual replacement underestimates funding needed for replacements.</p>			

Medium Trucks

Audit Analysis of 68 Medium Trucks Using Age and Usage Criteria As of end of Fiscal Year 2020			
Classifications	#	%	Conclusions
Age Criteria Replacement: Greater Than 15 Years			
Less than 15 Years	37	54%	<u>Mileage Range:</u> 435 miles to 203,871 miles
Greater than 15 Years	31	46%	<u>Age Range:</u> 15 years to 22 years <u>Mileage Range:</u> 82,597 miles to 241,957 miles
Mileage Criteria Replacement: Greater Than 250,000 Miles			
Less than 250,000 Miles	68	100%	All medium trucks were used less than 250,000 miles. Note that only eight medium trucks were used 200,600 miles to 241,957 miles
Greater than 250,000 Miles	0	0%	
Number of the 68 Medium Trucks Meeting Both Age and Usage Criteria			
Met Both Age & Usage Criteria	0	0%	<i>See Conclusion Below</i>
Fleet Unit’s Assessment of Medium Trucks Requiring Replacement and Number Replaced in Fiscal Year 2021			
<u>24 medium trucks (35%) were identified for replacement in Fiscal Year 2021</u>			
<ul style="list-style-type: none">➤ 5 were replaced in Fiscal Year 2021 with age ranging from 18 years to 21 years and usage ranging from 145,423 miles to 241,957 miles.➤ 19 were not replaced in Fiscal Year 2021. Ages ranged from 14 years to 22 years and usage ranged from 118,091 miles to 241,085 miles.			
<u>Conclusion:</u> Based on the Fleet Unit’s analysis, 35% of medium trucks needed replacement. Further, our review disclosed that 23 of the 24 medium trucks identified by the Fleet Unit for replacement were between 15 years to 22 years old and utilized between 118,091 miles to 241,957 miles; none of the units was utilized over 250,000 miles. It appears that age was the primary criteria in determining replacement.			

The following is an example of a medium truck with replacement, age, and utilization data

Example of Medium Truck on Fleet Unit's FY 2021 Replacement List
1.5T Utility Body - Crane: 19 years old and used for a total of 221,656 miles
Utilized 12,985 miles in Fiscal Year 2019 and 11,602 miles in Fiscal Year 2020
Replacement Status: Deferred



Heavy Trucks

Audit Analysis of 62 Heavy Trucks Using Age and Usage Criteria As of end of Fiscal Year 2020			
Classifications	#	%	Conclusions
Age Criteria Replacement: Greater Than 15 Years			
Less than 15 Years	17	27%	<u>Age Range:</u> 1 year to 14 years <u>Mileage Range:</u> 2,486 miles to 148,348 miles
Greater than 15 Years	45	73%	<u>Age Range:</u> 15 years to 32 years <u>Mileage Range:</u> 27,386 miles to 291,465 miles
Mileage Criteria Replacement: Greater Than 250,000 Miles			
Less than 250,000 Miles	57	92%	<u>Age Range:</u> 1 year to 32 years <u>Mileage Range:</u> 2,486 miles to 247,082 miles
Greater than 250,000 Miles	5	8%	<u>Age Range:</u> 17 years to 19 years <u>Mileage Range:</u> 261,420 miles to 291,465 miles
Number of the 62 Heavy Trucks Meeting Both Age and Usage Criteria			
Met Both Age & Usage Criteria	5	8%	<u>Age Range:</u> 17 years to 19 years <u>Mileage Range:</u> 261,420 miles to 291,465 miles
Fleet Unit's Assessment of Heavy Trucks Requiring Replacement and Number Replaced in Fiscal Year 2021			
<u>31 heavy trucks (50%) were identified for replacement in Fiscal Year 2021</u>			
<ul style="list-style-type: none"> ➤ 6 were replaced in Fiscal Year 2021 with age ranging from 14 years to 32 years and usage ranging from 31,889 miles to 285,005 miles. Note that the unit with 31,889 miles was a 32-year-old, 5-ton tanker truck. ➤ 25 were not replaced in Fiscal Year 2021. Ages ranged from 18 years to 31 years and usage ranged from 27,386 miles to 291,465 miles. Note that the unit with 27,386 miles is a 31-year-old, 2.5-ton flatbed truck. 			
<u>Conclusion:</u> Based on the Fleet Unit's analysis, 50% of heavy trucks needed replacement. Further, our review disclosed that 30 of the 31 heavy trucks identified by the Fleet Unit for replacement were between 16 years to 32 years old and only five of the 31 were utilized 250,000 miles. It appears that age was the primary criteria in determining replacement.			

The following is an example of a heavy truck with replacement, age, and utilization data

Example of Heavy Truck on Fleet Unit's FY 2021 Replacement List
Trash Truck 20 Cubic Yards: 20 years old and used for a total of 199,261 miles
Utilized 4,454 miles in Fiscal Year 2019 and 2,276 miles in Fiscal Year 2020
Replacement Status: Deferred



Construction Equipment

Audit Analysis of 96 Construction Equipment Using Age and Usage Criteria, as of end of Fiscal Year 2020			
Classifications	#	%	Conclusions
Age Criteria Replacement: Greater Than 20 Years			
Less than 20 Years	68	71%	<u>Age Range:</u> 1 year to 19 years <u>Hours Range:</u> 2 hours to 19,758 hours
Greater than 20 Years	28	29%	<u>Age Range:</u> 20 years to 37 years <u>Hours Range:</u> 328 hours to 15,468 hours
Hours Criteria Replacement: Greater Than 5,000 Hours			
Less than 5,000 Hours	65	68%	<u>Age Range:</u> 1 year to 37 years <u>Hours Range:</u> 2 hours to 4,914 hours
Greater than 5,000 Hours	31	32%	<u>Age Range:</u> 10 years to 35 years <u>Mileage Range:</u> 5,028 hours to 19,758 hours
Number of the 96 Construction Equipment Meeting Both Age and Usage Criteria			
Met Both Age & Usage Criteria	19	8%	<u>Age Range:</u> 20 years to 35 years <u>Mileage Range:</u> 5,274 hours to 15,468 hours
Fleet Unit's Assessment of Construction Equipment Requiring Replacement and Number Replaced in Fiscal Year 2021			
<u>27 construction equipment (28%) were identified for replacement in Fiscal Year 2021</u>			
<ul style="list-style-type: none"> ➤ 2 were replaced in Fiscal Year 2021. The two equipment were 26 and 30 years old and used 9,796 hours and 14,335 hours. ➤ 25 were not replaced in Fiscal Year 2021. Ages ranged from 18 years to 33 years and usage ranged from 1,503 hours to 19,758 hours. Note that the unit with 1,503 hours is a 19-year-old frontloader. 			
<p><u>Conclusion:</u> Based on the Fleet Unit's analysis, 28% of construction equipment needed replacement. Further, our review disclosed that 21 of the 27 units identified by the Fleet Unit for replacement were between 20 years to 33 years and 22 of the 27 were utilized between 5,274 hours to 19,758 hours. It appears that both age and hours were used to determine replacement.</p>			

The following are two examples of construction equipment with replacement, age, and utilization data

Example of Construction Equipment on Fleet Unit's FY 2021 Replacement List
Frontloader: 26 years old and used for a total of 8,257 hours
Utilized 319 hours in Fiscal Year 2019 and 147 hours in Fiscal Year 2020
Replacement Status: Deferred



Example of Construction Equipment on Fleet Unit's FY 2021 Replacement List
Bulldozer: 24 years old and used for a total of 12,458 hours
Utilized 1,204 hours in Fiscal Year 2019 and 292 hours in Fiscal Year 2020
Replacement Status: Deferred



Tractors

Audit Analysis of 23 Tractors Using Age and Usage Criteria As of end of Fiscal Year 2020			
Classifications	#	%	Conclusions
Age Criteria Replacement: Greater Than 20 Years			
Less than 20 Years	20	87%	<u>Age Range:</u> 2 year to 19 years <u>Hours Range:</u> 165 hours to 11,163 hours
Greater than 20 Years	3	13%	<u>Age Range:</u> 21 years to 35 years <u>Hours Range:</u> 985 hours to 3,297 hours
Hours Criteria Replacement: Greater Than 5,000 Hours			
Less than 5,000 Hours	17	68%	<u>Age Range:</u> 2 year to 35 years <u>Hours Range:</u> 165 hours to 4,942 hours
Greater than 5,000 Hours	6	32%	<u>Age Range:</u> 9 years to 19 years <u>Mileage Range:</u> 6,253 hours to 11,163 hours
Number of the 23 Tractors Meeting Both Age and Usage Criteria			
Met Both Age & Usage Criteria	0	0%	<i>See Conclusion Below</i>
Fleet Unit's Assessment of Tractors Requiring Replacement and Number Replaced in Fiscal Year 2021			
<u>Six tractors (26%) were identified for replacement in Fiscal Year 2021</u>			
<ul style="list-style-type: none"> ➤ 1 was replaced in Fiscal Year 2021. It was 27 years old and used 3,297 hours. ➤ 5 were not replaced in Fiscal Year 2021. Ages ranged from 19 years to 35 years and usage ranged from 985 hours to 8,696 hours. 			
<p><u>Conclusion:</u> Based on the Fleet Unit's analysis, 28% of tractors need replacement. Further, our review disclosed that three of six were 19 years old and three were between 21 years to 35 years. Only one of the six tractors was used over 5,000 hours. It appears that age was the primary criteria in determining replacement.</p>			

Vehicle and Equipment Utilization Analysis

At the end of each fiscal year, the Fleet Unit generates a SAP utilization report for each vehicle/equipment. The report includes the following data: responsible area, vehicle/equipment number, inventory number, start-up date, mileage/hours at the beginning and end of the fiscal year, and annual utilization. Annual utilization is color coded to denote utilization status, for example, green = adequate utilization and yellow = low utilization. The Fleet Unit forwards each responsible area relevant utilization results requesting reasons for each unit with underutilization. Adequate utilization thresholds are listed in the following table.

Adequate Annual Utilization Levels for Vehicle/Equipment	
Vehicle/Equipment Classifications	Adequate Utilization Miles / Hours per Year
Light, Medium and Heavy Trucks	7,000 miles
Construction and Marine Equipment, and Tractors	800 hours

To determine utilization levels, we obtained the Fleet Unit's utilization reports for Fiscal Years 2019 and 2020 and independently determined whether the utilization levels on the reports were accurate. We found that the utilization used in the Fiscal Year 2019 report were inaccurate. Specifically, we found that both the beginning and ending miles/hours indicated in the utilization report were either overstated or understated when compared to the utilization data we generated. We conducted a detailed review of light truck usages and found that usages per the Fleet Unit's report were understated by as much as 4,072 miles and overstated by as much as 10,101 miles. It should be noted that these understatements did not affect the utilization status and to determine Fiscal Year 2019 utilizations, we used the audit generated utilization data. Further, there were no discrepancies between the Fleet Unit's Fiscal Year 2020 utilization data and our data. Nevertheless, the Fleet Unit should ensure accurate usage amounts are used in the annual utilization analysis. We also reviewed whether the responsible cost centers provided adequate reasons for low utilizations in Fiscal Year 2019. It should be noted that at the

time of our audit tests, reasons for Fiscal Year 2020 underutilization were not available; however, Fleet Unit staff explained the COVID pandemic most likely negatively impacted light truck utilization. Further, since the District's field station and other field staff continued to perform their duties at their job sites, utilization of other vehicle/equipment were less impacted by the pandemic.

Overall, our analysis disclosed that Fiscal Years' 2019 and 2020 light truck utilization levels appeared adequate and Fiscal Year 2019 justifications for low utilizations were provided by cost centers. Further, utilization levels averaged 59% for medium trucks and 20% for heavy trucks for Fiscal Years 2019 and 2020 and justifications for low Fiscal Year 2019 utilizations were also provided by cost centers. Utilization levels for construction equipment averaged 12%; however, cost centers did not provide justifications for all units with low utilization. Further, some low utilizations units were incorrectly reported as adequately utilized in the Fleet Unit's utilization report. Thus, the cost centers did not have to provide reasons for the low utilizations. We noted that the utilization levels for tractors averaged 13% during both fiscal years and that the Fleet Unit did not request the responsible cost centers to provide reasons for the low utilizations for 17 of the 18 units underutilized in Fiscal Year 2019. We did not analyze trailers because there were several types of trailers and the utilization criteria was unclear. Fleet Unit staff stated that they will reevaluate the utilization criteria.

Utilization by vehicle/equipment classifications are summarized in the following and further detailed for all vehicles/equipment except tractors and trailers in subsequent sections.

Utilization Summary for Fiscal Years 2019 and 2020								
Vehicle/Equipment Classifications	Fiscal Year 2019				Fiscal Year 2020			
	Adequate Utilization				Adequate Utilization			
	Yes		No		Yes		No	
Light Trucks	408				387			
	350	86%	58	14%	308	80%	79	20%
Medium Trucks	62				66			
	37	60%	25	40%	38	58%	28	42%
Heavy Trucks	59				59			
	10	17%	49	83%	14	24%	45	76%
Construction Equipment	84				92			
	15	18%	69	82%	7	8%	85	92%
Tractors	20				21			
	2	10%	18	90%	3	14%	18	86%

Light Trucks Adequately Utilized

Summary Light Truck Utilization Fiscal Years 2019 and 2020				
Light Truck Categories	Fiscal Year 2019		Fiscal Year 2020	
Total Analyzed	408		387	
<i>Adequate Utilization</i> (Usage = Over 7,000 Miles)	350	86%	308	80%
<i>Inadequate Utilization</i> (Usage = Under 7,000 Miles)	58	14%	79	20%
Other Noteworthy Utilization Statistics				
Utilized Over 10,000 Miles	253 of the 350		208 of the 308	
Utilized Less than 5,000 Miles	18 of the 58		32 of the 79	
Conclusion				
<i>Fiscal Year 2019 Utilization Conclusion:</i> Overall, utilization levels appear adequate. Reasons for underutilizations included the following:				
<ul style="list-style-type: none">➤ Used for short trips➤ Classified as mission critical pump station vehicle➤ Assigned to specific positions; however, the positions were vacant, or employees were on leave➤ Required repairs				
According to Fleet staff, although the justifications for underutilization appear adequate, they plan to monitor utilization more closely and swap higher utilized trucks for lower utilized trucks. In addition, the Fleet Unit is in process of hiring another fleet analyst to reduce the current analyst’s workload. Thus, the current analyst will have more time to allocate to fleet utilization.				

Improve Utilization Monitoring of Medium/Heavy Trucks, Construction/Marine Equipment, Tractors and Trailers

Details supporting our conclusions are presented in the following tables.

Medium Truck Utilization

Summary Medium Trucks Utilization Fiscal Years 2019 and 2020				
Medium Truck Categories		Fiscal Year 2019		Fiscal Year 2020
Total Analyzed		62		66
Adequate Utilization (Usage = Over 7,000 Miles)		37	60%	38 58%
Inadequate Utilization (Usage = Under 7,000 Miles)		25	40%	28 42%
Other Noteworthy Utilization Statistics				
Utilized Over 10,000 Miles		24 of the 62		19 of the 66
Utilized Over 6,000 Miles		40 of the 62		45 of the 66
Utilized Less than 5,000 Miles		15 of the 62		12 of the 66
Conclusion				
<u>Fiscal Year 2019 Utilization Conclusion:</u> The cost centers’ reasons for underutilizations included the following:				
<div>➤ Used for short trips, e.g., used by electrician or for site visits</div> <div>➤ Classified as mission critical trucks, e.g., used by electrical and hydraulic shops</div> <div>➤ Assigned to specific positions; however, the positions were vacant</div> <div>➤ Required repairs, e.g., one truck was not used for three months due to required repairs</div>				
According to Fleet staff, although the justifications for underutilization appear adequate, they plan to monitor utilization more closely and swap higher utilized trucks for lower utilized trucks. In addition, the Fleet Unit is in process of hiring another fleet analyst to reduce the current analyst’s workload. Thus, the current analyst will have more time to allocate to fleet utilization.				

Heavy Truck Utilization

Summary of Heavy Truck Utilization Fiscal Years 2019 and 2020				
Heavy Trucks Categories	Fiscal Year 2019		Fiscal Year 2020	
Number of Heavy Trucks Analyzed	59		59	
<i>Adequate Utilization</i> (Usage = Over 7,000 Miles)	10	17%	14	24%
<i>Inadequate Utilization</i> (Usage = Under 7,000 Miles)	49	83%	45	76%
Other Noteworthy Utilization Statistics				
Utilized Over 10,000 Miles	4 of the 59		7 of the 59	
Utilized Over 6,000 Miles	14 of the 59		16 of the 59	
Utilized Less than 5,000 Miles	34 of the 59		37 of the 59	
Utilized Less than 3,000 Miles	21 of the 59		18 of the 59	
Conclusion				
<i>Fiscal Year 2019 Utilization Conclusion:</i> The cost centers’ reasons for underutilizations included the following:				
<ul style="list-style-type: none">➤ Used for high priority projects and remained on project site to be used when needed.➤ Used as needed➤ Classified as mission critical and special use trucks➤ Used to transport heavy equipment, tractors, and towboats➤ Assigned to specific positions; however, the positions were vacant➤ Required repairs.				
<p>We noted that in some instances the reasons for low utilizations were indicated as “mission critical” and “equipment.” The Fleet Unit should require that the responsible cost centers provide more detailed reasons for low utilizations.</p>				
<p>According to Fleet staff, they plan to monitor utilization more closely and possibly have the field stations share trucks. It should be noted that we noted a few instances where trucks were loaned or reassigned to other field stations. In addition, the Fleet Unit is in process of hiring another fleet analyst to reduce the current analyst’s workload. Thus, the current analyst will have more time to allocate to fleet utilization.</p>				

Construction Equipment Utilization

Summary of Construction Equipment Utilization Fiscal Years 2019 and 2020				
Construction Equipment Categories	Fiscal Year 2019		Fiscal Year 2020	
Number of Construction Equipment Analyzed	84		92	
<i>Adequate Utilization</i> (Usage = Over 800 Hours)	15	18%	7	8%
<i>Inadequate Utilization</i> (Usage = Under 800 Hours)	69	82%	85	92%
Other Noteworthy Utilization Statistics				
Utilized Over 1,000 Hours	13 of the 84		3 of the 92	
Utilized Less than 600 Hours	63 of the 84		78 of the 92	
Utilized Less than 300 Hours	49 of the 84		60 of the 92	
Conclusion				
<i>Fiscal Year 2019 Utilization Conclusion:</i> Responsible cost centers provided reasons for low utilizations for 16 units. Reasons included the following:				
<ul style="list-style-type: none">➤ Used during pumping operations➤ Used as needed and for high priority projects➤ Used as needed				
We also noted the following:				
<ul style="list-style-type: none">➤ 3 units were not included in the utilization report➤ Cost centers did not provide any reason for low utilization for 20 units➤ 25 underutilized units were incorrectly listed as adequately utilized in the Fleet utilization report. Thus, the cost center was not required to respond.				
We noted that in some instances the reasons for low utilizations were indicated as “equipment.” The Fleet Unit should require that the responsible cost centers provide more detailed reasons for low utilizations.				
According to Fleet staff, they plan to monitor utilization more closely and possibly have the field stations share equipment by establishing a pool. This will increase utilization. Currently, field stations share some equipment. Further, the Fleet Unit plans to analyze whether all bulldozers are needed. In addition, the Fleet Unit is in process of hiring another fleet analyst to reduce the current analyst’s workload. Thus, the current analyst will more time to allocate to fleet utilization.				

Marine Equipment Utilization

Our review of marine equipment (includes aluminum utility boats, towboats, airboats with different types of engines, fiberglass boats, and outboard motors) disclosed that in Fiscal Year 2019 only two marine units were adequately utilized and in Fiscal Year 2020 none of the units were adequately utilized. Our review of the Fiscal Year 2019 utilization report disclosed the following:

- Reasons for low utilization were provided for a few units. Reasons appeared adequate; for example, used for specific projects at specific times.
- Some units were not listed in the report and some were listed but reasons for low utilization were not provided by the cost center.

According to Fleet Unit staff acknowledged that marine utilization appears to be an issue and plan to review and analyze utilization requirements since there are several types of marine units.

Tractors and Trailers Utilization

As stated previously, we found that the utilization levels for tractors averaged 12% during both fiscal years and that the Fleet Unit did not request the responsible cost centers to provide reasons for the low utilizations for 17 of the 18 units underutilized in Fiscal Year 2019. Further, we did not analyze utilization of trailers because there were several types of trailers and the utilization criteria was unclear. Fleet Unit staff stated that they will reevaluate the utilization criteria.

Construction Equipment Rentals

According to Fleet Unit staff, field station staff mostly use construction equipment for large construction projects, and it is only beneficial to rent equipment in certain circumstances. Specifically, in some instances certain equipment are rented to expedite projects. The most common rentals are three-yard excavators which are needed only for limited time periods. In addition, certain specialized pieces of equipment may be needed that will not be cost beneficial to own due to limited use; for example, a roller compacter.

Fleet Purchases made via. State and Government Contracts

Our audit disclosed that fleet purchases are primarily made using State and government contracts to obtain the lowest fleet prices. Specifically, based on our review of the Fleet Unit's purchasing spreadsheets for Fiscal Years 2015 to 2021, we concluded that the District makes most fleet purchases via the Florida Sheriffs Association Cooperative Purchasing Program, Florida Department of Management Services State Contract (Sheriff's Contract). Further, in some cases other government contracts are used; for example, Sourcewell, formerly National Joint Power Association (NJPA) contract. In the few instances where a vehicle/equipment is not available from either a state or government contract, District procurement procedures are followed; for example, competitive quotes and bids are obtained. It should be noted that we also verified the data on the purchasing spreadsheet. Specifically, we selected a sample of purchase orders indicated on the purchasing spreadsheets and reviewed the procurement source data; no discrepancies were found.

RECOMMENDATIONS

1. **District management should consider increasing funding allocated to fleet replacement.**

Management Response: Fleet Management will continue to request one time funding each budget year to increase the budget. This report will be added as additional justification.

Responsible Division: Budget/Executive Office

Estimated Completion: Annually

2. **Implement steps to ensure that all fleet purchase amounts are accurately reflected on the Fleet Unit's annual purchasing spreadsheets.**

Management Response: Discrepancies found to be spreadsheet errors. Fleet analyst 3 has corrected all errors and will monitor going forward to ensure accuracy.

Responsible Division: Field Operations

Estimated Completion: Complete

3. **Ensure repair costs, maintenance costs, and miles/hours usage data used to calculate cost per mile/hour are accurate.**

Management Response: Process & Project Controls Section determined this stemmed from errors in the Business Warehouse (BW) report. All needed corrections in the BW report have been made.

Responsible Division: Field Operations

Estimated Completion: Complete

-
4. **Ensure that all vehicle/equipment meeting replacement requirements are included in the Fleet Unit's annual replacement analysis.**

Management Response: During preparation of the FY 2020 fleet replacement determination exercise Fleet Management also found these errors. At that point Fleet Management worked with the Process & Project Controls Section to produce fresh reports by category class to ensure all district equipment was included on the list. The equipment lists will then be used as worksheets to first remove items that do not meet replacement criteria or already have replacements on order from the previous year's orders. Going forward such items will not be removed but rather clearly marked and left on the list.

Responsible Division: Field Operations

Estimated Completion: Complete

5. **Analyze the different types of trailer and marine units and determine whether additional replacement criteria should be developed and implemented. Consider whether this analysis should be conducted for other classes of vehicle/equipment.**

Management Response: Fleet Management agrees. Newly hired Fleet Analyst will review and make necessary changes.

Responsible Division: Field Operations

Estimated Completion: 09/30/2022

-
- 6. Implement steps to ensure that accurate utilization miles/hours and utilization status are reflected in the annual utilization report sent to cost centers.**

Management Response: Process & Project Controls Section determined this stemmed from errors in the Business Warehouse (BW) report. All needed corrections in the BW report have been made.

Responsible Division: Field Operations

Estimated Completion: Complete

- 7. Require responsible cost centers to provide detailed reasons for all vehicle/equipment that were not adequately utilized per the annual utilization report.**

Management Response: Fleet Operations will prepare annual fleet utilization report for each responsible cost center in which underutilized vehicles will be identified. Report will be forwarded to managers for each responsible cost center requesting detailed reasons for all vehicle/equipment that were not adequately utilized.

Responsible Division: Field Operations

Estimated Completion: 06/30/2022

-
- 8. Analyze each cost center's utilization levels and reasons for low utilization and determine whether vehicle/equipment swaps are warranted.**

Management Response: Fleet Management agrees and will utilize the upcoming additional Fleet Analyst position to analyze responsible cost centers detailed reasons for all vehicle/equipment that were not adequately utilized and make necessary changes.

Responsible Division: Field Operations

Estimated Completion: 06/30/2022

- 9. Analyze whether all fleet bulldozers and other low usage equipment are cost effective for the District to retain, and surplus those that are not needed.**

Management Response: Recently underutilized bull dozers were placed into heavy equipment motor pool so that any group needing a bulldozer can check out and use as needed. Fleet management will monitor and analyze after this next dry season to see if this increases utilization or not and take appropriate actions.

Responsible Division: Field Operations

Estimated Completion: 06/30/2022

- 10. Develop updated written replacement and utilization criteria for all vehicle/equipment after the Fleet Unit's analysis is completed.**

Management Response: Fleet management will research and implement revised utilization criteria as appropriate.

Responsible Division: Field Operations

Estimated Completion: 09/30/2022