

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Transportation/Public Facilities  
State Equipment Fleet  
Budget Request Unit

## **State Equipment Fleet Budget Request Unit**

**Contact: Boyd J. Brownfield, Deputy Commissioner**

**Tel:** (907) 465-6973 **Fax:** (907) 586-8365 **E-mail:** Boyd\_Brownfield@dot.state.ak.us

### **BRU Mission**

The mission of the State Equipment Fleet is to allocate, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

### **BRU Services Provided**

- Provide regular maintenance and minor repair of equipment, including lubrication, oil filter changes, tune-ups, safety inspections, hydraulic fluid changes, window repair, brake adjustments, lamp and drive belt replacement and tire repairs.
- Provide unscheduled maintenance and major repairs, including major engine and drive component rebuilds, hydraulic and electrical system repairs, body repairs, and defroster, heating and cooling system repairs.
- Provide parts, supplies, and expediting service to efficiently maintain and repair equipment.
- Identify equipment for replacement and coordinate with SEF Headquarters to develop equipment specifications required to procure new vehicles and attachments.

### **BRU Goals and Strategies**

Provide State agencies with vehicles and other mobile equipment and attachments and minimize equipment downtime to enable State agencies to efficiently carry out their missions.

- Procure and replace vehicles and other mobile equipment in the most cost-efficient manner to minimize costs to users.
- Use the Equipment Management System (EMS) to track vehicle history, assignment, operating costs and service records.
- Access the most current repair and operating manuals on line through Internet web sites and CD based repair manuals.
- Provide user agencies with a dependable rental pool for short term needs.
- Maintain a cost efficient procurement program for parts and other expendables.

### **Key BRU Issues for FY2001 – 2002**

- The State Equipment Fleet (SEF) operates 44 shops and has more than 150 employees that provide general and preventative maintenance and all parts supply. There are approximately 7,600 vehicles accounted for in the fleet information system, with 4,800 vehicles comprised of light duty, heavy duty and attachments under SEF management. The Department has under contract a private fleet management consulting firm that is doing a broad review and a detailed performance and productivity evaluation of the delivery of fleet services. By the first of January 2001, an in-depth status report on the management and maintenance of the State's fleet and prioritized list of changes that need to be made will be available from the contractor.
- Waste management - identify waste streams to reduce hazardous waste in our shops.
- Standardization of fleet equipment - provide for commonality of parts and repair procedures.
- Equipment Management System (EMS) - train on software to more accurately track vehicle costs, usage, and replacement.
- Increase preventative maintenance efforts to reduce more expensive repair costs on vehicles.
- Identify technical training requirements and programs at the local level to increase cost efficiency.

## Major BRU Accomplishments for FY2000

- Received approximately 431 vehicles, equipment and attachments in fiscal year 2000; evaluated for compliance to bid specifications, and assigned to appropriate agencies.
- Disposed of 337 aging or excess vehicles, equipment and attachments.

## Key Performance Measures for FY2002

**Measure: 80% of the Fleet wet rentals are returned to the division as scheduled for preventive maintenance on or before June 30, 2002.**

*(Developed jointly with Legislature in FY2001.)*

### Current Status:

Currently State Equipment Fleet is tracking preventive maintenance activities. So far this fiscal year, the regions are experiencing from 42 percent to 85 percent compliance with preventive maintenance schedules.

### Benchmark:

No benchmark has yet been established for Alaska. DMG Maximus, a nationally recognized fleet management consulting firm, is currently reviewing the Department's fleet management. Part of their final report to the Department will include appropriate performance targets.

### Background and Strategies:

Preventive Maintenance (PM) is a critical aspect of efficient fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of maintaining fleet safety, maintaining maintenance and operation integrity, and of controlling maintenance costs. The main components of a preventive maintenance service program are regularly pre-determined inspections including lubrication and service. Adherence to these components will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

All SEF foremen and superintendents are provided monthly updates for those vehicles that are due or are overdue for preventive maintenance.

Barriers to reaching or surpassing this measure include:

- The failure of the user agency to bring the vehicle in for preventive maintenance when requested by State Equipment Fleet,
- The inability of the user agency to bring the vehicle in if it is being used during the State's limited construction season. This can be alleviated by scheduling non-critical preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use, and
- Earlier this year 1,000 attachments (plows, snow wings, etc.) were added to the PM schedule. Because of this large increase in items, it will take at least a year to get all of their PMs current.

**Measure: Average down time for light duty, actively used equipment in urban areas.**

*(Developed jointly with Legislature in FY2001.)*

### Current Status:

State Equipment Fleet is beginning to track downtime for light duty vehicles in urban areas. SEF Headquarters has developed a computer program to do that.

### Benchmark:

No benchmark has yet been established. DMG Maximus, a nationally recognized fleet management consulting firm, is currently reviewing the Department's fleet management. Part of their final report to the Department will include appropriate performance targets including recommendations on information systems that will support the performance measurement program and sources of benchmarking information.

**Background and Strategies:**

SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can't perform its function when it is down for any reason. Fleets must manage this parameter. Downtime of a vehicle can be affected by staffing levels, parts availability, and adequate staff training. Education of staff is essential to assure that data entry for opening and closing dates of work orders are consistent throughout SEF.

**Measure: Number of locations where SEF rental rates are equal to or less than the rental rates published in industry guide books.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

SEF has completed the comparison of the FY2001 rental rates with the current Rental Rate Blue Book for Construction Equipment published by Primedia Directories. A total of 862 vehicles in 76 equipment classes were included in the study. The types of vehicles were light duty, medium and heavy trucks, heavy equipment, support equipment, trailers, and attachments. In all regions SEF rates were lower than those in the Blue Book were. The SEF rates ranged from less than 10 percent to 86 percent of the Blue Book ones. The statewide average for all SEF rates in the study was 39 percent.

**Benchmark:**

SEF rates should be lower than published rates.

**Background and Strategies:**

Service and rate competitiveness is central to the measurement of SEF's performance. If SEF service or rates are not competitive, the customer agency should be allowed to seek alternative and documented solutions elsewhere.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>80% of the Fleet wet rentals are returned to the division as scheduled for preventive maintenance on or before June 30, 2001.</li> </ul>			X		
<ul style="list-style-type: none"> <li>Average down time for light duty, actively used equipment in urban areas.</li> </ul>		X			
<ul style="list-style-type: none"> <li>Number of locations where SEF rental rates are equal to or less than the rental rates published in industry guide books.</li> </ul>		X			

**State Equipment Fleet**  
**BRU Financial Summary by Component**

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Central State Equipment Fleet	0.0	0.0	7,283.8	7,283.8	0.0	0.0	7,590.4	7,590.4	0.0	0.0	7,559.9	7,559.9
Northern State Equipment Fleet	0.0	0.0	9,061.1	9,061.1	0.0	0.0	10,328.0	10,328.0	0.0	0.0	10,287.7	10,287.7
Southeast State Equipmnt Fleet	0.0	0.0	1,487.3	1,487.3	0.0	0.0	1,730.7	1,730.7	0.0	0.0	1,721.1	1,721.1
<b>Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>17,832.2</b>	<b>17,832.2</b>	<b>0.0</b>	<b>0.0</b>	<b>19,649.1</b>	<b>19,649.1</b>	<b>0.0</b>	<b>0.0</b>	<b>19,568.7</b>	<b>19,568.7</b>

**State Equipment Fleet**  
**Proposed Changes in Levels of Service for FY2002**

None.

**State Equipment Fleet**  
**Summary of BRU Budget Changes by Component**  
**From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>19,649.1</b>	<b>19,649.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Central State Equipment Fleet	0.0	0.0	-30.5	-30.5
-Northern State Equipment Fleet	0.0	0.0	-40.3	-40.3
-Southeast State Equipmnt Fleet	0.0	0.0	-9.6	-9.6
<b>FY2002 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>19,568.7</b>	<b>19,568.7</b>