

State Equipment Fleet Equipment Management System Replacement

FY2004 Request: \$2,000,000
Reference No: 35835

AP/AL: Appropriation

Project Type: Renewal and Replacement

Category: Transportation

Location: Statewide

Contact: Nancy Slagle

House District: Statewide (HD 1-40)

Contact Phone: (907)465-3911

Estimated Project Dates: 07/01/2003 - 06/30/2008

Brief Summary and Statement of Need:

Replacement or upgrade of State Equipment Fleet's Equipment Management System (EMS) as recommended by the DMG Maximus Consulting Review of the State of Alaska Fleet Operations.

Funding:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total
CIP Rcpts	\$200,000						\$200,000
Hwy Capitl	\$1,800,000						\$1,800,000
Total:	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	<u>0</u>	<u>0</u>
Totals:	0	0

Additional Information / Prior Funding History:

Project Description/Justification:

Replacement or upgrade of State Equipment Fleet's Equipment Management System (EMS) as recommended by the DMG Maximus Consulting Review of the State of Alaska Fleet Operations.

The current EMS software package was acquired from Software Solutions Unlimited in 1991 and has been significantly modified to address only the essential functional requirements of SEF. Many of the original functional modules have been disabled, because they never functioned at all or did not satisfy the unique business needs of SEF. The application is character-based and written in APPX programming language. The database that the application uses is proprietary, and not accessible directly via third party Structured Query Language (SQL) tools. All reporting requires that a programmer use APPX to build report parameters and install the report generation screen within the application for execution by users. The program is run in batch mode and work order entries can take 2 to 4 weeks. The delay in information prevents the department's effective management of parts inventory and personnel allocation. The system has become so difficult to use that users are avoiding it resulting in incomplete and inaccurate information.

SEF is seeking a software product that contains standard fleet system modules and ad hoc data query and report writing capabilities. It should accommodate seamless interface with fuel dispensing, fixed asset inventory, accounts payable, payroll, and financial management systems. The system should be network compatible, operating on mainstream industry client-server platforms with LAN/WAN TCP/IP interface. This system will be available to all SEF shops and authorized state employees and will be run in real-time mode. Ease of data entry will be accommodated by barcode scanning devices.

**State Equipment Fleet Equipment Management System
Replacement**

**FY2004 Request: \$2,000,000
Reference No: 35835**

Project cost:	Capital:			Annual O&M costs or savings
	Prior Years:	FY 2003:	FY 2004:	
General Funds				Savings = \$400.0
General Fund Match				
General Fund Program Receipts				
I/A Receipts (dept. and fund source)				
Other Funds (name and fund number) CIP Rcpts 1061 (10%); Hwy Capitl 1026 (90%)			\$2,000.0	
Federal Funds				
Total			\$2,000.0	Savings = \$400.0

This project will upgrade and enhancement the existing department capabilities via the following:

EMS application software	\$300.0
Application customization and interfaces to other State of Alaska systems	500.0
Barcode hardware and software	150.0
Data conversion	125.0
EMS and barcode installation and training for existing (8) and expansion (36) facilities	405.0
Server hardware, software, and licenses	250.0
Hardware, software, and communications to expand from 8 to 44 SEF facilities	270.0
Total	\$2,000.0

The project will enable SEF to more cost effectively manage the \$30 million in labor, parts, and capital resources it uses each year to replace and maintain the 6,700 assets in the executive branch vehicle fleet. With the acquisition of a new system, it will be possible to implement other DMG Maximus recommendations essential to management improvement. Those recommendations include:

- upgrade the current repair order system to include detailed data components at the transaction level,
- refine work scheduling procedures to maximize workforce resources,
- record all transaction costs associated with the maintenance and repair of vehicles,
- implement a focused warranty recovery program,
- implement a service-based charge-back system, track and assess all probable comeback repairs, provide a point-of-sale repair order receipt at the time of pick up,
- implement time standards for standard repairs using industry time guides for in-house guides for typical, repetitive, and easily defined repairs, and
- implement inventory management policies and procedures based on specific stocking criteria and parameters (to determine when items should be placed in, or removed from stock and how many of an item to place in stock and when to place replenishment orders).

Other state agencies will have enhanced and web based access to their vehicle inventory, maintenance status, and cost information. This will greatly improve their ability to manage the use of their vehicles and the costs associated with them.

A new or upgraded system would be graphical instead of character based. It would be web accessed. The number of facilities where it is installed would increase from 8 to 44. There is the potential for a significant increase in bandwidth requirements.

The new system will contain parts warranty parameters and will notify users in real-time mode that the warranty parameters have been violated. This gives the user the opportunity to tag the part with the work order number and set the defective part aside for return to the vendor. The system will then generate the claim for submission to the vendor.

**State Equipment Fleet Equipment Management System
Replacement**

**FY2004 Request: \$2,000,000
Reference No: 35835**

Since we do not have such a system in place now, it is expected that a \$600.0 savings in the operating budget will result from its implementation. Taking into account a \$200.0 anticipated increase for communications, network administration, and system maintenance costs, the net reduction in annual O&M costs is expected to be \$400.0 per year.

Without such a system, it will be impossible for SEF to move from a reactive to a planned maintenance management approach, to implement accurate service based charge-back rates, and to clearly demonstrate to customers and State leaders that SEF is providing high quality services at a competitive cost.