



ARCHITECTURE AND ENGINEERING

FACILITIES MANAGEMENT

FLEET MANAGEMENT

PURCHASING

REAL ESTATE SERVICES

INTERNAL SERVICES COMMITTEE





INTERNAL SERVICES COMMITTEE

JOSE MARTINEZ, LEN SOPER, BOB WALLACE, BILL DINEEN (CHAIR),
HANS DAHMEN, FRANK REILLE, JOYCE SYLVESTER, RON LAWRENCE

INTERNAL SERVICES COMMITTEE

The Internal Services Committee's areas of responsibility covered the following County departments:

- Architecture and Engineering
- Facilities Management
- Fleet Management
- Purchasing
- Real Estate Services

Subcommittees were selected to review the operations of each department, and department heads were interviewed. Departments were reviewed for operational procedures, with the exception of Architecture and Engineering.

The Real Estate Services and Facilities Management departments were reviewed and/or investigated by this committee, with no resulting recommendations.

The reports that follow are the result of the interviews and investigations by the respective subcommittees.

The Grand Jury Foreman appointed the members of the Internal Services Committee to serve as an ad hoc committee known as the "Needles Special Project". That ad hoc committee report is contained separately within this final report.

FLEET MANAGEMENT DEPARTMENT

BACKGROUND

Fleet Management, an Internal Services Fund department, manages, operates and maintains the County's Motor Pool and Garage. It maintains a fleet of about 5,000 vehicles and pieces of equipment assigned to and/or available to various departments and special districts. Sheriff's vehicles are maintained elsewhere.

Portions of this report contain information that was detailed in the May 2001 Black & Veatch Vehicle Services Rate Study Report, and the August 6, 2002 Fleet Management safety inspection performed by the County Fire Hazardous Materials Division.

FINDINGS

As recommended by the 2001-2002 Grand Jury, the County Fire Department's Hazardous Materials Division conducted an inspection at the request of Fleet Management.

Fourteen (14) work areas or locations were inspected, resulting in 90 discrepancies noted in the Fleet Management Safety Inspection performed on August 6, 2002. Many were minor, but some require immediate attention. It is also noted that some of these discrepancies were identified by the previous Grand Jury.

A Safety Officer (SO) is on site at Fleet Management and is a "shared resource" with the Department of Public Works (DPW). Quarterly, the SO attends Fleet Management staff meetings to discuss issues and concerns and present safety topics for shop meetings. The SO also performs complete annual checks of Fleet Management's main facility and service centers, along with a DPW superintendent and a member of the Fleet Management team. The shop/service center supervisors hold, at a minimum, monthly safety meetings with employees and perform a brief inspection of work areas.

The County owns and uses vehicles that operate on Compressed Natural Gas (CNG), 17 of which are maintained by Fleet Management. However, they are unable to work on the fuel systems of these vehicles in existing work bays. They do not now have the correct facilities for such maintenance. With the trend toward clean air vehicles, the need for a work bay to handle CNG vehicles becomes necessary.

The construction cost for a new work bay was initially set at \$500,000. However, after inquiry by the Grand Jury for a cost analysis, Fleet Management found a legitimate alternative that would cost less than \$5,000 and allow the use of an existing work bay. This is a very cost-effective alternative to contracting out repairs or building a new work bay.

Fleet Management is using and maintaining 84 electric carts on loan to the County from Pathway Research as a test, at no cost to the County. These carts can be used by any County agency and are "street ready". However, they can only travel 25 MPH, thus restricting their use to streets with a 25 MPH speed limit. Thirty-six (36) carts went to Regional Parks, ten (10) to the Sheriff's Department, four (4) to County Airports, the remainder to other County agencies. Fleet Management has asked for feedback from using customers to determine need and effective use of the carts. The purchase price of the carts was to be \$5,200, but a General Motors public relations representative later told Fleet Management he fully expects a much lower price. GM expects so many "returned" carts that they will have little market value, and perhaps GM may even donate the carts to the County.

Fleet Management underwent a rate study by Black & Veatch (B&V) in May of 2002. This study covered all areas of Fleet Management costs, rate charges to customers and vehicle purchases. This very comprehensive study produced recommendations for cost increases and decreases. Since the last rate study was in 1992, there was real need for rate adjustments.

On June 25, 2002 the Director of Fleet Management recommended that the Board of Supervisors accept the recommendations of the B&V study, but with adoption on a time schedule that the director felt would be least disruptive relative to finalization of the 2002-2003 budget process.

Major recommendations by the B&V study include replacement of Motor Pool sedans after the sixth year of service and pickups and other vehicles after the seventh year (an exception may be approved by the Director of Fleet Management on a case-by-case basis). The study also recommended new labor rates in the garages and service centers of \$63 per hour for light duty work and \$69 for heavy-duty work.

B&V recommended a decrease in Motor Pool costs, ranging from \$64 to \$103, and mileage rate increases ranging from \$.02 to \$.29. Other recommended increases are:

- A "markup" of \$.39 per gallon of fuel, from \$.25 per gallon.
- A "markup" of 47 percent for all "parts/supplies" under \$25,000.
- A new "security services" rate of \$51 per hour.
- A new rate on "administrative costs of vehicle registration" - \$10 per transaction.

Fleet Management recommended all rate changes be effective immediately but retroactive to July 1, 2001 for the Motor Pool only. Sufficient reserves are available in the Motor Pool's fund to implement the Garage's retroactive rate increase (approximately \$450,000). Fleet Management also recommended rate increases should be suspended to all current Fleet Management customers (except Motor Pool) until fiscal year 2003-2004 but effective immediately to any "new users".

The Motor Pool budget currently includes an allocation to purchase 300 vehicles to help bring in line the policy of replacing County vehicles every six to seven years.

RECOMMENDATIONS

- 03-42 TAKE IMMEDIATE CORRECTIVE ACTIONS ON ALL DISCREPANCIES NOTED BY THE AUGUST 6, 2002 SAFETY INSPECTION BY THE COUNTY FIRE DEPARTMENT'S HAZARDOUS MATERIALS DIVISION.
- 03-43 ASSIGN ONE PERSON IN EACH AREA THE TASK OF "SAFETY MONITOR" TO PERFORM DOCUMENTED WEEKLY INSPECTIONS AND FOLLOW-UP TO CORRECT ANY DISCREPANCIES NOTED.
- 03-44 ALLOCATE FUNDS NECESSARY TO MODIFY EXISTING WORK BAY WITH EQUIPMENT TO PERFORM ALL MAINTENANCE ON COMPRESSED NATURAL GAS (CNG) VEHICLES, IN LIEU OF BUILDING A NEW WORK BAY.

- 03-45 ANALYZE FEEDBACK FROM USING CUSTOMERS TO DETERMINE A REAL NEED FOR THE USE OF THE ELECTRIC CARTS THAT ARE ON LOAN FOR A TEST.
- 03-46 RECOMMEND PURCHASE OF ELECTRIC CARTS ONLY FOR COUNTY ORGANIZATIONS THAT HAVE THE MOST NEED AND ECONOMICAL USE, (E.G. REGIONAL PARKS, COUNTY AIRPORTS, AND THE SHERIFF'S AVIATION DIVISION).
- 03-47 COMPLETE IMPLEMENTATION OF THE 2002 BLACK & VEATCH RATE STUDY IN THE MANNER RECOMMENDED TO THE BOARD OF SUPERVISORS BY THE FLEET MANAGEMENT DIRECTOR.

PURCHASING DEPARTMENT

BACKGROUND

Purchasing, an Internal Services department, is responsible for four separate divisions within its organization in managing and operating Printing Services, Mail Services and Central Stores, to include the surplus warehouse. Purchasing has the responsibility of procurement policies for all of the County's agencies, and recently a new role in working with the Sheriff's Department in buying used cars for undercover officers.

Printing Services has well-trained personnel and is capable of producing millions of impressions in documents, brochures and forms for the County.

Central Mail Services is a centralized mailing service for all County departments and provides automated services such as folding, insertions, labeling and tabulating, and bulk mail processing of incoming and outgoing mail.

FINDINGS

Printing Services is crowded and congested with pallets of paper and supplies often blocking aisles. In the press area there is a distinct odor of the solvents used to wash the presses, chemicals that could affect breathing and cause nose burning.

The Mail Services area is also overcrowded with printed matter ready for bulk mailing process. The mail courier pickup and distribution center is in much need of space and is overcrowded with clerks and couriers.

In the Surplus warehouse the turnover of office equipment and furniture, including copiers and computer systems, is extremely slow and poorly documented. The committee observed useless items of furniture in need of repair, non-operative copiers, and incomplete computer systems also not in working order.

RECOMMENDATIONS

- 03-48 PROVIDE ADDITIONAL SPACE AT PRINTING SERVICES FOR ALL CARTS AND PALLETS OF PAPER READY FOR PRESS PRODUCTION.
- 03-49 RISK MANAGEMENT CONDUCT AN ENVIRONMENTAL CHECK (CLEAN AIR SYSTEM) IN THE PRESS AREAS.
- 03-50 ALLOT ADDITIONAL SPACE TO MAIL SERVICES FOR THE PROCESSING OF BULK MAIL.
- 03-51 RELOCATE MAIL SERVICES INTO THE REGISTRAR OF VOTERS AREA TO PROVIDE THE SPACE NEEDED BY PRINTING AND MAIL SERVICES AND TO PROVIDE EFFICIENCY.
- 03-52 PREPARE A WRITTEN PROTOCOL TO DISPOSE OF ALL SURPLUS EQUIPMENT, SEPARATING USEABLE AND NON-USEABLE SURPLUS FURNITURE AND OFFICE EQUIPMENT.