



MEMORANDUM

Date: February 2, 2009

To: John Bernal
Deputy County Administrator - Public Works

From: C.H. Huckelberry
County Administrator *CHH*

Re: Deferral of Vehicle Purchases and Replacements for Fiscal Year 2009/10

Based on your memorandum identifying potential necessary vehicle replacements for next fiscal year, it would be appropriate to forego all vehicle purchases for next fiscal year, including those purchases necessary to replace vehicles that are destroyed in crashes. The fleet has sufficient capacity to convert existing fleet vehicles to Sheriff's patrol vehicles if such becomes necessary due to excessive vehicle crashes being experienced by the Sheriff's Department. Given the serious fiscal conditions facing the County, this is an action that although not desired, is necessary.

In addition, the County also has the flexibility of converting a number of take-home vehicles to other vehicle uses if such becomes necessary.

CHH/jj

c: Martin Willett, Chief Deputy County Administrator
Frank Samaniego, Fleet Services Director
Tom Burke, Finance and Risk Management Director
Thomas House, Budget Manager, Finance and Risk Management



MEMORANDUM

Public Works Administration



DATE: January 13, 2009

TO: C.H. Huckelberry
County Administrator

FROM: 
John M. Bernal
Deputy County Administrator

RE: **Fleet Services Budgeting for Fiscal Year 2009-2010**

Your December 8, 2008 memorandum directed that no vehicle purchasing is to be budgeted in Fiscal Year 2009-2010 given our severe financial limitations. While the amount budgeted for such purposes in the current fiscal year is \$4,344,786, the actual amount to be expended this fiscal year is \$2,098,735.

The Fleet Services Department has done a review of the vehicle replacement experience over the last two years. The following are the results of this review:

- Sheriff's Department patrol vehicle accident experience for the last two years is 19 vehicles deemed total losses after involvement in an accident. Based on this experience, replacing ten vehicles per year, the Department would need to have authority to expend approximately \$350,000 using the preferred Crown Victoria (lower in price than Tahoes that are also used by Sheriff).
- The non-patrol vehicles used by the Sheriff's Department experienced total losses after accidents of seven vehicles the last two years. Replacement of 3.5 vehicles annually with the preferred fuel efficient vehicles would cost approximately \$85,000.
- The current replacement experience of vehicles to serve other non-Sheriff Department needs over the last two years has been a total of 53 vehicles. These were vehicles replaced based on excessive repair costs or otherwise poor condition of the vehicle. The average cost of replacing 12 sedans and 14.5 trucks is approximately \$500,000.

While we will optimistically minimize our accident experience with continued emphasis on training on defensive driving techniques and with the imposition of deterrents to unsafe driving by County staff with our personnel disciplinary policies, the occurrence of accidents with County vehicles in any given year is inevitable. The loss of vehicles from our fleet is detrimental to the delivery of service for those areas directly dependent on travel for such service delivery. The ongoing efforts to identify under-utilized vehicles and to increase the efficient use of motor pool vehicles could partially absorb vehicles lost through accidents.

Memo to C.H. Huckelberry, County Administrator
Re: Fleet Services Budgeting for Fiscal Year 2009-2010
January 13, 2009

As noted above, the average vehicle replacement cost experience over the last two years has been approximately \$1 million given the current size of our fleet. However, the Fleet Services Department has also embarked on a "fleet rightsizing" effort that will reduce the total number of vehicles. Assuming a 3 % reduction in the vehicle fleet size, the comparable replacement cost authorization to address our average accident experience is \$906,950.

I recommend that you authorize the Fleet Services Department to budget \$900,000 for vehicle replacement expenses in FY 2009-2010 with the following internal controls implemented to limit such expenditures to the extent possible:

- A monthly report will be initiated in February, 2009 identifying the number of vehicles lost to vehicular accidents or not deemed worthy of repair because of depletion of their useful life.
- The planned expenditures for vehicle replacements for the next fiscal year would be determined by October 2009. New vehicles would be ordered once during the fiscal year utilizing the vehicle acquisition contracts to obtain the pricing available. Under no circumstances would the new vehicle order amount exceed the amount budgeted for this purpose.
- The vehicle acquisition contracts were only allocated enough funding to complete vehicle orders in process before the freeze was implemented on October, 30, 2008. If the funding of \$900,000 were to be approved, the vehicle acquisition contracts would need to be increased by approval of the Board of Supervisors.
- The amount budgeted for such vehicle replacement purposes would not be available for use for any other expenditure category within the Fleet Services Department.

I am available to discuss this recommendation.

JMB:smw

Attachment

Cc: Frank Samaniego, Fleet Services Department Director
Tom Burke, Finance and Risk Management Department Director