

Fleet Services Update

January 26 , 2009

Fleet Services Update

1. Results-Centralized Fleet Management (CFM)
2. Fleet Optimization
3. Technology to increase equipment use
4. Environmental Initiatives
5. Vehicle Acquisition
6. Fuel Procurement

Results of Centralized Fleet Management

- Optimized vehicle and equipment replacement and acquisition through Fleet Oversight Committee process and use of combined annual bids
- Contracted parts operation yields increased parts on demand and 45% savings (\$145,000) in parts operating costs since 2006 (contract expires March 2009)
- Conversion to synthetic fluids in 2008 est. \$100,000 annual savings and reduction of petroleum based lubricants
 - Annual revenue from sale of used fluid est. \$10,000
- Maintained \$64/hour labor rate since returning to City managed operations in 2001
 - Possible increase of \$2 to \$4 per hour

Hourly Billable Labor Rate Survey

Dec. 2008

Des Moines Fleet Services

\$64.00

Vehicles-Cars, Pickups

Karl Chevrolet

\$118.00

Bob Brown Chevrolet

\$102.00

Dewey Ford

\$95.00

Charles Gabus Ford

\$95.00

Noble Ford

\$89.50

Heavy Diesel Trucks

O'Halloran's

\$90.00

Peterbilt

\$89.00

Freightliner

\$86.00

Truck Country

\$84.00

Heavy Equipment

Rexco

\$95.00

RMS

\$90.00

Murphy Tractor

\$80.00

Fleet Optimization

- Low-use units used to avoid new acquisitions, reassigned to departments
- Use of Fleet motor pools
 - Low use sedans, vans, and pickups shared use
- Rent and return strategy
 - Heavy equipment, bulldozer, backhoe
 - Will be expanded to low use heavy equipment

Fleet Reductions

Through CFM and Department Operations:

- Two Street sweepers eliminated- \$320,000
- One rear loading refuse truck- \$120,000
- Fleet reduced by 3 vehicles and 45 pieces of equipment from Golf privatization
- Parks Toyota Partnership ending – April 2009
12 vehicles
 - Replacements to come from pool

Alternative Equipment Technology

- All heavy duty trucks equipped with snow and ice control equipment including multiple snow plows, front, wing, and underbody scrapers with removable sanders bodies for year round truck use.
- Acquired truck chassis mounted mechanical street sweeper for increased utilization
- Ordered 3 additional anti-icing trailers
- Additional 5 Automated side loading refuse trucks for single stream recycling - replaced 14 trucks.
- Acquired all-electric vehicles - 2 pickups at WRA and 2 utility vehicles in Parks department to replace gas powered vehicles

Environmental Initiatives

- Converted diesel fuel at the main downtown fueling site, WRA and Parks locations to Biodiesel. Year round average of B10 use. Reduced fossil fuel use by 50,000 gallons
- Ethanol (E85) is available for city vehicles from the State of Iowa Department of Administrative Services.
- City wide vehicle purchases were downsized to more fuel-efficient models and hybrid vehicles utilized where available.
- Diesel engines have been specified to increase fuel efficiency and utilize renewable Biodiesel fuel.
- Fuel additives, synthetic fluids are utilized to reduce fuel and oil consumption.
- Introduction of all electric vehicles at WRA and in Parks dept.

Environmental Initiatives

Impact & Cost

- Impact
 - CO₂ not released into the air – 802 tons/yr
 - Fossil Fuels not consumed – 102,754 gal/yr
- Cost: \$190,000/yr
 - 12 Hybrid vehicles: Amortized cost \$20,000/yr
 - E10 Gasohol: +\$.04/gallon and 10% decreased MPG - \$115,000/yr
 - Biodiesel: +\$1.15/gallon - \$55,000

2009 Vehicle Acquisition

- Replace 47 vehicles and 15 equipment items
- Add 8 to 13 vehicles/equipment items for enhanced Sewers Program
- All replacements exceed 100,000 miles or hours criteria
- Vehicle bids to be received Jan 28
- Presented to Council for award on Feb 9

2009 Vehicle Acquisition

- Analysis of vehicles bid - award criteria
 - Bid specs require conventional vs. hybrids where available
 - Calculation of 100,000 mile costs for hybrid vs. conventional comparison for bid evaluation
 - Diesel engines required in all work trucks to utilize Biodiesel and increased fuel efficiency
 - At the request of PD bid specifies 4 six-cylinder patrol cars for cost benefit analysis

Fuel Procurement

- Actions to date
 - Fixed price contracting terms identified to lock in price of unleaded and diesel for up to 12 months
 - Potential bidders identified (8)
 - Bid documents prepared
 - Collaboration with DMPS
 - Discussions with DART
- Status
 - Monitoring market trends
 - Bids can be solicited and awarded on any market trading day

Questions?