

**SUMMIT COUNTY
COUNTY-WIDE FLEET
OPERATIONAL AUDIT**

05-Fleet Mgmt.Countywide-39

**APPROVED BY AUDIT COMMITTEE
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Executive Summary of Current Summit County Fleet Operations

As of December 31, 2005, the County fleet consists of approximately 743 vehicles including law enforcement vehicles, emergency management vehicles, light trucks, heavy trucks, trailers, boats, and on-road and off-road heavy equipment with a total purchase price of approximately \$13 million.

Fleet management within the County is decentralized with no centralized fleet management system in place, or standard format for storing data on the County's fleet to ensure accountability and efficiency of operations. Sufficient data is not available to do even the most basic cost benefit evaluation analysis.

There are no countywide formal, standardized policies and procedures, forms, or criteria on processes for:

- Inspection for vehicle disposal
- Vehicle replacement (if necessary)
- Fuel card monitoring
- Maintenance and repairs
- Insurance
- Monthly usage logs
- Monitoring grant monies used to purchase vehicles
- Safety programs
- Garage inventory
- Warranty work tracking

The Office of Finance and Budget and the Codified Ordinances have defined purchasing and disposal policies and procedures for County officeholders. However, the boards and commissions are not required to adhere to them.

There are five (5) maintenance garages run by County governmental units: CSBMR/DD, Engineer, DOES, CSB, and a small garage in Green run by Sheriff's office personnel to install and maintain light bars and radio equipment. The Sheriff, Prosecutor, and CSB, outsource the majority their of maintenance and repair work. DOES provides some maintenance and repair services to some County vehicles and outsources some repairs. Some maintenance and repair work is done in dealership service departments and specialty repair shops. Per the Engineer's office Director of Administration, the office anticipates building a new garage facility sometime in the next few years due to the displacement of its entire main location caused by the expressway renovations of ODOT.



Garage	Approx. # of Vehicles Serviced	Mechanics	# of Shifts	Certification	Fueling Facilities	Facility Makeup	Inventory	Outsourced work
DOES	223- Cars, SUVs, Heavy eqpt, Heavy & Light trucks + Other County vehicles	4	1	All are Goodwrench certified 2 A/C certified	None	5 bays 4 lifts 3 are heavy duty	\$2,000 (end of yr) No inventory control No physical inventory done Supv'r/ mechanics all have keys	\$119,557 (2005 costs) Transmission, body work, major diesel engine, some computer diagnostic work
Engineer	127 total Cars, SUVs Heavy eqpt Light trucks Heavy trucks	7 total 4 mechanics 1 welder 1 lube tech 1 tire/ battery tech	1 (in winter, they are all on call)	AES* Some have brake, transmission, A/C & engine certifications	Yes South St. 1 brine tank 1 calcium chloride 1 unleaded fuel 1 diesel 4 other fueling stations in County	9 bays 1 lift 1 pit No heavy duty bays/lifts- mechanics crawl under heavy eqpt	\$281,370 (end of yr) No physical inventory done in 8 yrs Perpetual inventory system in HTE Access: Shopkeeper 2 Directors Mechanics have access after hours	\$22,089 (2005 costs) Exhaust, body & painting, heavy equipment
Sheriff	Only lights and radio eqpt install/ repair is done	1 Fleet Communication/Safety Eqpt Inspector	1	Electronics AC/DC 10 yrs electronics exp	None	No bays or lifts	\$600 - \$800 (end of yr) no physical inventory performed	\$389,096 (2005 costs) Mechanical work outsourced to Shaw's
MRDD	102 total School buses Cars, SUVs, Vans, Light trucks	4 mech 1 supvr	2 shifts 2 mech per shift	All Master Mechanics; All have over 20 yrs heavy eqpt exp All CPR certified Some in airbrakes, Bluebird buses, Braun lifts	Yes	7 bays w/ in-ground lifts 4 of them are heavy duty bays/lifts	\$70,000 (end of yr) Annual physical inventory is done Use Trapeze system, Fleet module for inventory monitoring, workorders, ordering Access: All mechanics/ supervisor	\$19,885 (2005 costs) Body repairs, computer diagnostic repairs
CSB	28 total Cars, vans	1	1	25 yrs exp AES*	None	3 bays 1 lift (3/4 ton)	\$300 - \$400 No physical inventory performed	\$14,277 (2005 costs)

*Automotive Service Excellence

Because of the lack of data stored in a centralized system and centralized management, there is no Countywide strategic planning, nor cost of operations analysis and efficiency studies done on:

- ❑ Actual number and type of vehicles required by the County to conduct efficient and effective business now and in the future;
- ❑ Actual costs to maintain the fleet (e.g. insurance, repairs, infrastructure, personnel, benefits, overhead – electricity, gas, tools, uniforms, parts, gas, oil, hazardous waste disposal)
- ❑ Liability to the County (e.g. accidents, compliance with federal and state laws, IRS compliance)
- ❑ New energy mandates
- ❑ New EPA and OSHA requirements related to fleets
- ❑ Purchasing new vehicles vs. maintaining an aging fleet
- ❑ Purchase of and maintenance on a County vehicle vs. reimbursement of mileage for personal vehicle use
- ❑ Countywide bulk purchasing negotiation ability for fuel, oil, parts, etc.

I. Fleet Management Software System

Summit County has two fleet management systems, neither of which interface with the County's Banner financial management system. The Engineer is running Sungard's HTE program. MRDD is running a module of its Trapeze software. The Engineer staff member stated that they are not using the software to its full capabilities. MRDD utilizes many of the modules in its system. DOES runs SnapOn ShopKey automotive repair information software.

The City of Akron, who addresses the majority of the County's fuel needs and who provides the fuel cards for same is running Maximus FleetFocus software. IAD met with the City of Akron Motor Pool (Akron) Director and the software engineer working with the Maximus software for an explanation and virtual tour of the program's capabilities. They also informed IAD that they are not using all of the modules and capabilities of the program, but that it is a relatively new system and that they anticipate implementing fuller utilization in the coming years. Akron informed IAD that the U.S. Marshall's office has contracted with the Motor Pool to provide maintenance for its local vehicles. Akron informed IAD that it has the capabilities to not only provide fuel for the County's vehicles, but also maintenance services for all County vehicles (e.g. passenger, safety forces, heavy and light equipment.)

Attached to this report as appendices are informational materials obtained on the above-referenced systems and FleetMax (in use in Toronto.)

II. New Technologies and Mandates

EPA mandates related to fuel emissions standards are issued on a regular basis. Other possible mandates based on compliance with the Energy Policy Act of 2005 and other global warming issues may increase in the future. One such mandate, relating to ultra low sulfur diesel use is effective October 15, 2006 (see information below from the National Association of Fleet Administrators website.)

Ultra Low Sulfur Diesel

The U.S. Environmental Protection Agency's (EPA) emissions standards for diesel engines manufactured after January 1, 2007 require significant emissions reductions. These reductions will be accomplished through the use of after treatment equipment, such as particulate filters (DPF) and oxidation catalysts. To achieve these emissions reductions and protect these after treatment emission devices, Ultra Low Sulfur Diesel (ULSD) must be used in 2007 and later diesel-powered engines. The EPA has mandated that by October 15, 2006, 80 percent of the nation's on-road diesel fuel contain less than 15-ppm sulfur. Except in California, all diesel fuel for both on- and off-road use, must be ULSD by October 15, 2006.

Biodiesel

Biodiesel is an alternative to Ultra-Low Sulfur Diesel (ULSD). Biodiesel includes B100 and biodiesel blends of B20 (20% Biodiesel) or B5 (5% Biodiesel). B20 should be blended with ULSD (15-ppm) to insure maximum emission reduction benefits and to protect after treatment devices on 2007 and newer emission compliant engines.

NAFA's Fuels & Technology Committee Chair, Richard Teebay, has created two fact sheets which can help Fleet Manager's during the transition to Ultra Low Sulfur Diesel or Biodiesel. The fact sheets are available at www.nafa.org/ulsd.

Keeping up on these compliance issues and projecting how they will impact the County's fleet now and purchases in the future is crucial. The need for strategic planning in the management of the County's fleet is imperative as compliance issues become more and more important. Projecting what will be needed now and 20 years down the road for infrastructure, maintenance needs, alternative fuels, vehicle specification coupled with keeping pace with future technologies requires a manager with the skills necessary to perform data analysis for planning purposes.

What do you feel are the most important competencies for Federal Fleet Managers necessary for exemplar performance in Federal Motor Vehicle management/Fleet Management?

It's got nothing to do with vehicles. It's got everything to do with management skills. Being able to do process flows, being able to analyze data, knowing human resources, acquisition and comptroller functions is paramount.

*Bob Gill, PW BSV&E
Business Line Coordinator,
Regional BSV&E Program Manager, U.S. Navy*

III. Centralized Fleet Management

Decisions by user departments on fleet-related matters tend to focus primarily on the interest of the individual program or department, lacking the broader County perspective and are often short-sighted. User departments, in general, fail to consider the following issues when making such decisions:

- A County perspective on overall fleet requirements;
- Existence of under-utilized equipment available in other programs or departments;
- Under-utilization of in-house expertise in determining specific equipment to replace, repair or dispose;
- Maintenance implications of vehicle and equipment acquisitions; and
- Total cost of equipment (life cycle cost of equipment from date of purchase to date of disposal).

The decentralized control model for County fleet operations hinders management's ability to:

- Ensure maintenance and repairs are cost-effective;
- Provide an adequate vehicle and equipment replacement program;
- Re-assign equipment across departments;
- Optimize fleet utilization; and
- Monitor and control overall fleet-related costs.

Based on our review of best practices in other North American fleet service organizations, an effective fleet management structure should provide for ownership and management of all vehicles and equipment with one central internal unit with adequate decision-making authority that provides a focused, structured and systematic approach to Countywide fleet services. A centralized fleet management approach is more efficient through consistent policy implementation and reduced administrative costs because it requires only one organization with fleet expertise and one information technology system to manage fleet assets. Centralized fleet management also achieves economies of scale and reduces duplication of efforts.

Specific examples of inefficiencies arising from the current decentralized County governance structure of fleet services and the benefits of centralization are described below.

- ❑ Fleet utilization could be optimized and fleet inventory reduced.
- ❑ Vehicle and equipment replacement reserve funding could be improved.
- ❑ Fleet acquisition and standardization could be enhanced.
- ❑ Compliance with preventive maintenance schedules could be improved.
- ❑ Some repairs could be avoided.
- ❑ Monitoring and control of fleet costs could be improved.
- ❑ Number of operational garages.
- ❑ Performance measures could to be enhanced.
- ❑ Standard vehicle life expectancy could be established.
- ❑ Standard hourly labor rate could be established.
- ❑ Criteria for using private repair shops could be established.
- ❑ Use of preferred vendors could be explored.
- ❑ Random quality assurance inspections of work performed could be strengthened.
- ❑ Criteria for warranty repairs could be established and warranty work tracked.
- ❑ Warranty reimbursements from manufacturers could be formalized.

A Fleet Manager manages an organization's operation and maintenance of motor vehicles. The Fleet Manager's job responsibilities include:

- ❑ Strategic planning;
- ❑ Developing policy and procedure for all aspects of fleet management;
- ❑ Fleet management system coordination and monitoring for planning and operational purposes, oversight of compliance/reporting as it relates to the fleet;
- ❑ Developing and implementing vehicle and equipment preventive maintenance programs;
- ❑ Managing fleet department budgets; and
- ❑ Developing and maintaining outside vendor and service provider relationships.

This position would be empowered with legislative approval, to make all fleet management decisions, including, but not limited to:

- ❑ Collection and analysis of essential fleet data;
- ❑ Develop and implement the Countywide fleet management plan;
- ❑ Set, implement and enforce County fleet policies;
- ❑ Provide standardized fleet reports to governmental units;
- ❑ Provide direct and contracted support for repair and maintenance of vehicles in Summit County;
- ❑ Promote and develop Countywide contracts for repair and maintenance;
- ❑ Offer fleet management support through publications, Web sites, meetings and other forms of communication, as needed;
- ❑ Serve as liaison between the Purchasing Department and governmental units to ensure that purchases for fleet functions are maintained and promoted;
- ❑ Vehicle purchasing decisions;
- ❑ Vehicle replacement decisions;

- ❑ Vehicle assignment and use decisions;
- ❑ Disposal decisions;
- ❑ Review reported inappropriate use of County vehicles;
- ❑ Safety program;
- ❑ Monitor vehicle accidents and the associated repair costs to highlight a problem area;
- ❑ Check the monthly fuel card statements for fuel consumption that falls outside the norm;
- ❑ Monitor and record: oil and water make up; tire wear and replacement.

Below is an example of a job description for a Director of Fleet Management for a County entity from the National Association of Fleet Administrators (NAFA) website.

DIRECTOR, FLEET MANAGEMENT

(NON-MERIT - Job code)

NATURE OF WORK

This is highly skilled managerial and supervisory position involving responsibility for the efficient operation of the Fleet Management Division.

The incumbent directs the personnel and resources of the Fleet Management Division to insure that all County departmental motor vehicle needs are met with the policies of the County. Work is performed under the general direction of the _____ with a view toward maximum availability of inventory assets and cost effectiveness of the operation.

EXAMPLES OF WORK

- Develops strategic plan for fleet management.
- Prepares budgets and justification for same.
- Develops policies and procedures for fleet management operations and programs.
- Executes and administers an orderly program for the purchase and replacement of equipment based on approved criteria.
- Executes designated portion of disaster preparation and relief plans.
- Executes, administers, and recommends revisions to the County Fleet Management Programs.
- Monitors compliance with that program by all County departments and agencies.
- Establishes specifications for procurement of all on and off road equipment.
- Keeps a close liaison with all departments using the Fleet Management Division.
- Plans and exercises general supervision over the maintenance and repair of County equipment.
- Develops and oversees the administration of a preventative maintenance program.
- Ascertains that repairs and overhauls are made in accordance with the latest standards and techniques.
- Performs related work as required.

REQUIRED KNOWLEDGE, SKILLS AND ABILITIES

- Excellent knowledge of accepted managerial practices and techniques, and skill in the application thereof.
- Knowledge of planning and budgeting practices and techniques, and skill in the application thereof.
- Thorough knowledge of standard practices and equipment of the automotive mechanic trade.
- Knowledge of the principles of operation of gasoline and diesel engines and of mechanical repair on heavy trucks and construction equipment.
- Knowledge of the occupational hazards and safety precautions of the trade.
- Knowledge of proper techniques in the use and care of hand and machine tools employed in motor repair and adjustment work.
- Knowledge of proper techniques in locating and adjusting defects in automotive equipment.
- Ability to identify the need for internal controls, and to institute and administer same.

MINIMUM ENTRANCE REQUIREMENTS

Graduation from an accredited college or university with a bachelor's degree in either Business Management, Mechanical, Engineering, or Physical Science field; eight (8) years of supervisory experience, including at least three (3) years of experience in a fleet management environment with major budget responsibilities.

Revised (Month/Year)

IV. Number of Vehicles in the County Fleet

The four governmental units having the largest fleets, totaling 552 vehicles as of December 31, 2005 are as follows: (the following numbers are approximate numbers).

Governmental Unit	# of vehicles
Sheriff	196
Engineer	127
Environmental Services (DOES)	127
CSBMR/DD	102

The remaining 191 vehicles as of December 31, 2005 reside with the following entities:

Governmental Unit	# of vehicles
Prosecutor and CSEA	29
CSB	26
Building Standards	19
Juvenile Court	15
Emergency Management	15
Jobs and Family Services	14
Physical Plants	13
Adult Probation	12
Fiscal Office	8
Dept of Development	7
Executive Admin	6
Oriana House	6
Animal Control	5
Probate Court	5
Veterans Services	4
Medical Examiner	3
Board of Elections	2
(also rents vehicles based on elections)	
Clerk of Courts-Title Bureau	1
Psycho Diagnostic Clinic	1

V. Purchase and Replacement of Vehicles

There is currently, no documented, standard criteria for conducting a cost benefit and needs analysis for purchase of new vehicles in any governmental unit. The inspection process to determine whether a vehicle should be replaced does not have defined criteria, nor is there a Countywide standard process taking into consideration the actual usage and purpose of the vehicle being replaced. There are no standard vehicle specifications to help streamline the vehicle procurement process.

A periodic review of vehicle utilization reports that would identify underutilized or over utilized vehicles should be performed at least on an annual basis, or more often for larger fleets. This would prompt a request of departments to provide an explanation of vehicle usage for significantly below or above established vehicle life expectancy standards. Such an exercise could identify opportunities for pooling or reassignment of vehicles or, alternatively, reductions in the size of the County's fleet.

Vehicle purchases for all County governmental units, except boards, commissions, and agencies must run through the Capital Improvement Project (CIP) budget approval process. Officeholders must comply with purchasing mandates and seek the approval of the Board of Control and Council. The Courts comply with County purchasing mandates. The Office of Budget and Finance verifies the available CIP funds for these purchases. Boards, agencies, and commissions (e.g. CSB, MRDD, Board of Elections, and Veterans Services) seek the approval of their boards and do not have to go through the County purchasing process.

- The Office of Budget and Finance reviews and verifies available funds for all departments, except as noted above, for the purchase of new vehicles. However, there are no formal, defined criteria for replacement of said vehicles.
- The Engineer has its own process, with no documentation nor formal, written, defined criteria for replacing vehicles or the need for new vehicles.
- The Sheriff has its own process, with no documentation nor formal, written, defined criteria for replacing vehicles or the need for new vehicles.
- Adult Probation, Juvenile Court, CSB, Veterans Services, Board of Elections, CSBMR/DD have their own processes, with no documentation nor defined criteria for replacing vehicles or the need for new vehicles.

VI. Titles

Currently, there are no formal policies and procedures for communication of vehicle purchase, nor repository of all titles for vehicles purchased with County monies. The Office of Budget and Finance is the repository for all County titles except for CSB, MRDD, and Health District.

When vehicles go to the auction, the titles are signed and notarized by the County Executive. IAD noted that in numerous instances the title was not transferred from the County's name to the purchaser. The intent of the County to transfer the vehicles is demonstrated on the auction listing, which is a public notice. IAD recommends that a County Title Bureau Representative attend the auction to provide assistance to the individuals purchasing auctioned vehicles.

A centralized repository for all titles of vehicles purchased with County monies should be established to ensure proper monitoring of the County's fleet. Formal policies and procedures for said repository should be established.

VII. Disposal of Vehicles

Currently, there is no formal, written, standard policy and procedure for disposal of vehicles. There is no formal, written, standard policy and procedures, nor criteria for inspection of vehicles scheduled for disposal. Standard vehicle life expectancy for cars and light trucks has not been established.

MRDD, DOES, the Engineer and the Sheriff's office all have their own processes, none of them documented with standard inspection criteria and sign-off. Vehicles to be disposed are donated, sold at auction, or scrapped. Revenues from vehicle sales are not measured, nor benchmarked against comparable fleets.

VIII. Insurance

The Department of Insurance and Risk Management insures all vehicles purchased with County funds, except the General Health District, MRDD, and MetroParks. Mandating oversight and insurance of all vehicles purchased with County funds by Insurance would increase the County's negotiating and buying power, thus saving the taxpayers of Summit County and ensure standardized insurance levels, reducing risk and liability.

Costs saving measures suggested by Insurance were as follows:

- (1) Reduce the County's fleet to specialized vehicles (e.g. heavy equipment, dump trucks, buses, safety forces vehicles);
- (2) Reimburse employees' mileage for use of their personal vehicles for County business. This reduces insurance, maintenance, fuel, infrastructure needs, and a reduction of the County's liability exposure;
- (3) Increase the self insurance retention on auto liability.

IX. Maintenance and Repairs

The current state of monitoring and provision of maintenance and repairs for County owned vehicles is decentralized and not documented in a standardized manner to allow for cost and efficiency analysis.

- DOES uses paper cards and mechanic's timesheets as workorders to track maintenance.
- CSB uses paper cards and workorders to track maintenance.
- The Engineer uses some of the capabilities of its HTE fleet management software (e.g. inventory, fuel management) but it is underutilized in tracking and scheduling work and other essential areas.
- MRDD uses the Trapeze fleet management software.
- The Sheriff uses Excel spreadsheets to track some information on its vehicles.
- None of the software currently in use interfaces with the Banner financial system.
- Scheduling of work for maintenance personnel is done by DOES, CSB, Engineer supervisors with no formal data tracking done on efficiencies for business analysis purposes.
- No time studies have been conducted by DOES, CSB, or the Engineer to analyze maintenance personnel job performance.
- Since the Sheriff and Prosecutor outsources its maintenance primarily to one vendor and that vendor's software does not allow such reports or data entry, the efficiency of maintenance operations cannot be measured by these offices.

X. Maintenance Work Done Under Warranty

This is no standard written policy for tracking maintenance work that should be done under warranty for new vehicles. Some garages track it by paper cards, some say they just know, some use a fleet management system to red flag repairs to be done under warranty. IAD was unable to determine how much maintenance work should have been done under warranty.

XI. Fuel

In 2005, the County spent \$746,052 for fuel, for an increase of \$160,796 from 2004. This substantial increase in fuel costs is yet another major reason for analyzing the County's fleet operations.

The County purchases fuel from the City of Akron at bulk rates for the majority of its vehicles. The Engineer has fueling stations at its locations. Various departments and agencies have credit cards for fuel and miscellaneous purchases. IAD found that the majority of these credit cards do not have purchase types defined (e.g. fuel, oil, pop, gum, beer), nor do they have a purchase limit on the card.

Below is a table of fueling sources in the County.

County Entity	City of Akron Fuel Card	Credit Card	Credit Card Purchase Types	Purchase Limits
Board of Elections	X			No limits
Clerk of Courts: Title	X			No limits
Common Pleas: Adult Probation	X	BP	Gas/ misc.	No limits
CSB	X	BP	No purchase types defined	\$500
Engineer (has fueling stations at their facilities)				Implemented a fuel mgmt system (Petro Vend)
Executive: DJFS	X	BP	Gas, oil, wash	18 gal
Executive: DOES	X	BP, Ports Petroleum Co Inc	Gas/vehicle supplies	No limits
Executive: Medical Examiner		BP	Gas	No limits
Executive: Misc. offices, DOES, DOD, Animal Control, Physical Plants	X			No limits
Fiscal: MIS, Appraisal, Services	X			No limits
Health District		BP	No purchase types defined	No limits
Juvenile Court	X	BP	Gas	Out of county travel – no limits
MRDD	X	BP	Gas/diesel	\$8,000 total for 7 BP cards
Probate Court	Chose not to respond			
Prosecutor: CSEA	X			No limits
Prosecutor: Legal	X	BP	Fuel/wash	No limits
Sheriff		BP	Gas, incidentals	No limits
Veterans Services	X			

Prompted by an IAD request for information, CSB obtained information from BP Oil on its BP Fleet Card. The card can be set up to make Fuel or Fuel + Non-Fuel purchases. Government entities can establish a limit on the number of gallons purchased per day or per month. They also have the capability to limit the number of gallons purchased per station. Another option is to have a “station card” that remains at the station if the governmental unit wants to designate a specific location for multiple staff members to fuel County vehicles.

XII. Vehicles Purchases with Grant Monies

The following governmental units purchased vehicles with grant monies. This is important when planning for replacement vehicles and how they will be funded. There is no Countywide grant monitoring done.

- Juvenile Court
- Emergency Management
- Adult Probation
- Department of Development: HWAP and Rehab
- Oriana House

XIII. Vehicle Designation and Usage Logs

According to data obtained from the Deputy Director of the Department of Insurance and Risk Management on February 23, 2006, the number of vehicles designated to individuals per department are as follows.

Office/Department/Agency	Number of vehicles designated to individuals
<i>Sheriff</i>	<i>89</i>
<i>DOES</i>	<i>40</i>
<i>Prosecutor</i>	<i>19</i>
<i>Building Standards</i>	<i>15</i>
<i>Engineer</i>	<i>10</i>
<i>Executive Office</i>	<i>4</i>
<i>Fiscal Office</i>	<i>3</i>
<i>Veterans Services Commission</i>	<i>1</i>
<i>Childrens Services</i>	<i>1</i>
<i>Animal Control</i>	<i>1</i>

XIV. Vehicle Usage Logs

County Ordinance, 169.25 - Operation of a Vehicle for Work Purposes, states the following regarding take home vehicles and monitoring of the use by designated personnel.

- (e) Designated Personnel. Each Appointing Authority shall provide to the Department of Insurance and Risk Management, annually on January 31, a list of employees of whom the appointing authority anticipates will be operating a motor vehicle for County of Summit business. Such list shall be updated periodically as needed.

- (f) Designated Personnel For County of Summit Vehicles.
 - (1) Employees whose positions regularly require travel for County of Summit business before or after their standard work hours may be assigned a County of Summit vehicle. Such vehicle may be used to travel between the employee's home and work assignment when necessary for the efficient, economical discharge of the employee's official duties. Such travel shall not be reimbursable. Personal use of such vehicles is prohibited and shall result in discipline, up to and including, termination.
 - (2) The County Executive shall designate, by Executive order, personnel assigned to County of Summit vehicles.
 - (3) Designated employees shall complete a usage log for the vehicle and submit the same to the Department of Insurance and Risk Management. Any employee performing

confidential or investigative work, as certified by the Appointing Authority, shall be exempt from completing the usage log.

Adopted 4/3/2006.

There are no formal, written, standardized policies and procedures, nor timeframe for submission of mandated usage logs to the Insurance Department. There is no Countywide standard monthly usage log form reflecting an approval of County vehicle usage by management and pertinent information such as:

- Staff name
- Title information
- Vehicle information: year, make, model, license #, registration #
- VIN #
- Vehicle type (e.g. passenger, utility, law enforcement)
- Fuel card # assigned
- Department
- Supervisor
- Reason for giving him/her a take home vehicle
- Personal insurance information
- Personal driving history
- Confidential vehicle
- Reason for confidential designation
- Monthly mileage
- Monthly fuel used
- Accident/driving/license history
 - ❑ Date
 - ❑ Who was sited
 - ❑ Resolution
 - ❑ Number of points incurred
 - ❑ DUI
 - ❑ Suspensions
- Call-Out information
 - ❑ Date
 - ❑ Time In and Time Out
 - ❑ Emergency/non-emergency call out
 - ❑ Description of event
 - ❑ Supervisor notified
 - ❑ Follow-up

There is no formal, written, standardized vehicle take-home policy established for the County. Take home vehicles generally should be based on a proven operational need for or use of the vehicle to fulfill work responsibilities. The take-home policy should generally permit take-home vehicle assignments for employees who are frequently required to answer emergency calls during both business and non-business hours or for specific operational purposes.

Developing and implementing a Countywide policy and clear criteria for the assignment and use of take home vehicles by all departments is essential. Current assignments should be re-evaluated and periodic reviews conducted to ensure that vehicles are appropriately assigned and meet the established criteria.

A database of information obtained from the vehicle utilization reports would assist departments with decisions regarding assignment of take home vehicles and the use of same. Reports would provide a cost benefit analysis on whether it is more cost effective to designate a County vehicle for staff or reimburse them for mileage.

XV. Mileage Analysis/Utilization

Currently, there is no centralized monitoring of vehicle utilization to ensure optimal use of County vehicles. Neither is there any reporting on vehicle utilization rates. There is no centralized system, nor standard format for storing data on the County’s fleet. Consequently, obtaining basic information to perform data analysis is not normalized and in some instances inaccurate, therefore limiting IAD’s ability to do critical analysis.

IAD was able to obtain a list of vehicles by department, including mileage, make, model, and purchase date. Based on that list, the following average mileage data per year was calculated:

Governmental Unit	Average Mileage Per Year
MRDD	17,957.99
Building Standards	13,621.08
Title Division	13,334.64
Veterans Service Commission	11,352.38
Animal Control	11,191.25
CSB	10,473.23
Prosecutor	9,060.73
Fiscal Office	8,727.82
DOES	8,679.45
Physical Plants Dept	7,515.45
Engineer	6,715.76
DJFS	6,630.40
Juvenile Court	6,591.57
Psycho-Diagnostic Clinic	6,102.50
Oriana House	5,812.80
Executive Office	5,527.50
Community and Economic Development,	4,275.28
Adult Probation	3,438.07
Probate Court	2,920.00
Sheriff	No Mileage Data Received
Medical Examiner	No Mileage Data Received
Emergency Management	No Mileage Data Received

Based on the mileage information obtained, identifying opportunities for the pooling of vehicles, where departmental needs do not require full use of the vehicles and request the transfer of such vehicles to a County pool for either reassignment or disposal is best practice and cost effective.

XVI. Parking

IAD worked with the Administrative Services Department in a review of the Ampco Parking Deck operations, revenues, and the contract. IAD met with representatives from Ampco and Administrative Services several times to assist the County with the parking deck operations.

- Requested policies and procedures (P&P's) and reporting documents;
 - Met with Ampco several times prior to the company developing P&P's
 - Reviewed P&P's for control issues and made recommendations
- Resolved issues with parking deck staff;
- Assisted with a request for computer system reports and revenue monitoring;
- Resolved issues with payroll deduction program and card activation and deactivation, and validation logs;
- Alerted parties to the potential for lost revenue due to lack of computer back-up;
- Recommended that Ampco report its monthly operating expenses to the Office of Finance & Budget pursuant to the contract; and
- Reviewed invoices and creation of spreadsheets and charts to track last three years' revenues to assist department with analysis of same.

XVII. Safety Programs

IAD sent out a questionnaire regarding each entities' safety programs. Below are the questions asked and responses received. IAD found that safety programs countywide are few. A Countywide Safety Program would address the following:

- Reduction in the number of vehicle crashes
- Impact on insurance costs
- Data collection on crashes to address safety program development
- Reporting of crashes and approval of vehicle repairs
- Determination of processing where driver was at fault or not at fault
- Damage collection procedures
- Driver training needs
- Specialized training for operation of large or special purpose vehicles.

	1. Does your agency have a formal safety program?	2. Does your agency have a safety manual?	3. Does your agency have an accident prevention program?	4. Do all vehicles in your agency contact information located somewhere in every vehicle?	5. Does your office provide driver training?	6. Is it required of all agency drivers?	7. Does your office write a policy on using a government vehicle?	8. Does your agency offer specialized training for drivers when they are required to operate large or special purpose vehicles?	9. Do your maintenance facility employees receive regular safety training?	10. What courses are offered and which are required?	11. How does your office handle the use and disposal of hazardous materials used in the maintenance of vehicles?	12. Does your office keep an updated library of Material Safety Data Sheets (MSDS) sheets for your maintenance operations?
Title Bureau	No	No	Yes	No	N/A	No	No	No	No			
Board of Elections	No	No	Yes	No	No	No	No	No	No			
CSB	No	No	Yes	No	No	N/A	No	No	No			
DJFS	No	No	Yes	No	No	No	No	No	No			
	Our agency does not have a formal safety program dedicated to fleet vehicle safety. However, we do have a policy pertaining to the use of government vehicles and appropriate employees to any County-provided safety training. We also have a Health & Safety Committee.											
Bldg Standards	No	No	Yes	No	No	No	Yes	No	No			
DOD	Yes	No	No	No	N/A	No	No	No	No			
EMA	No	No	Yes	No	No	No	Yes	We fall under the Executive's Office program				
Fiscal	Yes	Yes	Yes	No	N/A	No	No	N/A	No			
Health Dept	Safety Committee	Included in P&P's	Quarterly safety newsletter put out by the Health and Safety Committee	No	No	N/A	No	No	No			
Juvenile Court	Provided policy for transporting child	No	No	No	N/A	No	Yes					
Medical Examiner	No	No	Yes	No	N/A	No	No					
Oriana House	Yes	No	Yes	No	No	No	No					
Physical Plants	No	No	Yes	No	No	No	Yes					
Prosecutor/CSEA	No	No	Yes	No	No	No	Yes					
Sheriff	No	No	Yes	Yes	Yes	Yes	Yes					
DOES	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Work Zone Safety + Excavator/Trench Safety + Annual Review of Safety Policies and Rules + Hazard Communication/ Chemical Safety + Emergency Action Procedures (including excavation) + Personal Protective Equipment + Electrical Safe Work Practices + Confined Space Entry & Rescue + Respiratory Protection + Powered Industrial Truck Operation + Bloodborne Pathogens + Lockout / Tagout Procedures & Machine Guarding + Hearing Conservation + Flagger Safety + Compressed Gases in Cylinders + Fall Prevention +		
Engineer	Yes	Yes	Yes	No	No	No	No	Yes	Yes			

*+ Required for some classifications

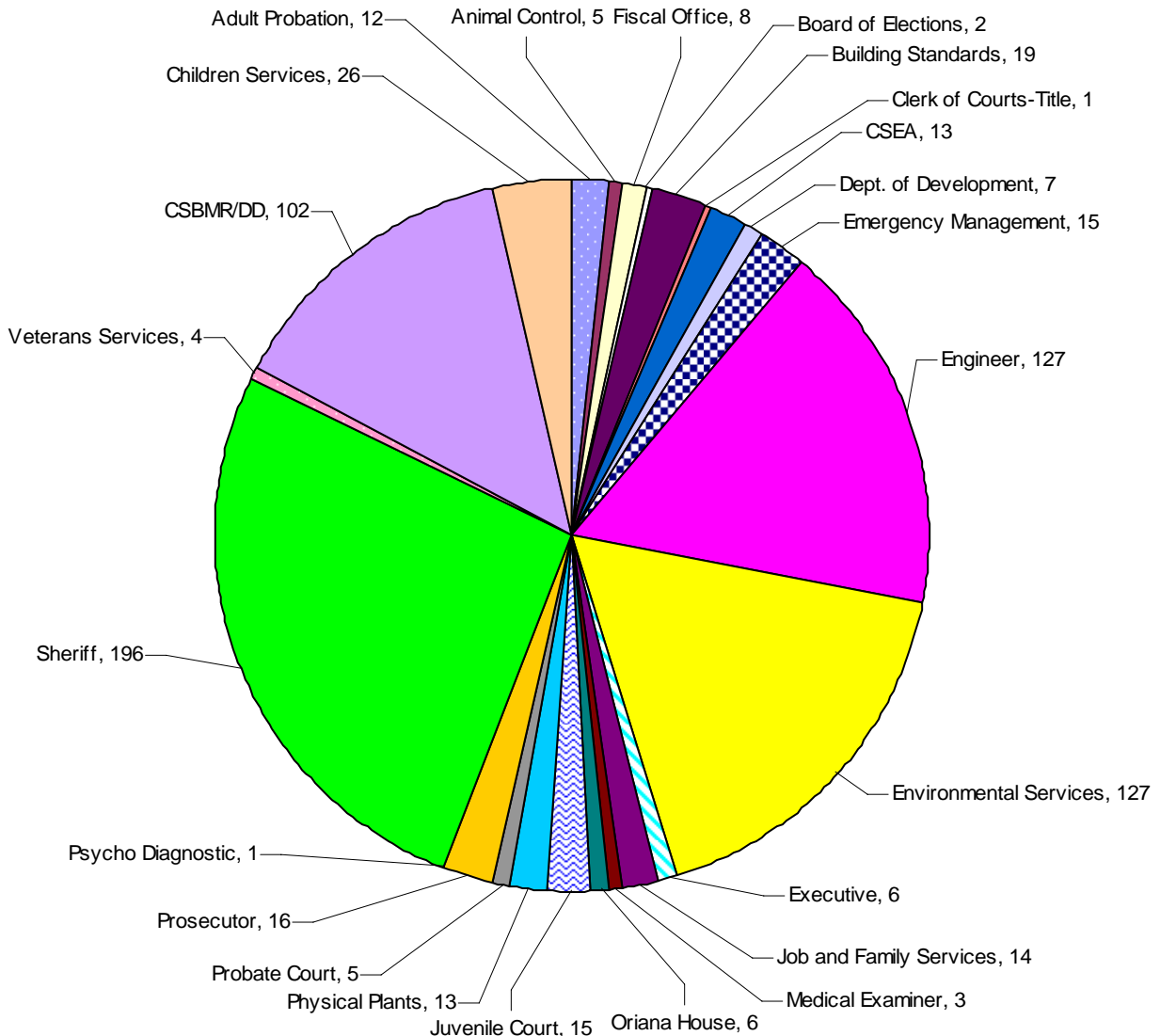
*** Required for all

General Background

The Summit County fleet consists of approximately 743 active vehicles as of 12/31/05, including trailers, boats, and heavy equipment. The total purchase price of the fleet in 2005 was approximately \$13 million. The total purchase price of the fleet was obtained from the respective departments and is not an audited number. The breakdown of vehicles per department is noted in **Figure 1**. From a County-wide perspective, management of the fleet is decentralized and there is no centralized fleet management system. Currently, however, there are two departments utilizing fleet management software. The County of Summit Board of Mental Retardation and Developmental Disabilities (CSBMR/DD) is using Trapeze Fleet and the Engineer's Office is using SunGard HTE Fleet Management.

Vehicle purchase requests by all County offices and courts, except Boards, Agencies and Commissions, are submitted in the Capital Improvement Program (CIP) every year. Per the 2005-2010 CIP, total vehicle requests for 2005 amounted to \$1,081,160. Additionally, vehicle purchases made up 3% of the County's CIP, according to the 2005-2010 CIP.

Figure 1
Vehicle Distribution by Department



Purchase/Disposal/Capital Improvements

Background

The current policy in the Office of Finance & Budget is to approve the purchase or replacement of vehicles and to determine if that Department's budget allows for such a purchase. Once that is determined, vehicle purchases (whether additions or replacements) are approved by the Board of Control and then County Council (if in excess of \$25,000). The Board of Control reviews whether the purchasing procedures, in Codified Ordinance Chapter 177, were followed in awarding purchases as well. They do not make a decision as to the merit of whether a department needs to add a vehicle to the fleet. Boards, Agencies, and Commissions are not required to go through the Board of Control for vehicle purchases. Their respective Board approves all vehicle purchases.

The process of inspecting vehicles prior to being replaced varies among departments as there are five County-owned garages inspecting the majority of County vehicles and there are two departments utilizing outside vendors. The criteria followed to determine if a vehicle should be replaced also varies among departments, although, the general criterion are age, mileage, and condition of the vehicle.

Policies for the sale or disposal of personal property are outlined in Chapter 177.18, 177.19 and 177.21 of the Summit County Codified Ordinances. Vehicles declared as surplus, per Executive Order, can either be transferred to another department, declared as scrap, auctioned, or donated. Regardless of the change in status of a vehicle, an Executive Order is created documenting the change.

Objectives

1. To gain an understanding of the current vehicle purchasing and disposal process for Summit County.
2. To ensure that all vehicles requested to be replaced in 2005 were in accordance with the vehicle purchasing and disposal procedures.
3. To ensure that all vehicles that were disposed of were not located on the active vehicle and insurance listings.

Work Performed

IAD interviewed the following individuals to gain an understanding of the vehicle purchase and disposal process for Summit County: Deputy Director, Purchasing; Supervisor II, Department of Environmental Services (DOES); Sergeant/Fleet Manager, Sheriff's Department; Executive Assistant, Executive's Office; Purchasing Agent, Purchasing Department; Fiscal Officer III, Office of Finance & Budget; Fiscal Officer III, Fiscal Office; Highway Maintenance Superintendent, Mechanics Supervisor, MRDD; and Manager II, Physical Services, CSB.

IAD created a narrative and flow charts of the vehicle purchase and disposal process based on discussions with the individuals previously noted. See **Figures 2 through 5** below for the flow charts showing the vehicle purchase and disposal process.

Ohio Revised Code (ORC) § 307.12 "Disposition of unneeded, obsolete or unfit personal property" and Summit County Codified Ordinances 177.18, 177.19, and 177.21 were obtained and reviewed to gain an understanding of the requirements for disposal of property. Additionally, IAD obtained and reviewed the following documentation for testing of vehicles purchased and disposed in 2005:

Executive Orders issued in 2005 for vehicle disposals, transfers, donations, and surplus; the 2005 Capital Improvement Request Forms-Vehicle Requests (CIP); an active vehicle inventory listing from the Office of Finance & Budget; and an active vehicle inventory schedule from the Department of Insurance & Risk Management.

For all vehicles requested to be replaced located on the 2005 CIP forms (excluding the Sheriff, Engineer, and Boards/Commissions/Agencies), IAD verified that there was a recommendation for replacement or continued use by the Supervisor II at the DOES. Additionally, for all vehicles located on the 2005 CIP Forms that were recommended for replacement, IAD verified that an Executive Order was created declaring the vehicle surplus. Finally, IAD verified that the vehicles located on the 2005 Executive Orders were not located on the active vehicle inventory listing maintained by the Office of Finance & Budget.

Vehicle Purchase Process-Additions to Fleet

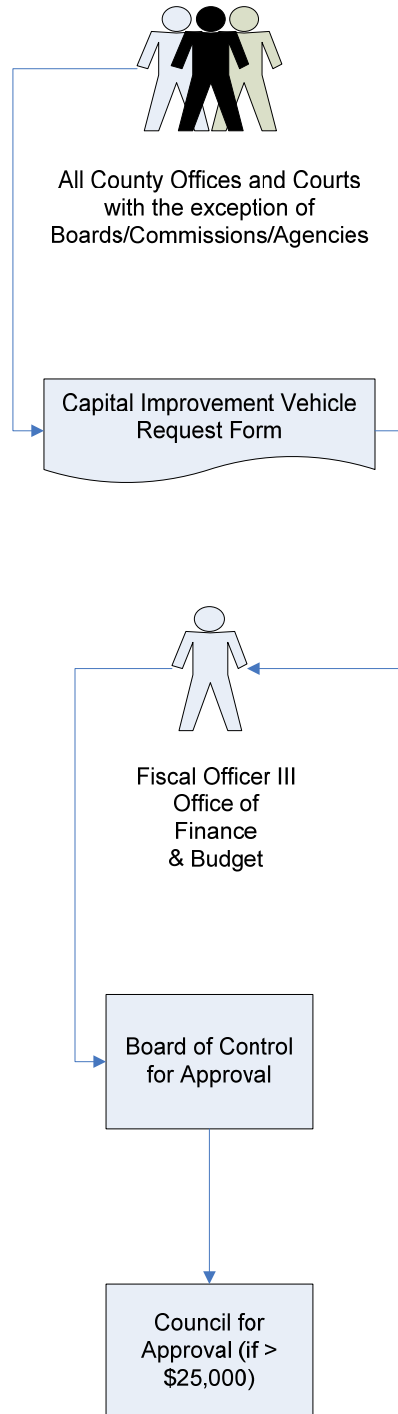


Figure 2

Vehicle Purchase Process-Replacements

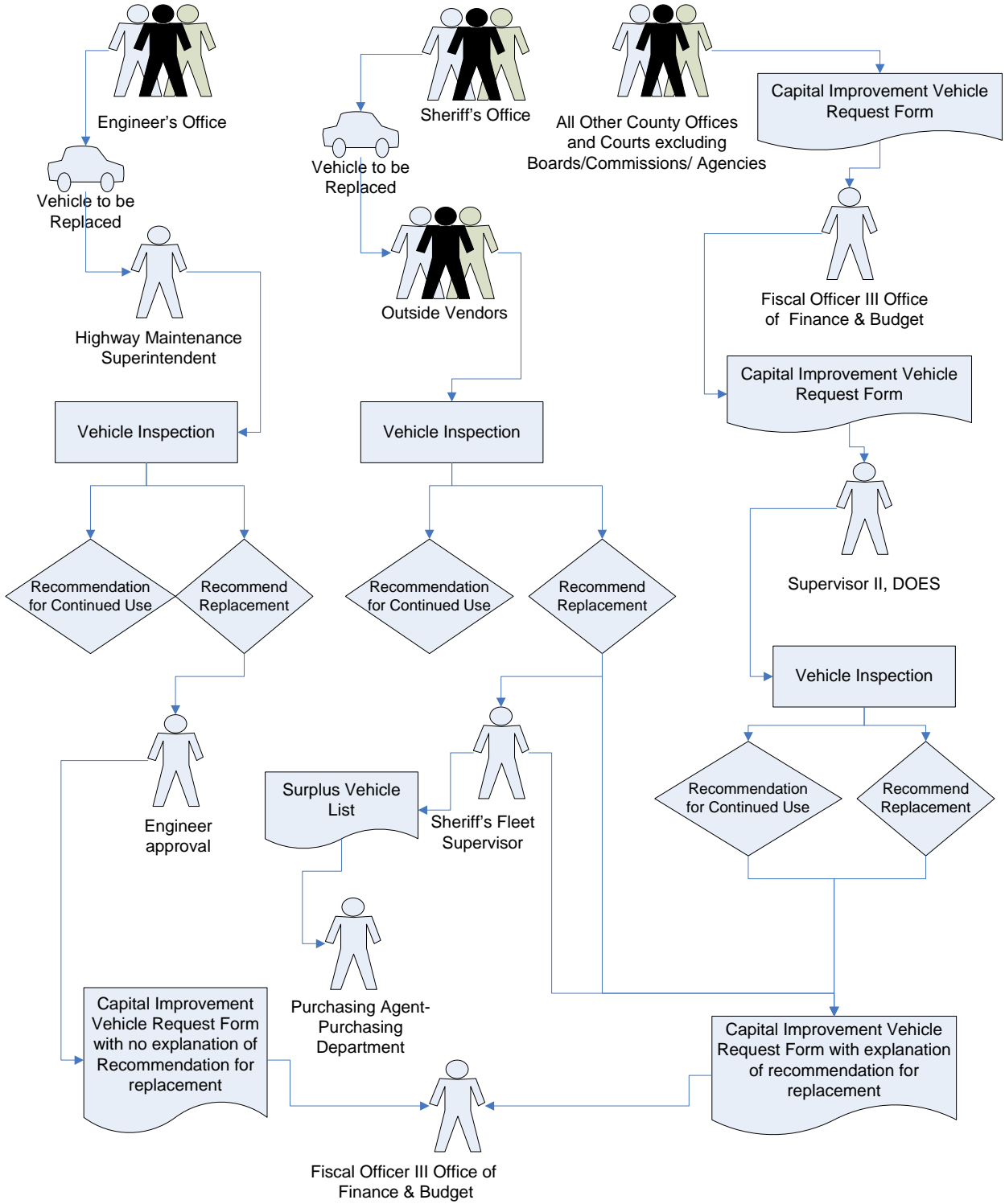


Figure 3

Vehicle Purchase Process-Boards/Commissions/Agencies

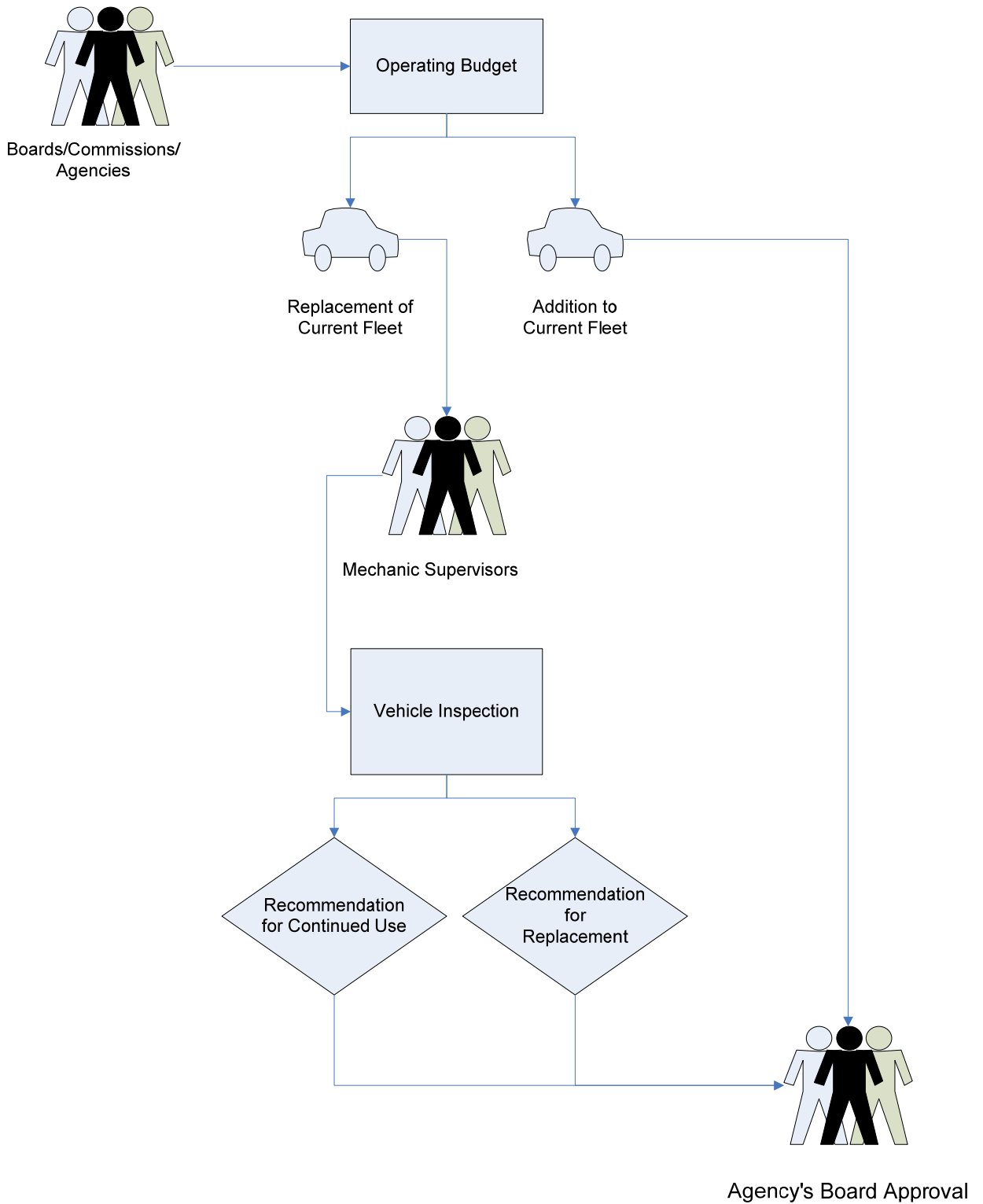


Figure 4

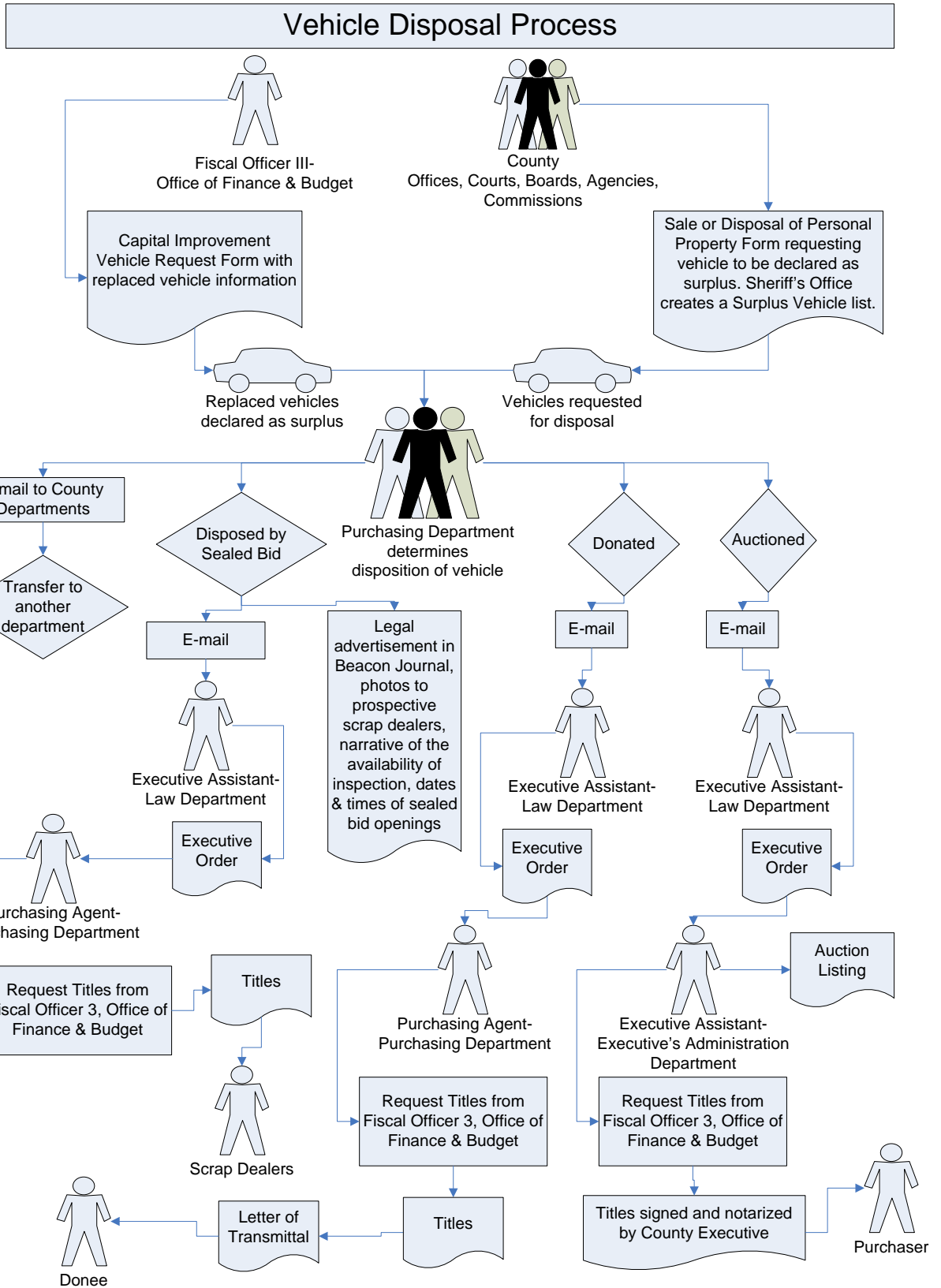


Figure 5

Conclusions

All vehicle replacement requests in 2005 were either supported by an Executive Order declaring the vehicles surplus or it was verified by IAD that the vehicles were still in the current Summit County fleet. Therefore, no issues were noted.

IAD verified that the vehicles located on the 2005 Executive Orders were either declared as surplus or transferred to another department. Therefore, no issues were noted.

1. Issue

Upon review of the vehicle purchase and disposal narrative and discussion with the following individuals:

- a. Deputy Director-Purchasing
- b. Supervisor II, Department of Environmental Services (DOES)
- c. Fleet Supervisor, Sheriff's Department
- d. Executive Assistant, Executive's Admin Office
- e. Purchasing Agent, Purchasing Department
- f. Fiscal Officer III, Office of Finance & Budget
- g. Fiscal Officer 3, Fiscal Office
- h. Highway Maintenance Superintendent, Engineer's Office
- i. Mechanics Supervisor, MRDD
- j. Manager II-Physical Services, CSB
- k. Director of Administration, Engineer
- l. Coordinator, MRDD

IAD noted the following:

- a. There is no formal County vehicle replacement policy. Generally, a new vehicle should replace a current vehicle, per the Deputy Director-Purchasing, however, if the departments have the funds in their capital budget, there is no County policy stating that they cannot purchase additional vehicles. Additionally, the criteria followed by each department when determining if vehicles should be replaced is not consistently documented in a formal policy.
- b. There is no formal policy for ensuring that vehicle purchases are reasonable and in the best interest of the County. The Board of Control is responsible for reviewing whether the purchasing procedures in Codified Ordinance Chapter 177 were followed in awarding the purchases. They make no decision as to the merit of whether a department needs to add a vehicle to the fleet, per the Deputy Director-Purchasing.
- c. There is no central process for inspecting vehicles that need replaced. The Engineer's Office, DOES, MRDD, CSB, and the Sheriff's Office all have their own garages and processes for inspecting vehicles.
- d. Vehicles that are requested to be declared surplus are not always inspected by a mechanic. The departments complete a "Sale or Disposal of Personal Property" form and submit the same to the Purchasing Department who then determines if the vehicles will be transferred, donated, scrapped or sold at auction. The Purchasing Department does not have the vehicles inspected either as it is the responsibility of the Office Holders to make the determination that the vehicles should be declared surplus.
- e. For vehicle replacements, there is no formal policy ensuring that the Office of Finance & Budget has a signed Executive Order declaring a vehicle surplus before a vehicle is approved for purchase. Per discussion with the Deputy Director-Purchasing, an Executive

Order should precede a purchase of a vehicle that will be replacing a current vehicle to ensure that there is only one purchased vehicle for every vehicle replaced.

Recommendation

IAD recommends that a formal vehicle replacement policy be created to ensure that the system of purchasing and funding of the County fleet is being monitored for appropriateness and reasonableness. The policy should also include a requirement that an Executive Order must precede a purchase of a vehicle that is replacing a current vehicle. This will ensure that a vehicle has been declared surplus and is no longer a current vehicle in the Summit County fleet, as well as ensure that the purchase is a replacement and not an addition to the fleet. Additionally, IAD recommends that the vehicle replacement criterion followed by all County departments be documented and consolidated into a formal County policy in order to establish centralized guidelines for vehicle replacement. Furthermore, IAD recommends that all vehicles meet the established criterion before being declared surplus to ensure that the County fleet is being utilized in an efficient and effective manner.

2. Issue

There is no signature line located on the Capital Improvement (CIP) Vehicle Request forms indicating that a mechanic recommended replacement or continued use of a County vehicle. Departments requesting to replace a vehicle have their current vehicle inspected by the Department of Environmental Services (DOES) in order to obtain a recommendation for replacement or continued use (with the exception of Sheriff, Engineer, CSB, and MRDD vehicles, which are inspected by their own mechanics/outside garages). County Boards, Agencies, and Commissions are not required to submit vehicle purchase requests through the Capital Improvement Program and would not utilize the CIP Vehicle Request forms. Additionally, IAD noted that there is no requirement on the CIP Vehicle Request forms for departments to document the vehicle mileage, age, or any other applicable replacement criteria that was met. There is space to include the "Condition", but there is no information providing support for the condition.

Recommendation

IAD recommends that the CIP Vehicle Request forms include a statement, with a signature line for a mechanic, indicating that the vehicle has been examined and has been determined to be in need of replacement or continued use. This will ensure that vehicles have been inspected to determine their continued use or need for replacement. Additionally, IAD recommends that the CIP Vehicle Request forms include an area for additional vehicle information such as age and mileage. This will help support whether or not the vehicles should continue to be used or replaced as well as provide information for management to perform analysis.

Titles

Background

The Fiscal Officer 3 in the Office of Budget & Management monitors all County vehicle titles with the exception of The Children Services Board (CSB) and The Board of Mental Retardation and Developmental Disabilities (CSBMR/DD).

The Fiscal Officer 3 is notified of a vehicle purchase either by a memo from the department purchasing the vehicle or by receiving a copy of the purchase order. Registrations, plates, and fuel cards are also handled by the Fiscal Officer 3.

Objectives

1. To determine the accuracy and reporting of vehicles in the Summit County fleet as of December 31, 2005, to the Office of Finance & Budget, in order to verify that each active vehicle in the Summit County fleet as of December 31, 2005, has an active valid title in Summit County's name.
2. To verify the accuracy and reporting of vehicles to the Department of Insurance and Risk Management and to ensure that inactive vehicles are not being insured by the County as of December 31, 2005.

Work Performed

IAD interviewed the Fiscal Officer III, in the Executive's Office of Finance & Budget, to determine if one comprehensive listing of Summit County vehicles was maintained and to verify who was responsible for obtaining and maintaining titles to county vehicles.

IAD obtained and reviewed the following documentation for testing of the Summit County vehicle inventory, titles, and insurance: vehicle inventory listings from each County department; an active and inactive vehicle inventory listing maintained by the Fiscal Officer III; active and inactive vehicle inventory listings from the Department of Insurance & Risk Management; and active and inactive Summit County title reports from the Clerk of Courts-Title Division. The vehicle listing maintained by the Fiscal Officer III, was compared to the vehicle inventory listings from each County department, the Summit County Title reports, and the Department of Insurance & Risk Management's vehicle listing.

Conclusions

For all active Summit County vehicles, there was an active title in Summit County's name.

1. Issue

There were 125 vehicles on the COC-Title Division active title reports issued to the County that did not trace and agree to the active vehicle inventory listing maintained by the Fiscal Officer III in the Office of Finance & Budget. Additionally, IAD noted the following:

- a. 97 of the 125 vehicles located on the active COC-Title reports did not trace and agree to the Fiscal Officer III's active or inactive vehicle inventory listings.
- b. 28 of the 125 vehicles located on the active COC-Title reports traced and agreed to the Fiscal Officer III's inactive vehicle inventory listing. Of the 28 vehicles located on the

Fiscal Officer III's inactive listing, 16 were located on the Vehicles Sold at Auction listing.

- c. There were eight vehicles located on the active departmental vehicle inventory listings that were also located on the Fiscal Officer III's inactive vehicle inventory listing and the active COC-Title reports. Five of the eight vehicles were sold at auction. The remaining three vehicles were totaled and/or used for scrap and no longer owned/utilized by Summit County, per the Fiscal Officer III.

Per the Executive Assistant in the Executive's Administration Department, when vehicles are auctioned, the titles are signed and notarized by the County Executive. The purchasers of the vehicles are documented in an auction listing maintained by the Executive Assistant; however, a copy of the title is not made confirming the signature and notary seal of the County Executive. Per ORC § III07.12 "Disposition of unneeded, obsolete or unfit personal property", "Notice of the time, place and manner of the sale shall be published in a newspaper of general circulation in the county and in the offices of the county auditor and board of county commissioners, at least ten days prior to the sale." Therefore, the intent of the County to transfer the vehicle could be traced to an auction listing showing that the vehicles were auctioned. Oftentimes, per the Executive Assistant, the vehicles sold at auction no longer run or are not in a drivable condition and are purchased for the use of spare parts. Therefore, the title would not be transferred because the vehicle cannot be driven.

Additionally, per the Division Manager for the COC-Title Division, if the Title Division is not notified that the owner of a vehicle has changed or that the vehicle is no longer in use, the title is still in the previous owner's name.

Recommendation

IAD recommends that a formal policy and procedure be created to ensure that accurate records are maintained for vehicles that are declared surplus and are no longer owned by the County. For vehicles sold at auction, this can be accomplished by making a copy of the titles, with the Executive's signature, which would signify the intent to transfer the vehicle. The title copies should be kept for all other vehicles that are scrapped or donated. The Title Bureau should be notified that that vehicle is no longer in Summit County's name as well.

Additional Recommendation

For vehicles sold at auctions, IAD recommends that an employee from the Clerk of Courts Title Division attend the auctions to provide assistance to individuals purchasing auctioned vehicles. This will help ensure that the appropriate title documentation can be completed and will inform individuals of the appropriate procedures to follow for title changes, where applicable.

2. Issue

There are no formal written policies and procedures in regards to communication of vehicle purchases and disposals between County departments and the Fiscal Officer III in the Office of Finance & Budget, who is responsible for titles, registration and license plates of all County-owned vehicles (except CSB, Solid Waste Management, MRDD and the Health District). Per discussion with the Fiscal Officer III, she obtains a copy of the purchase order or a memo from the department that purchased the vehicle stating that a new vehicle was purchased. If a vehicle is auctioned, totaled, or donated, she receives a memo or request for the title. However, if a vehicle is scrapped (i.e. used for spare parts), she is not always notified.

Recommendation

IAD recommends that formal policies and procedures be created to ensure that vehicle purchases and disposals are communicated to the Fiscal Officer III. This will ensure that accurate and appropriate documentation can be maintained for all vehicles in the Summit County fleet.

Insurance

Background

The Executive's Department of Insurance and Risk Management (EDIRM) is responsible for insuring the County of Summit's auto fleet for all agencies except the General Health District, MRDD, and Metro Parks. The County purchases auto liability coverage from a commercial carrier with a \$25,000 (SIR) self-insured retention. The auto physical damage coverage is self-insured by the County with the exception of over the road coverage for vehicles valued over \$100,000 and vehicles parked at scheduled locations. This coverage provides for \$5,000,000 of coverage per occurrence subject to deductibles of \$100,000 and \$50,000, respectively.

In establishing the County's self-insured fund, fully insured rate equivalents were developed based on a fully insured program with a \$1,000 deductible. The premium savings from self-insuring the program was used to fund the self-insured fund. As auto claims are presented, they are paid out of the self-insured fund and the agencies are charged up to a \$1,000 deductible per occurrence.

The 2005-2006 premium for the County's auto liability coverage totaled \$278,273. The premium for the physical damage coverage under the County's property policy was \$6,235.

Objective

To gain an understanding of the procedures followed by Summit County for insuring the County fleet.

Work Performed

IAD obtained and reviewed the 2004-2005 & 2005-2006 Property & Casualty Insurance Premium Allocation charts from the Director of the Department of Insurance & Risk Management. Additionally, IAD interviewed the Director of the Department of Insurance & Risk Management to gain an understanding of the vehicle insurance process. IAD also obtained and reviewed the County General Liability policy specific to automobiles as well as the Commercial Auto Protection policy.

Conclusions

The County has several options to reduce its costs relating to the auto fleet. First, the County could increase its SIR on the auto liability to match other liability lines at \$75,000. Secondly, the County could reduce its fleet to specialized vehicles only (i.e. dump trucks, pickup trucks etc.), and reimburse employees mileage for the use of their personal vehicles for County business. This would allow the County to directly reduce its insurance and maintenance costs, while also reducing the County's liability exposure.

Maintenance/Repair

Background

There are currently five County-owned and operated garages that provide maintenance and repair for County vehicles. These departments include Environmental Services (DOES), Mental Retardation and Developmental Disabilities (CSBMR/DD), Children Services (CSB), the Sheriff and the Engineer. DOES provides services for all departments except the three noted above, the Sheriff's Office and the Prosecutor. An outside vendor is used by the Sheriff and Prosecutor for all maintenance and repair. The garage located in the City of Green only installs radios and light bars on the Sheriff's Department vehicles and does not perform mechanical maintenance.

DOES utilizes a chargeback process which involves billing departments monthly for services to their vehicles. The basic charge for preventative maintenance service, which includes oil changes, wiper blades, washer fluid, brakes, tire pressure, transmission, etc., is \$50.00 per visit. Additional repairs authorized by the departments include the cost of actual labor and material costs plus overhead. DOES sends the Office of Finance and Budget a monthly statement of charges and the total repair amount is charged to the department's vehicle maintenance account by journal entry.

The process for the monitoring of inventory parts is different in each maintenance and repair facility. The departments with a fleet management software system utilize the inventory module to track and monitor their parts inventories. The Engineer's Office and CSBMR/DD are currently the only departments with a fleet management software system.

Objective

1. To analyze maintenance data for county vehicles and to review the County-wide management and operations on vehicle maintenance.
2. To perform walkthroughs of the five County maintenance garages to gain an understanding of how the garages operate, to observe how inventory is maintained and secured, and to observe the physical security of the garages.

Work Performed

IAD requested maintenance, parts, and fuel cost data from each County department and agency for 2003, 2004, and 2005. Bar graphs were created to display the maintenance cost data for each year. See **Figures 6 through 8**. Pie charts were created for each year showing the percentage of maintenance costs by department as well. See **Figures 9 through 11**.

In order to gain an understanding of the various departments' maintenance management and operations, IAD interviewed the following individuals:

- DOES: Supervisor II, Fiscal Officer 2, Office Manager, Director of Administration
- Engineer: Director of Administrative Support Services, Highway Maintenance Superintendent, Garage Crew Leader, Office Manager-Inventory
- Sheriff: Sergeant-Special Ops, Fleet, & Wireless Communications
- Prosecutor: Director of Administration
- CSB: Manager II, Physical Services
- MRDD: Mechanics Supervisor
- City of Akron: Motor Pool Director, & Software Engineer Working with the Maximus Software

- Shaw Automotive: Keith Durst (maintenance for CSB, Sheriff, Prosecutor).

IAD obtained information on various fleet management systems from the following company websites: Maximus FleetFocus, Trapeze Fleet module, Sungard HTE.

A walkthrough of the five County-owned garages was performed by IAD to gain an understanding of how the garages operate, to observe how inventory is maintained and secured, and to observe the physical security of the garages. See the backgrounds below for a brief description of each of the five garages. The walkthroughs were performed with the following individuals:

CSBMR/DD



Background

Individual interviewed: Mechanic Supervisor

The County of Summit Board of Mental Retardation & Developmental Disabilities (CSBMR/DD) garage is located in Tallmadge. The garage consists of five work bays, one wash bay, and one storage bay. Four of the work bays have in-ground lifts and there are no pits. All of the lifts can support school buses and vans. Warranty work, major body repairs, and computer diagnostic repairs are outsourced. Approximately \$20,000 of work is outsourced on an annual basis. When CSBMR/DD purchases a vehicle, the mechanic supervisor documents the length of time the vehicle is covered by warranty. Before repairs are made to any vehicles, it is first determined if the vehicle is under warranty. If it is, then the warranty work is outsourced. Additionally, when a part is purchased that

comes with a warranty, the mechanics physically mark on the part that it is under warranty for a certain time period. CSBMR/DD's Trapeze Fleet Management System has the capability to track warranty information, but it is not currently utilized.

The CSBMR/DD garage is staffed by four mechanics on two shifts. The first shift is from 6:00 a.m. until 2:00 p.m., and the second shift is from 10:00 a.m. until 6:00 p.m. The mechanics are Master Mechanics with over 20 years of heavy equipment experience. The mechanics are given approximately ten tests a year to ensure they have the ability to lift heavy materials and to ensure they are aware of safety measures and precautions. In addition, they are required to have First Aid and CPR training annually, as this is a requirement of all CSBMR/DD staff.

The CSBMR/DD garage maintains an inventory for all supplies that are frequently used. In addition, used parts are salvaged from inoperable buses to save money. These parts are not included as a part of inventory. CSBMR/DD spends approximately \$70,000 to \$80,000 dollars annually on parts; this does not include fuel, oil, and tire costs. If inventory is determined obsolete, an Executive Order is created for its disposal. When a bus or van comes into the garage for service, the mechanic fills out a work order listing the part number on the form along with the bus number, date, and the problem. This information is inputted into the computer system daily which tracks remaining inventory on hand as well as information regarding the maintenance of each serviced vehicle.

Scrapped parts are thrown into a dumpster that is removed by Annaco as needed. Additionally, oil and antifreeze are stored in used fluid receptacles that are recycled by Akron-Canton Waste Oil. They empty the receptacle and separate the oil from the antifreeze. CSBMR/DD is then paid 20 cents a gallon for the used oil. If any replacement parts are determined to be inactive by CSBMR/DD, they will be declared surplus and sent to the County auction.

CSB



Background

Individual Interviewed: Maintenance Supervisor

The Children Services Board (CSB) Garage, located at 264 S. Arlington St., includes three bays, two of which are used to maintain a fleet of 28 vehicles. A three-quarter ton lift is utilized in one of these bays, which has the capability to support the weight of a pick-up truck. One mechanic, with over twenty-five years of experience, services the vehicles from 7:00 a.m. until 3:00 p.m., performing a variety of tasks including oil changes, brakes, replacing tires and a variety of other minor repairs/preventative maintenance.

Inventory of approximately \$300.00 is maintained for the fleet. When work on a vehicle is completed, whether in-house or outsourced, the work is manually logged and tracked for every vehicle. Warranty work is tracked in the same manner. Approximately \$4,000.00 is outsourced to outside vendors per year.

A recycling company disposes of used fluids and old oil.

Sheriff



Background

Individual interviewed: Fleet Communications/Safety Equipment Inspector

The Sheriff's garage located in the City of Green consists of one large bay with two garage doors at either end and is attached to the garages for the City of Green Fire Department. There are no lifts or pits as there is no mechanical work performed on Sheriff's vehicles in this garage. All mechanical work is outsourced to Shaw's Automotive, which is approximately \$400,000.00 per year. The garage is primarily used to install light bars and radios in Sheriff's vehicles.

The Sheriff's garage is staffed by one full-time Fleet Communication/Safety Equipment Inspector (FC/SEI) who works 7:30 a.m. to 4:00 p.m. Monday through Friday. The FC/SEI is certified in electronics, Alternating Current/Direct Current (AC/DC), and has worked in electronics for ten years.

Inventory maintained at the garage consists of small items such as screws, various electrical wires, and other items needed to install radios and light bars. The value of the inventory at the end of the year is approximately \$600.00-\$800.00. Quantities of these small items are purchased to last approximately two years. The FC/SEI prepares a request for inventory items and submits the request to his supervisor. Larger inventory items such as light bars and radios are ordered as needed and reused if possible.

DOES



Background

Individual Interviewed: Supervisor II

IAD performed a walkthrough of the Sweitzer Rd. Garage. The garage has five service bays, four lifts (three of which are heavy duty), and zero pits. The Sweitzer Rd. Garage has four full time mechanics. All four of the mechanics are Goodwrench certified and two of them are also air conditioner certified.

Low inventory levels are maintained, which consist of items such as wiper blades, spark plugs, oil filters and oil. This is because most inventory items can be delivered by a dealer to the garage in approximately 15 minutes.

Salvage parts are loaded on to a truck and delivered to Akron Salvage approximately once a year. Once the delivery is completed a check is cut and delivered to the Office Manager at DOES. Disposal of hazardous fluid is typically done through Akron Canton Waste Oil Company. The company comes to the garage and picks up the hazardous waste every six months.

Engineer



Background

Individuals Interviewed: Engineer: Highway Maintenance Superintendent and the Director of Administration

The Engineer's Garage has four mechanics, one welder, one lube technician, and one tire and battery technician. The employees only work one full-time schedule during first shift, however, they may be on call during busy times. The minimum hiring threshold of mechanics for certification is ASE certified. Several of the mechanics are also certified in breaks, transmissions, air conditioners, and engines. The mechanics supply their own tools, however, are given a \$100 per year stipend for tool purchases. Mechanics are also given a \$130 per year stipend for boots. Uniforms are provided to the mechanics, custodial staff, and parts runners. Most of the vehicle work is done in house with an estimated 10% being outsourced. Work that is outsourced is exhaust, heavy duty equipment, and body work. Warranty work is also sent back to the dealers.

A perpetual inventory of parts used is done in the THE/SunGard inventory control module for the Engineer's Garage. When a vehicle comes in for maintenance, the vehicle is given a work order number. If the mechanic needs a part, they can request it from the Store Keeper. The Store Keeper then gets the work order number and assigns that part to the work order number in the HTE/SunGard system. This allows for warranties to be checked, cost of parts to be assigned to the vehicles, and

man hours to be assigned to the work order. Inventory is monitored in the HTE/SunGard system. Should a mechanic need a part after hours, the mechanics are permitted to get the needed parts but have to fill out the work order. The Store Keeper will enter it into the system the next day so the part can be tracked. At the end of the job when the order is closed, the man hours, parts, and warranties are available for tracking.

Scrap is disposed of by throwing it into a scrap bin outside of the building. City Scrap picks up the bin when it is full and pays the garage for the salvage value of the material. Storage of waste fluid is kept in a tank. When the tank gets full, Akron Canton Waste Oil picks up the tank and disposes of the waste. Maintenance, fueling, storage, and salt duties are performed at the Engineer's garage. Maintenance is not performed at any other location, however, there are other fueling and salt facilities being used by the garage at the other facilities. The other facilities are the Boston Armory, The Bath Facility, Copley Facility, Lakemore, and New Franklin.

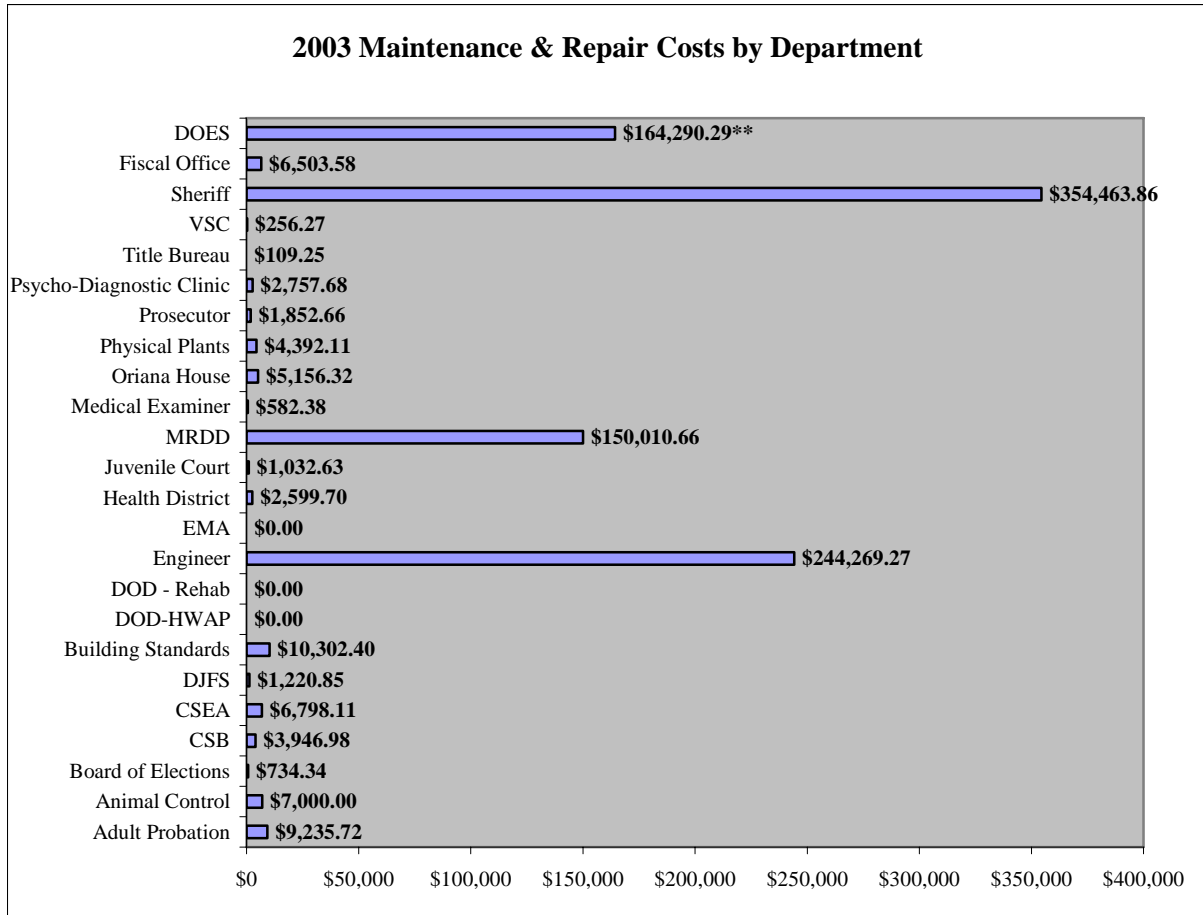


Figure 6

** = This only represents the maintenance costs incurred through the use of outside vendors and does not include costs incurred from performing in-house maintenance on DOES vehicles.

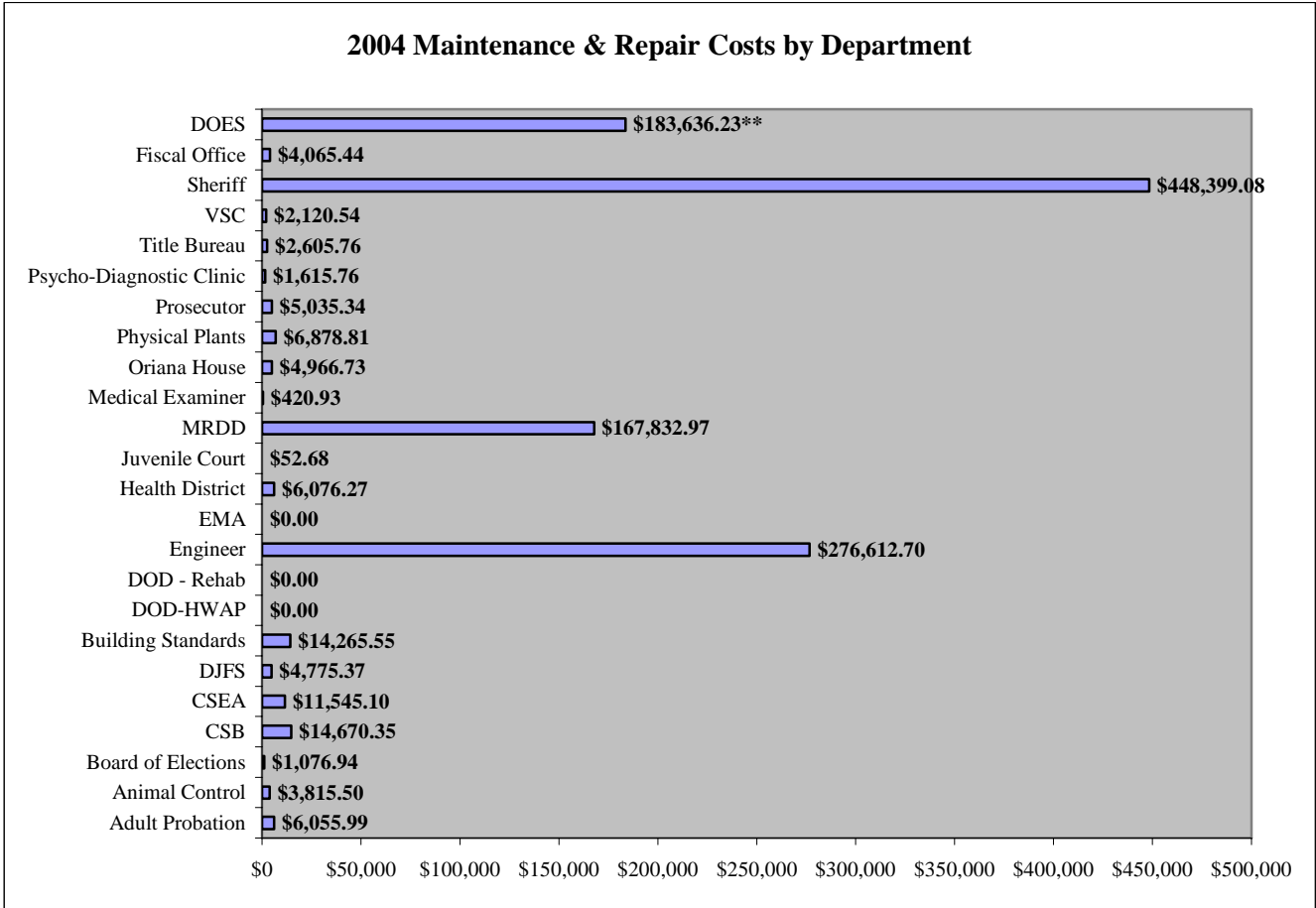


Figure 7

** = This only represents the maintenance costs incurred through the use of outside vendors and does not include costs incurred from performing in-house maintenance on DOES vehicles.

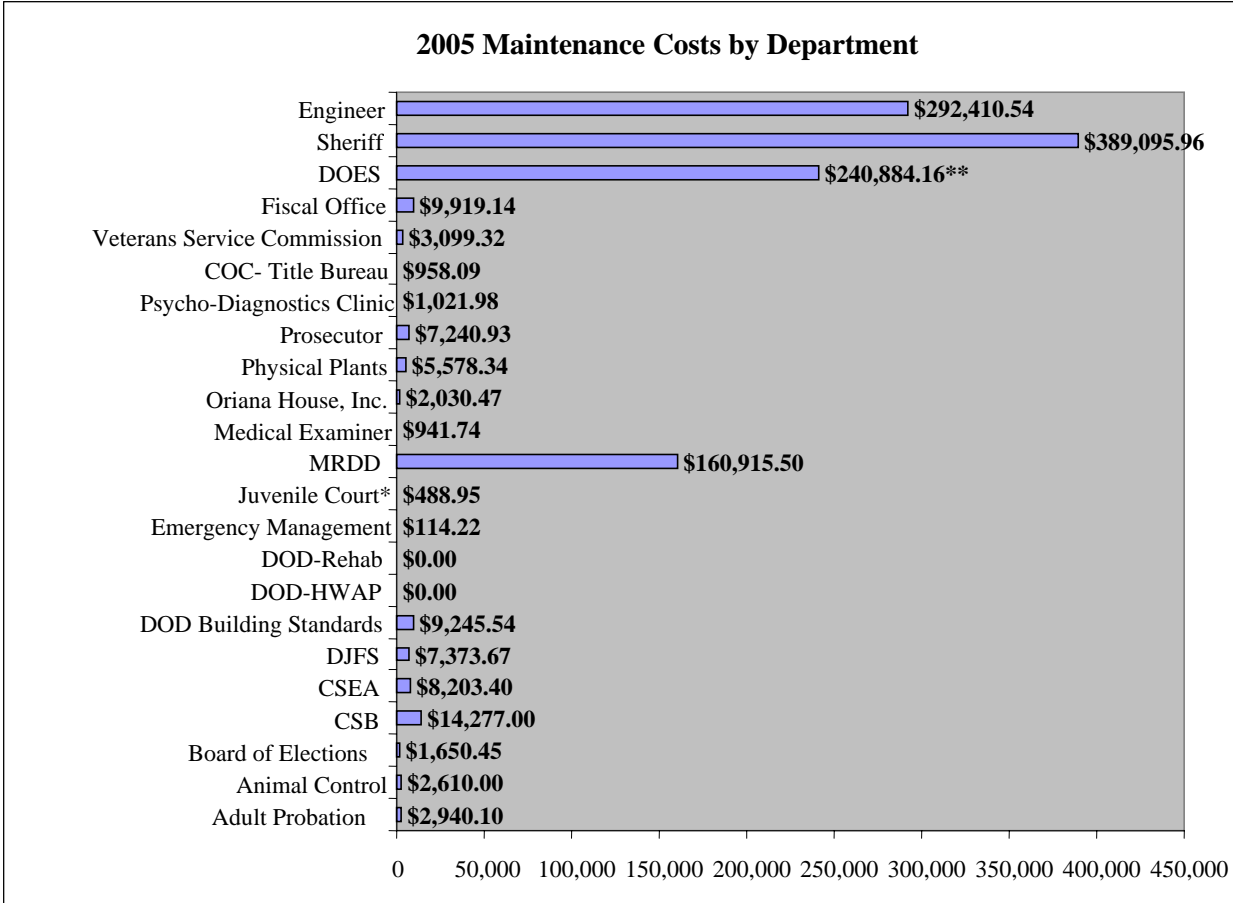


Figure 8

* Due to differences in submittal dates of 2005 maintenance costs information, average monthly maintenance and repair costs were calculated and projected over the entire year. The following is the scale used in allocating the monthly average maintenance costs for 2005. Days 1-8=.25; Days 9-16=.50; Days 17-24=.75; Days 25-31=1.

** = This only represents the maintenance costs incurred through the use of outside vendors and does not include costs incurred from performing in-house maintenance on DOES vehicles.

Maintenance & Repair Costs for 2003 by Department

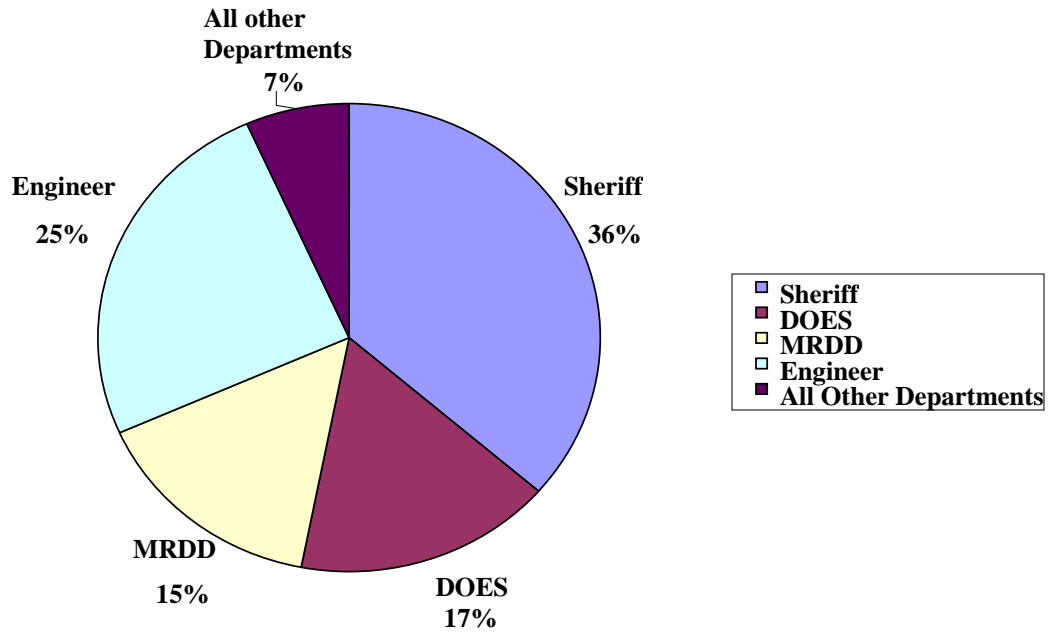


Figure 9

Maintenance & Repair Costs for 2004 by Department

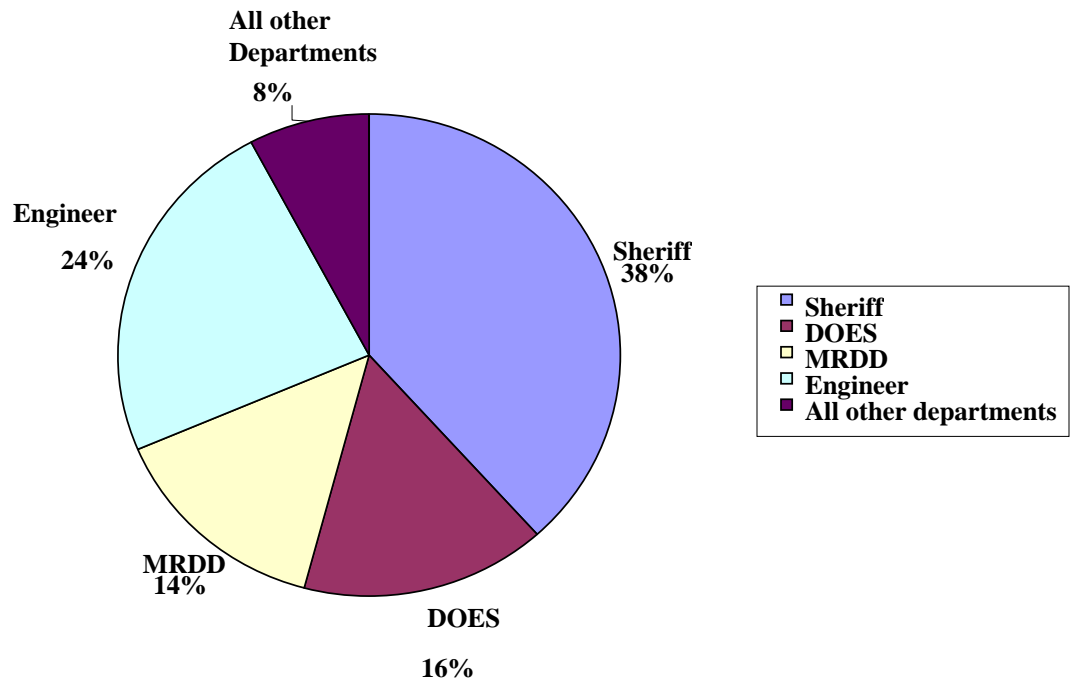


Figure 10

Maintenance & Repair Costs for 2005 by Department

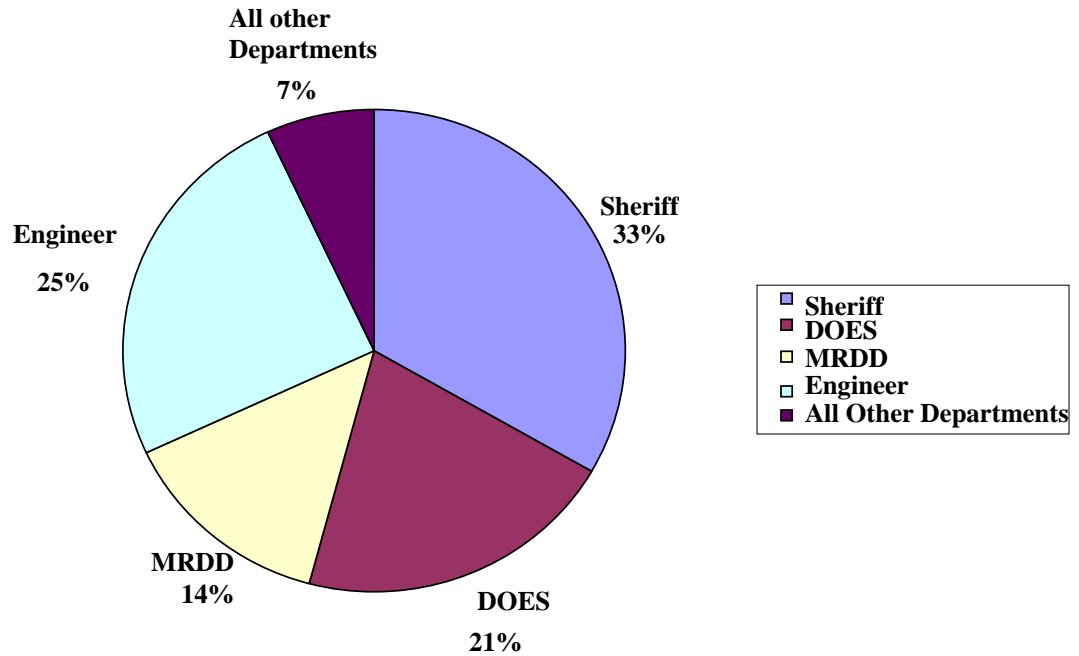


Figure 11

Conclusions

The process for tracking and monitoring maintenance and repair costs for the County varies among each department. Additionally, vehicle maintenance is performed in multiple locations for different departments. As a result, this makes it difficult to determine if County resources are being utilized efficiently and effectively. Furthermore, the opportunity for potential savings of County resources is uncertain when inconsistencies exist throughout the County.

A proper tracking system for maintenance garage inventory should be implemented to ensure that the County assets are protected.

Fuel

Background

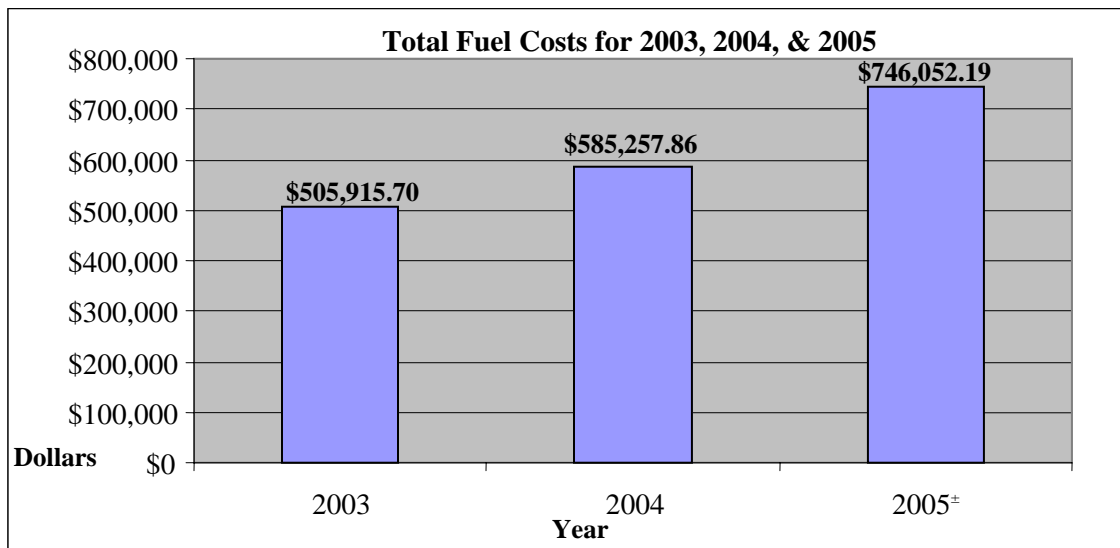
Summit County departments purchase the majority of fuel from BP and The City of Akron. Additionally, some fuel purchases are made from The City of Tallmadge and Ports Petroleum Co. Inc. In 2005, there were 3 departments using BP cards: the Sheriff's Department, CSBMR/DD, and the Department of Jobs & Family Services. Thirteen departments are using the City of Akron fueling facility and seven departments are using both. Additionally, one department was using the City of Tallmadge fuel and another department was using Ports Petroleum Co.

Objective

To review the process for tracking and record keeping of fuel card usage by vehicle and location.

Work Performed

IAD met with the Fiscal Officer III, in the Office of Finance & Budget, to gain an understanding of the process for issuing fuel cards. IAD obtained and reviewed invoices for the months of January and December 2005 from the City of Akron Motor Equipment Division showing gasoline and automotive services for Summit County. IAD reviewed all fuel card numbers for reasonableness and judgmentally selected a sample of 15 fuel card numbers from the December 2005 invoice to determine if the amount of fuel purchased at the city garage appeared reasonable with regard to gallons sold, dollar amount, and purchase price. Additionally, IAD calculated miles per gallon (mpg) averages on select vehicles to determine if the mpg appeared reasonable. See **Figure 12** for the total fuel costs in 2003, 2004, and 2005.



± = Due to differences in submittal dates of 2005 fuel cost information, average monthly fuel costs were calculated and projected over the entire year. The following is the scale used in allocating the monthly average fuel costs for 2005. Days 1-8=.25; Days 9-16=.50; Days 17-24=.50; Days 25-31=1.

Figure 12

Conclusions

It was noted upon review of the monthly reports generated from the City of Akron that it is very difficult to ascertain the exact vehicle that made the fuel purchase. Fuel card numbers are assigned to an employee; however, the cards are not tied to a specific vehicle. The employee is required to enter the odometer reading and there are no specific thresholds built into the fuel recording system.

Recommendations:

It is recommended that the County review more efficient options for the tracking of fuel purchases.

Some of the options may include a MasterCard Fleet Fuel Card program which enables departments and fleet managers to monitor and control the purchase of vehicle fuel while providing reporting capabilities to evaluate the overall performance of the County owned vehicles. Monthly spending limits can be set as well as a mechanism for authorized purchases.

The MasterCard Fleet Fuel Card can be issued as a “driver-assigned” or “vehicle-assigned-credit card. With a driver-assigned card, only the assigned cardholder may use the fleet fuel card for purchases of fuel. The cardholder is permitted to purchase fuel for multiple County owned vehicles. With a vehicle-assigned card, multiple drivers will use a single fleet fuel card which is assigned to a particular County owned vehicle. The vehicle-assigned card may only be used for purchases of fuel for the assigned County owned vehicle. Multiple drivers may be authorized to drive a particular County owned vehicle.

Another option is to assess the benefits of an Automated Fuel Management Program. Some of those benefits include:

- Turns on pump as well as records the vehicle number, mileage, amount of fuel dispensed, time, and location.
- Links to the Fiscal Management System. Information is transferred to the Fiscal Management System for correct billing.
- Tracks usage. Fuel, oil, grease, hydraulic fluid, and antifreeze use can be tracked.
- Shares data with Equipment Management System for maintenance scheduling.
- Prevents fueling a diesel truck with gasoline, and vice-versa.

Parking

Background

The Summit County Parking Deck was constructed in 1978. Recent expansion and renovation has increased the parking capacity with the addition of two levels and 307 parking spaces. There are now over 1100 spaces serving County employees, the general public, and a host of other users. Currently, over 350 County employees take advantage of the payroll deduction program and park in the County parking deck. Ampco Parking Systems has handled the operation of the County parking deck since 1988. With another contract recently signed in February of 2005, Ampco looks to continue to provide services until January, 2010. In 2005, gross revenues from operations of the County parking deck totaled in excess of \$1 million.

Objectives

1. To gain an understanding and review the accuracy, tracking, record keeping, and revenue recognition process for the County of Summit parking garage.
2. To gain an understanding and review the accuracy, tracking, and record keeping of the three parking validation stamps utilized to authorize free parking tickets.
3. To gain an understanding and review the accuracy, tracking, and record keeping of the employee deduction program in the County of Summit.

Work Performed

IAD obtained and reviewed the "Parking Deck Operating Agreement Between County of Summit and Ampco Systems Parking (Ampco)," for the period 2/1/05 thru 1/31/10, the Summit County Parking Deck Rules and Regulations, all validation logs maintained in the County for October-December, 2005, validated parking tickets for September, 2004-December, 2005, and the October and November 2005, parking statements which are sent to the County, from Ampco. IAD also met with the Deputy Director of Administrative Services, to gain an understanding of the validation process for free parking within the County parking deck and the statements Ampco sends to the County. The total number of validations, per the three validation logs, was compared to the number of validations, per the parking tickets.

IAD obtained and reviewed a parking deck spreadsheet and graph showing revenues for the County parking deck for the years 2004 and 2005, and a graph comparing revenues for the above mentioned years from the Deputy Director of Administrative Services. IAD performed trend analyses for revenues, comparing the months in 2004 to those in 2005.

IAD requested a listing of policies and procedures from the Ampco garage attendants. IAD noted the listing was incomplete as it failed to mention policies and procedures for the issuing of new cards, keeping the County apprised of changes in the database, card cancellations, detailed cash collection procedures, etc.

IAD obtained and reviewed a WebFocus Report for employee parking deductions for the months of October, November, and December 2005, generated from the Banner Payroll system. Additionally, a current listing of employees enrolled in the County parking deck payroll deduction program was compared to the WebFocus Report for pay date 12/2/05, to ensure that enrolled employees were receiving the proper payroll parking deductions. Furthermore, IAD obtained and reviewed a current "Monthly Parker Detail Report" from Ampco, which listed current active cards and accounts for all Ampco ran parking garages within Summit County and outlying areas. IAD compared the employee

name and card numbers on the Monthly Parker Detail Report for Summit County and the listing of employees enrolled in the County parking deck payroll deduction program, to verify that they agreed.

Conclusions

1. Issue

When a validation stamp is signed out to departments within the County, a detailed listing of the persons who are receiving a validation for free parking is not documented.

Recommendation

IAD recommends that validation logs should be created and monitored for all validation stamps to ensure that there is a proper safeguarding of assets as well as complete records. In addition, IAD recommends that all persons who receive a validation using the stamp that is signed out to the departments sign the validation log. This will ensure accurate record keeping of the stamp's usage and eliminate the potential for misuse of the validation stamp.

2. Issue

There is no policies and procedure manual for the County owned parking deck that is run by Ampco. In addition, the "Summit County Parking Deck Rules and Regulations," that were provided to IAD, fails to address the following: issuing of new cards, keeping the County apprised of changes in the database, card cancellations, and detailed cash collection procedures.

Recommendation

IAD recommends that Ampco develop and implement a policies and procedure manual for the parking deck. In addition, that the policies and procedures address the following: issuing of new cards, keeping the County apprised of changes in the database, card cancellations, and detailed cash collection procedures. This will ensure that all Ampco and County personnel are aware of all policies and procedures. In addition, to ensure the County has accurate and reliable record keeping.

IAD met with Ampco representatives on several occasions to discuss the lack of policies and procedures for the operation of the County garage. IAD was provided, and reviewed, the parking garage policies and procedures at the end of fieldwork.

3. Issue

Ampco is only able to provide the County with a limited history of records and accounts pertaining to the garage activity. This leads to an insufficient amount of available information for auditing purposes. Section 20 Record and Property of the "Parking Deck Operating Agreement Between County of Summit and Ampco Systems Parking," states "The COUNTY shall have the right to examine the books, records and accounts of the OPERATOR, insofar as they pertain to the operation of the parking decks." In addition, the volume of the report that Ampco has the capacity to run at the County deck appears greater than the software package can handle. Per the Executive Assistant in the Executive's Administration Department, the information in the Ampco database is kept for the current month and then dumped.

Recommendation

IAD recommends that Ampco implement a system in which the information in their books, records, and accounts pertaining to the County is accessible for a time frame sufficient for auditing purposes.

4. Issue

There is no backup of the Ampco database on a consistent basis which could expose the County to risk for lost revenue, should the Ampco database system fail.

Recommendation

IAD recommends that Ampco implement a system to backup all books, records, and accounts on a consistent and in a timely manner. This will ensure that both Ampco and the County of Summit have the ability to access information on a needed basis. In addition, the risk for lost revenue would be mitigated.

5. Issue

IAD noted, through discussion with the Office of Finance and Budget, that they are not receiving a monthly statement of operating costs from Ampco. Per Section 5 Operating Expenses, of the “Parking Deck Operating Agreement Between County of Summit and Ampco Systems Parking”, “The OPERATOR shall issue a statement of operating cost to the COUNTY by the twentieth day of each month in a form acceptable to the Director of Finance and Budget, including ticket totals, gross receipt totals and a record of disbursements for all direct operating costs.”

Recommendation

IAD recommends that the Ampco provide the Office of Finance and Budget with a monthly statement of operating costs as set forth in Section 5 Operating Expenses, of the “Parking Deck Operating Agreement Between County of Summit and Ampco Systems Parking.” IAD further recommends that all operating expenses run through the Office of Finance and Budget to ensure that vendors are on the pre-approved government vendor list and to ensure that expenses are reasonable.

6. Issue

There is little communication between the parking garage, Opportunity Parkway, and the Executive Assistant I who is responsible for the employee parking program, when card numbers are assigned to new participants to the employee deduction programs or when there is a change in parking status.

- a. There were 19 instances where the “Monthly Parker Detail Report” listing shows the employee as participating in the employee deduction program, but does not have an activated card number listed.
- b. There were nine instances on the listing of employees enrolled in the payroll deduction program where an activated card number was not listed.
- c. There were 65 instances where the card number on the “Monthly Parker Detail Report” listing does not match the card number on the listing of employees enrolled in the payroll deduction program.

- d. There was one instance where an employee was on the “Monthly Parker Detail Report” and was terminated. The termination date, per Banner, code [PEAEMPL], the employee was terminated on June 10, 2005.
- e. There was one instance where an employee was on the “Monthly Parker Detail Report” under both Department of Administrative and Department of Finance and Budget. The employee ended their participation in the payroll deduction program, per Banner, code [PDAEDN], on September 19, 2005.
- f. There were two instances where an employee on the listing of employees enrolled in the payroll deduction program was not listed on the “Monthly Parker Detail Report”.
- g. There was one instance where an employee on the listing of employees enrolled in the payroll deduction program was terminated. The date of termination, per Banner code [PEAEMPL] was August 19, 2005.

Recommendation

- a. IAD recommends that the “Monthly Parker Detail Report” and the listing of employees enrolled in the payroll deduction plan be reconciled in whole.
- b. IAD recommends that all discrepancies in the “Monthly Parker Detail Report” and the listing of employees enrolled in the payroll deduction plan be corrected.
- c. IAD recommends a more accurate monitoring of the parking deduction program and the changing of parking card status be formalized. IAD recommends that one way this can be accomplished in that a triplicate form is printed up for employees to fill out and sign when there is a change in parking status. One copy will be kept at the County parking deck, one copy will be sent to Opportunity Parkway, and the last one will be sent to Kristen Fullerton. This will ensure that records are continuously updated and accurate.
- d. IAD recommends that the County be provided with monthly activity reports from the Ampco system, to reconcile to the County payroll, to confirm that all changes have been made.

IAD met with Ampco garage representatives and the Executive Assistant I to review and eliminate the discrepancies between the County’s monthly detail report and the Ampco report. A new system for communicating changes was developed to help alleviate any further discrepancies in record keeping.

Mileage Analysis/Utilization

Background

“Determining the point at which it is more financially advantageous to provide a County vehicle to an employee instead of paying the employee mileage reimbursement for the use of a privately owned motor vehicle” is important for organizations maintaining a fleet (*Source: Department of Ohio Administrative Services “Mileage Breakeven Point Instructions for Fleet Plan Operations”*). Furthermore, performing analyses on the age, mileage, and composition of the fleet are additional factors to consider in making important decisions.

Currently, there is no central location for maintaining county fleet data in Summit County. As a result, desired information needed to perform basic analyses on the utilization of the fleet was often unavailable or inaccurate. Consequently, performing fleet analyses was limited.

Objectives

1. To determine Summit County Fleet mileage usage collectively and within departments.
2. To determine the age distribution for the Summit County fleet.
3. To determine Summit County Fleet vehicle type distribution.
4. To compare Summit County Fleet data from individual departments and the Office of Finance & Budget.

Work Performed

IAD obtained and reviewed a listing of all active Summit County vehicles and their purchase prices from the Fiscal Officer III, in the Office of Finance & Budget. A request was made to all County departments to submit a listing of vehicles, showing the current vehicle mileage, model year, and purchase date. For missing purchase price information, IAD obtained and reviewed a depreciation schedule from the Fiscal Officer III, in the Fiscal Office. IAD compared purchase prices received from the Fiscal Officer III, in the Office of Finance & Budget and the individual County departments, to the purchase prices from the depreciation schedule to verify the amounts agreed.

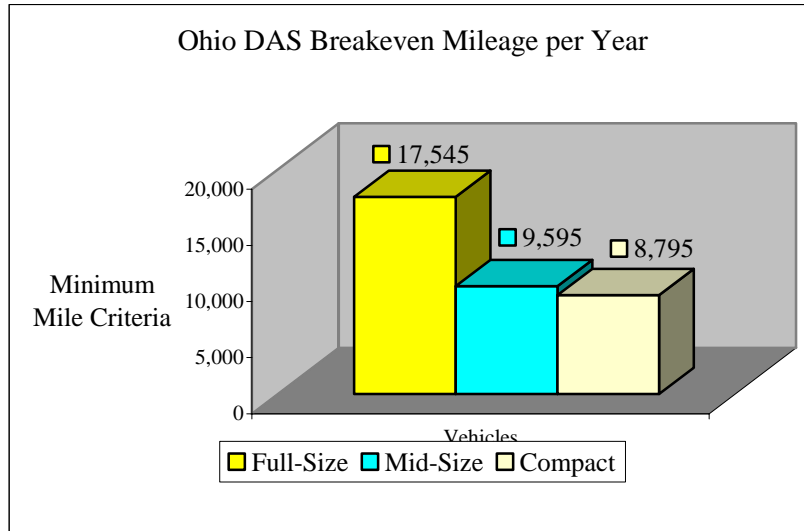
An analysis was performed to determine the average mileage per year by model year and the average mileage per year (for one vehicle) for each department. IAD created graphs for each department illustrating the average mileage per year by model year (**Figure 14**), vehicle age distribution (**Figure 15**), and Summit County fleet vehicle types (**Figure 16**). The following categories were used to classify vehicle types: Sheriff/Law Enforcement, Emergency Management, Light Trucks, Heavy Trucks, On-Road Heavy Equipment, Other Equipment, and Buses. Trailers were not included in the fleet. Vehicles with unavailable mileage data were excluded as well.

IAD utilized the 2005 mileage reimbursement rate based on the rates documented in IRS Publication IS-B, “Employers Tax Guide to fringe benefits”. Mileage reimbursement cost was calculated for each vehicle based on an average of the current vehicle mileage submitted by each department. Additionally, 2005 depreciation, fuel, maintenance, and insurance costs were calculated to determine the benefit/cost of reimbursing employees for mileage versus the cost of maintaining a fleet. Departments with vehicles that are vital to the operation of the particular department were not included in the calculations (e.g. Sheriff, Engineer, CSBMR/DD, Emergency Management & DOES). See **Figure 17**.

The Ohio Department of Administrative Services (DAS) “Mileage Breakeven Point Instructions for Fleet Plan Operations” was obtained and reviewed to provide the County with information on determining if employees should be reimbursed for mileage using a privately owned vehicle or should continue using a County-owned vehicle. See **Figure 13** below.

Figure 13

	2005 Full-Size: 15,000 miles/6 years	2005 Mid-Size: 15,000 miles/6 years	2005 Compact: 18,000 miles/5 years
Acquisition Cost:	\$20,000	\$12,324	\$10,392
Resale Value:	4,000	1,849	1,247
Depreciable Cost:	16,000	10,475	9,145
Resale Percentage:	0.20	0.15	0.12
Depreciation Years:	6	6	5
Lifetime Mileage:	90,000	90,000	90,000
Annual Mileage:	15,000	15,000	18,000
Annual Depreciation:	\$2,667	\$1,746	\$1,829
Operation Cost Per Mile:	\$0.14	\$0.11	\$0.09
Insurance Cost per Mile:	0.01	0.01	0.01
Depreciation Cost Per Mile:	0.18	0.12	0.10
Total Cost Per Mile:	\$0.33	\$0.23	\$0.19
Mileage Reimbursement Rate:	\$0.30	\$0.30	\$0.30
Breakeven Mileage per Year:	17,545	9,595	8,795
BE Mileage Reimbursement:	\$5,264	\$2,879	\$2,639



How To Use Mileage Breakeven Point Calculations

1	Select motor vehicle for review.
2	Determine if mileage breakeven point analysis is appropriate. If not appropriate make sure to indicate the rationale on the fleet plan.
3	If mileage breakeven point analysis is appropriate determine type of vehicle, vehicle type year and projected years of use.
4	Select the proper breakeven mileage point on the Mileage Breakeven Point Matrix based upon the type & year of the vehicle and the projected years of use.
5	If projected annual mileage is more than the breakeven point the vehicle assignment is advisable, but pooling opportunities should always be considered.
6	If projected annual mileage is less than the breakeven point the vehicle assignment should be terminated and the employee should be paid for using their privately owned motor vehicle for authorized state business travel.
7	The agency fleet plan should indicate the action taken.

Example Calculation per Ohio Department of Administrative Services:

It is determined that a review of a 2005 Ford Taurus (mid-size) vehicle is in order. The state agency's expectation is to utilize vehicles for 6 years. The fleet manager determines that the subject vehicle is averaging 8,000 miles per year. The Mileage Breakeven Point Matrix indicates that the breakeven point is actually 9,595 miles (**See chart above for mid-size vehicles**). As the vehicle is not meeting the breakeven point the assignment of the vehicle to the employee should be terminated and the employee directed a privately owned vehicle, and be reimbursed for the authorized net business miles, or a motor pool. The state vehicle should be reassigned or disposed of in accordance with the Ohio Revised Code.

Definitions:

Acquisition Costs:	The cost of the motor vehicle, including options.
Resale Value:	The projected value, less selling fees, of the vehicle when ready for resale.
Depreciable Costs:	Acquisition cost less the resale value.
Depreciation Years:	The projected number of years that the motor vehicle is expected to be utilized before resale.
Annual Depreciation:	The projected depreciation charge per year. The charge is calculated by subtracting the resale value from the depreciable cost and dividing the depreciation years.
Lifetime Operation Cost:	The projected operation cost of the motor vehicle over its lifetime. Operation cost should include all fuel, maintenance, repairs, and vehicle liability insurance.
Operating Cost Per Mile:	The projected operation cost per mile over the lifetime of the motor vehicle.
Insurance Cost Per Mile:	The projected liability fee charged by the Office of Risk Management.
Mileage Breakeven Points:	Developed by comparing motor vehicle depreciation and operation costs to the cost of the mileage reimbursement.

U.S. General Services Administration (GSA) 2004

Utilization Guidelines for GSA Fleet

	<i>Per Quarter</i>	<i>Annually*</i>
Passenger Carrying Vehicles	3,000	12,000
Light Trucks	2,500	10,000
** GVWR 12,500 or less	2,500	10,000

Note:

*	Adjust to where approximately 10% of vehicles fall below the minimum level.
**	A gross vehicle weight rating (GVWR) is the estimated total weight of a road vehicle that is loaded to capacity, including the weight of the vehicle itself plus fuel, passengers, cargo, and other miscellaneous items such as extra aftermarket parts.

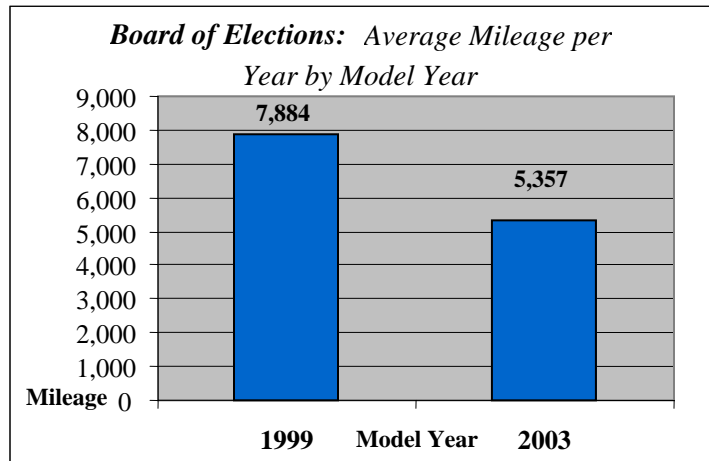
Figure 14

Notes

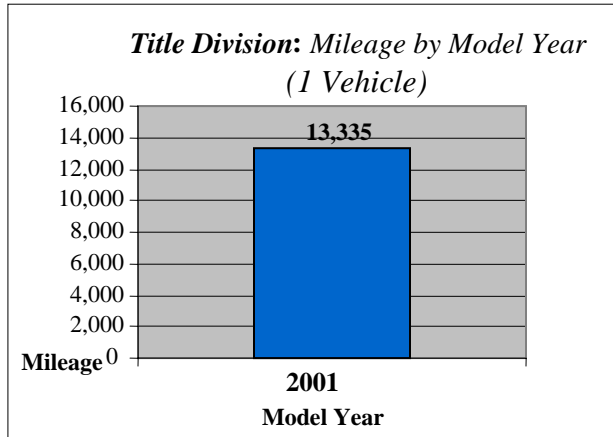
- IAD noted that vehicles are transferred between departments; therefore, mileage reflected for each vehicle may not be an accurate reflection of each particular department's usage. Additionally, if the model year of the vehicle was earlier than the year the vehicle was purchased/transferred, IAD used the model year of the vehicle in determining average mileage per year.
- No Mileage data was received from the Sheriff or Emergency Management.
- ^ = If a vehicle was less than one year old as of 12/31/05, IAD added the total actual miles of each vehicle that was less than one year, and took an average of that total.

Average Mileage per Year by Model Year

Board of Elections, Average Mileage per Year: 6,620



Title Division, One Vehicle, Total Mileage: 13,335



Psycho-Diagnostic Clinic, Total Mileage: 6,103

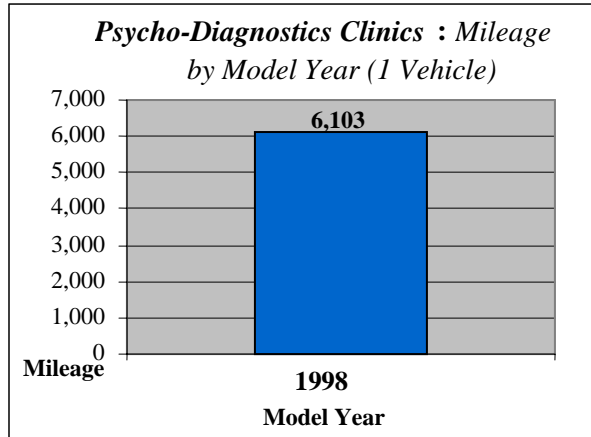
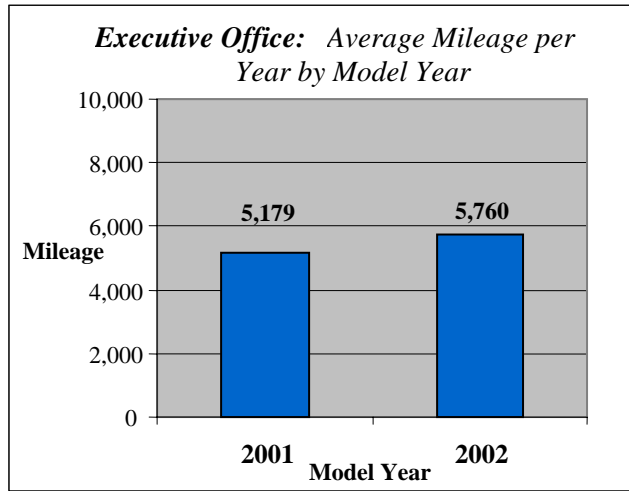
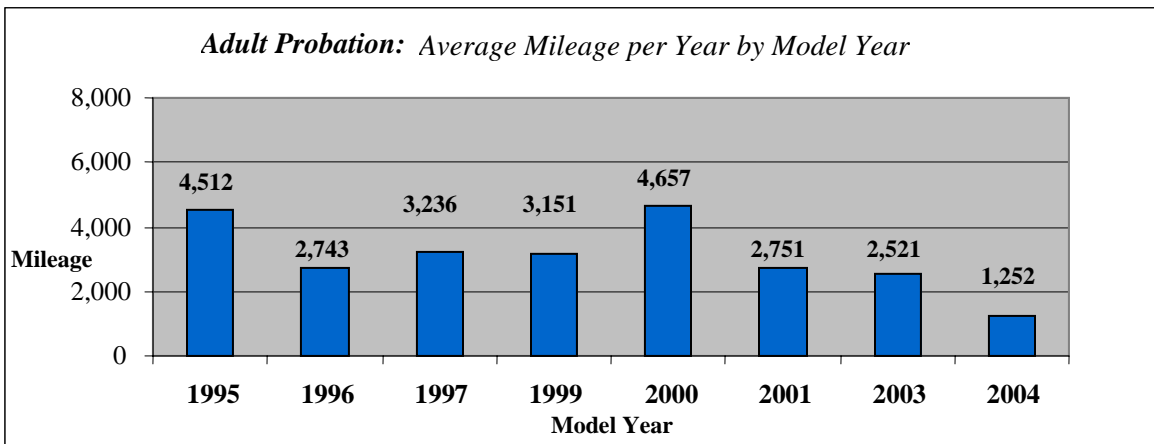


Figure 14 Continued

Executive Office, Average Mileage per Year: 5,528



Adult Probation, Average Mileage per Year: 3,438



Physical Plants Department, Average Mileage per Year: 7,515

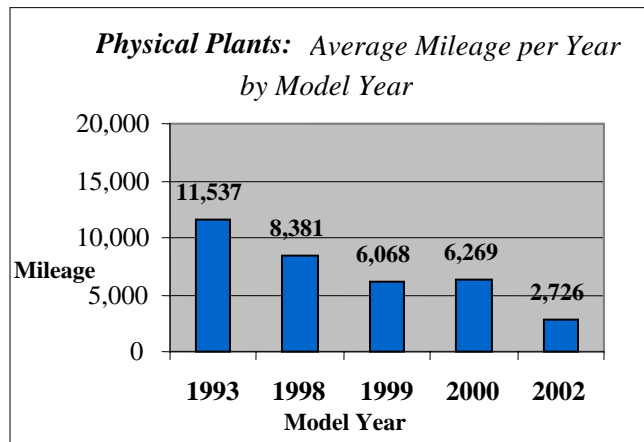
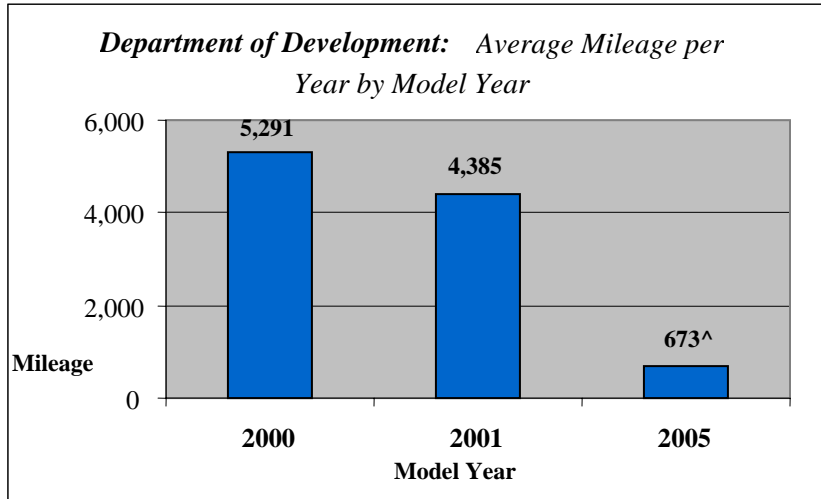


Figure 14 continued

Community and Economic Development, Average Mileage per Year: 4,275



Children Service Board (CSB), Average Mileage per Year: 7,720

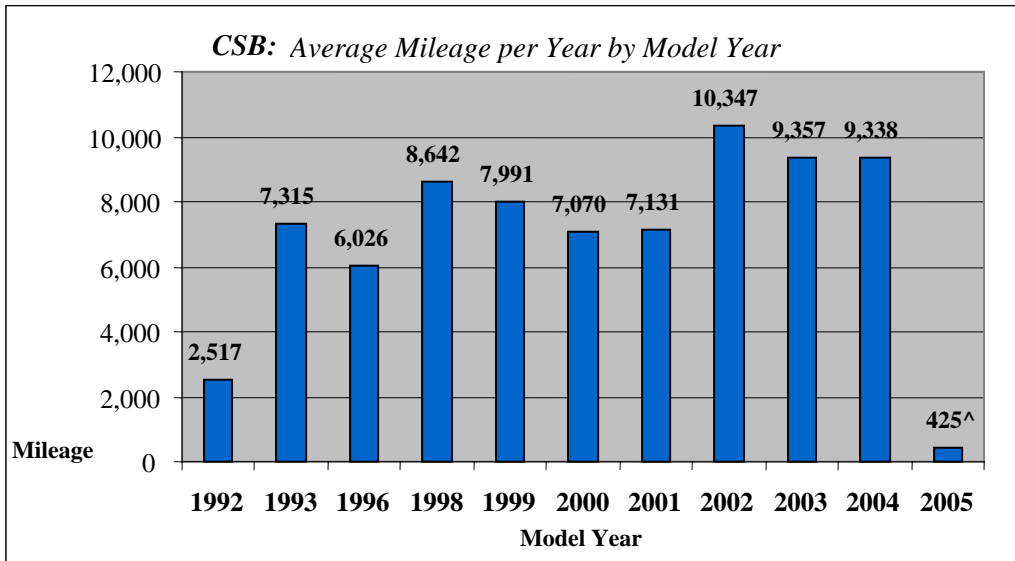
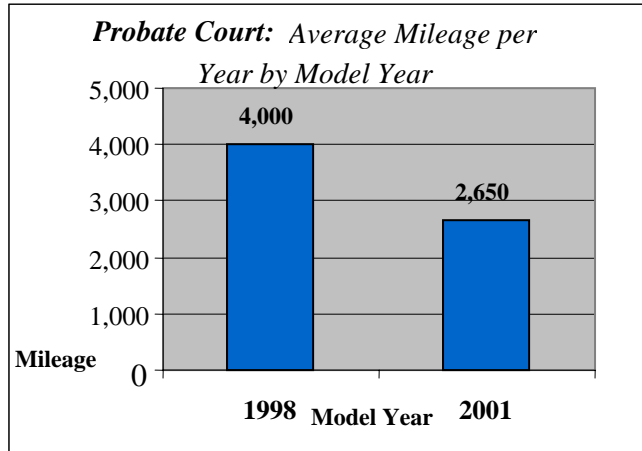
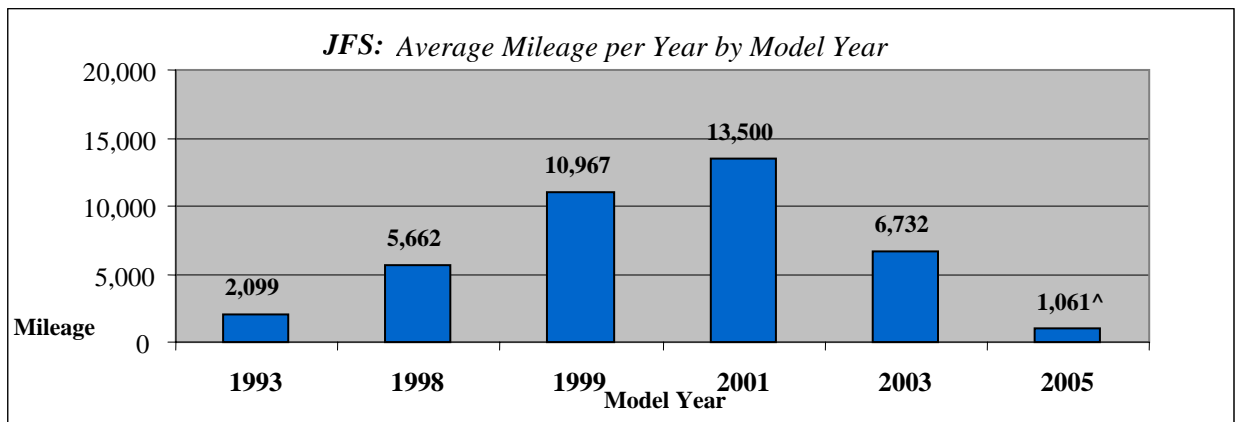


Figure 14 Continued

Probate Court, Average Mileage per Year: 2,920



Job and Family Services (JFS), Average Mileage per Year: 6,630



Building Standards, Average Mileage per Year: 13,621

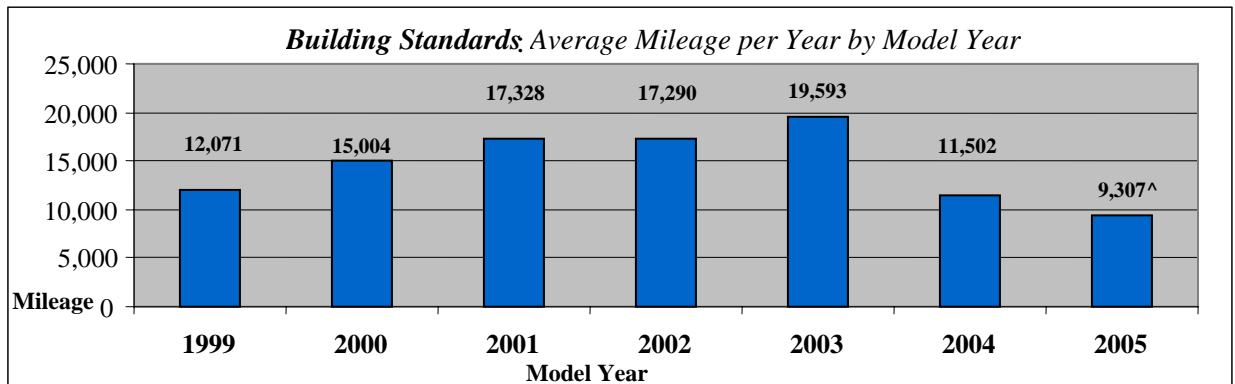
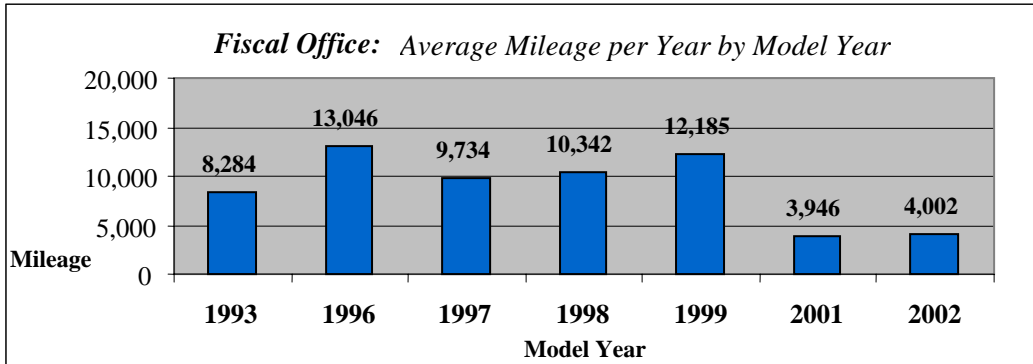
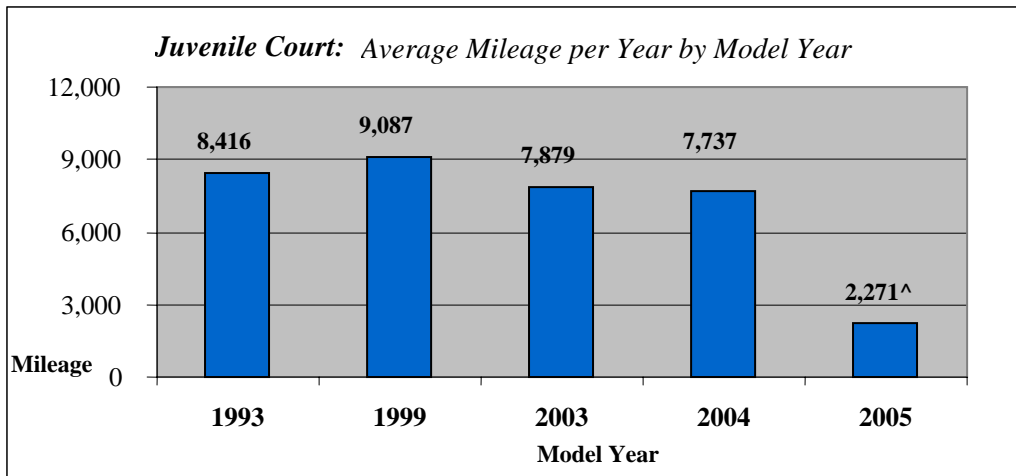


Figure 14 Continued

Fiscal Office, Average Mileage per Year: 8,728



Juvenile Court, Average Mileage per Year: 6,592



Oriana House, Average Mileage per Year: 5,813

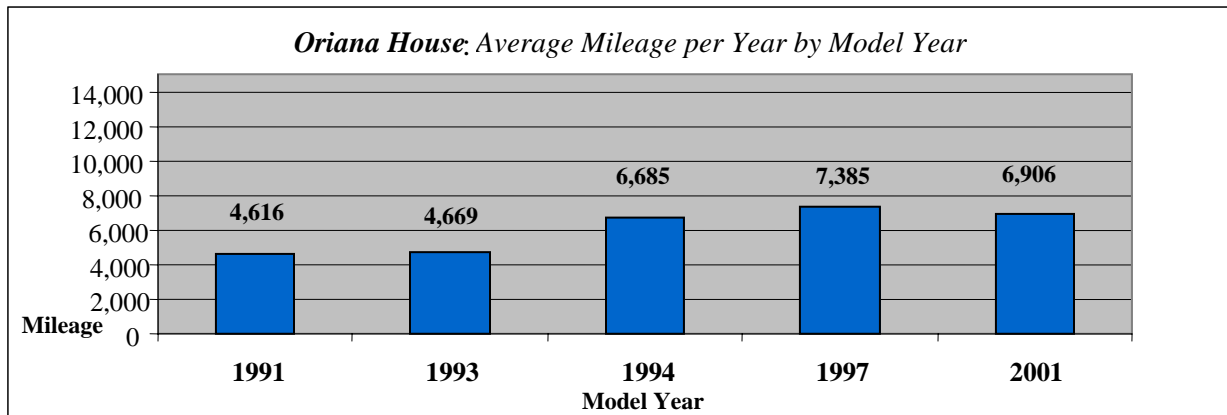
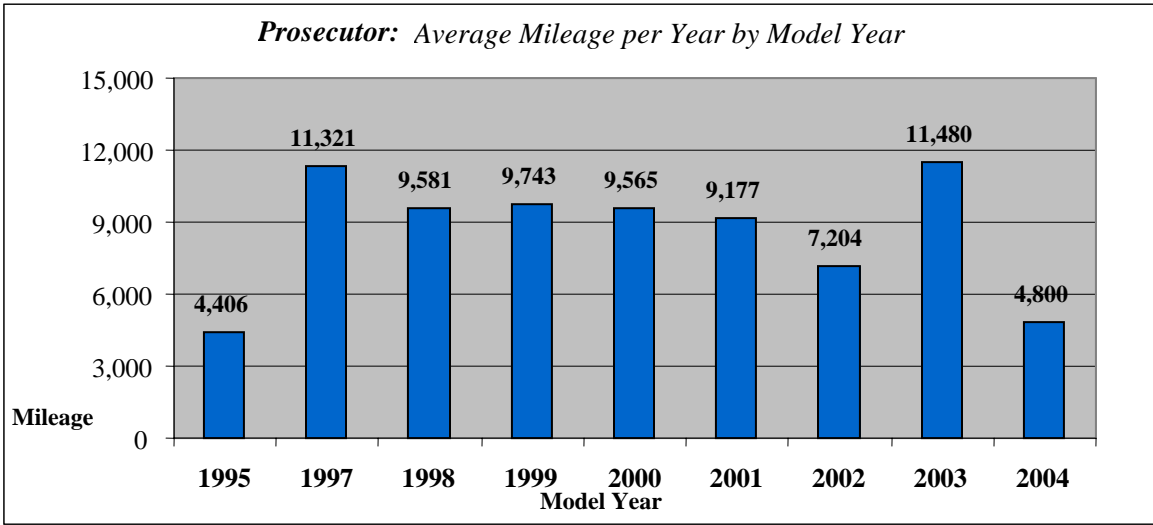
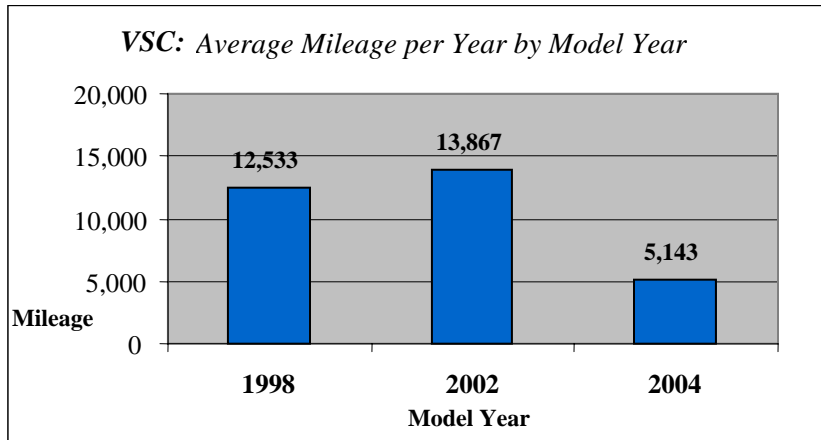


Figure 14 Continued

Prosecutor & Child Support Enforcement Agency (CSEA), Average Mileage per Year: 9,061



Veteran Service Commission (VSC), Average Mileage per Year: 11,352



Animal Control, Average Mileage per Year: 11,191

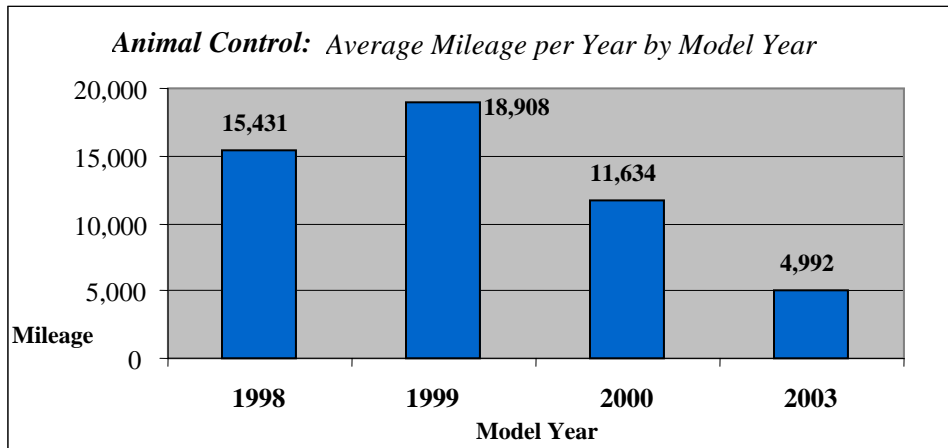
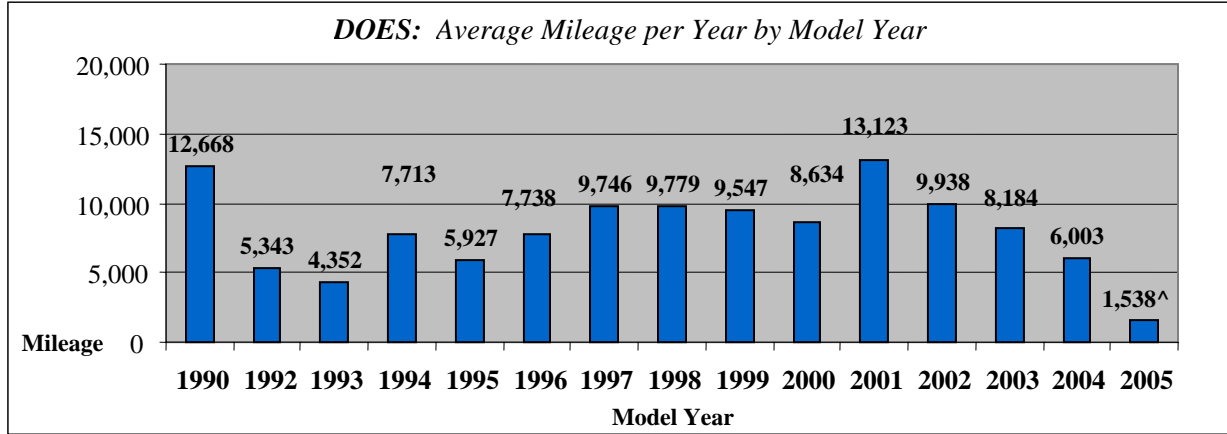


Figure 14 Continued

Department of Environmental Services, Average Mileage per Year: 8,679



Mental Retardation & Developmental Disabilities, Average Mileage per Year: 17,958

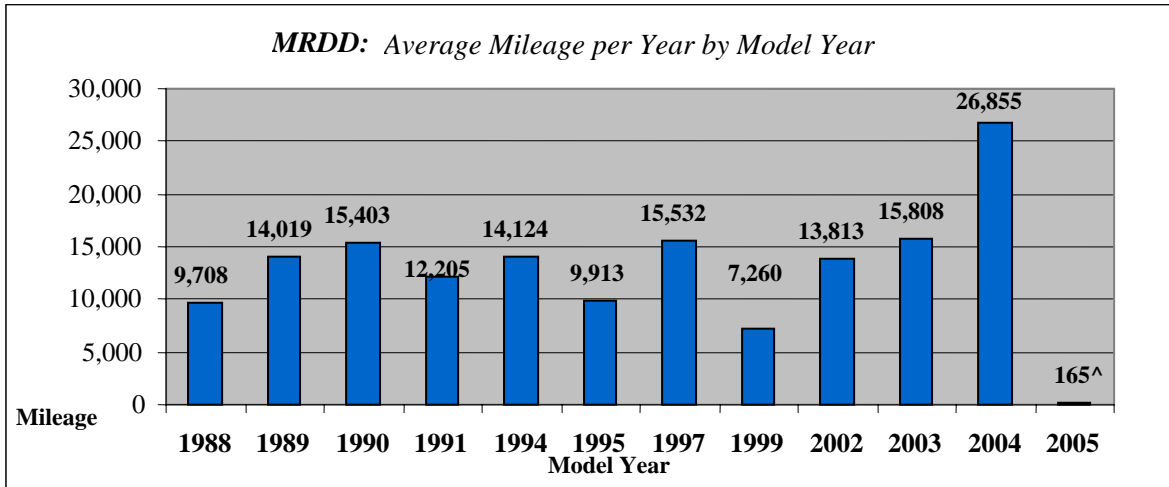
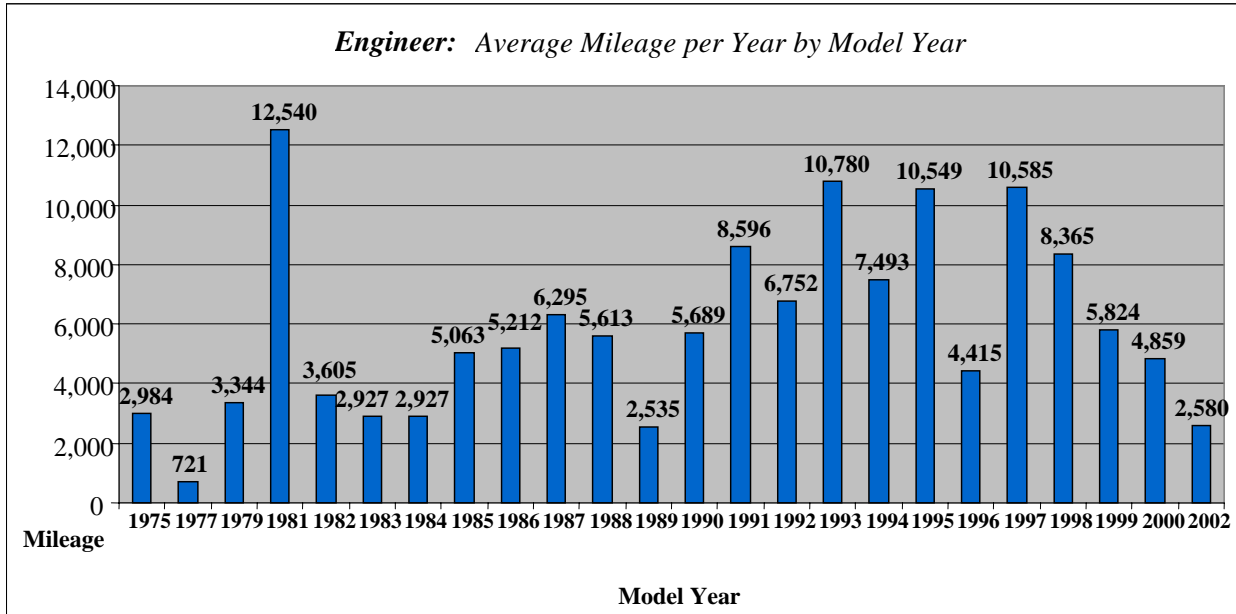


Figure 14 Continued

Engineer, Average Mileage per Year: 6,716



Summit County Fleet Age Distribution as of 12/31/05 (Excluding Trailers)

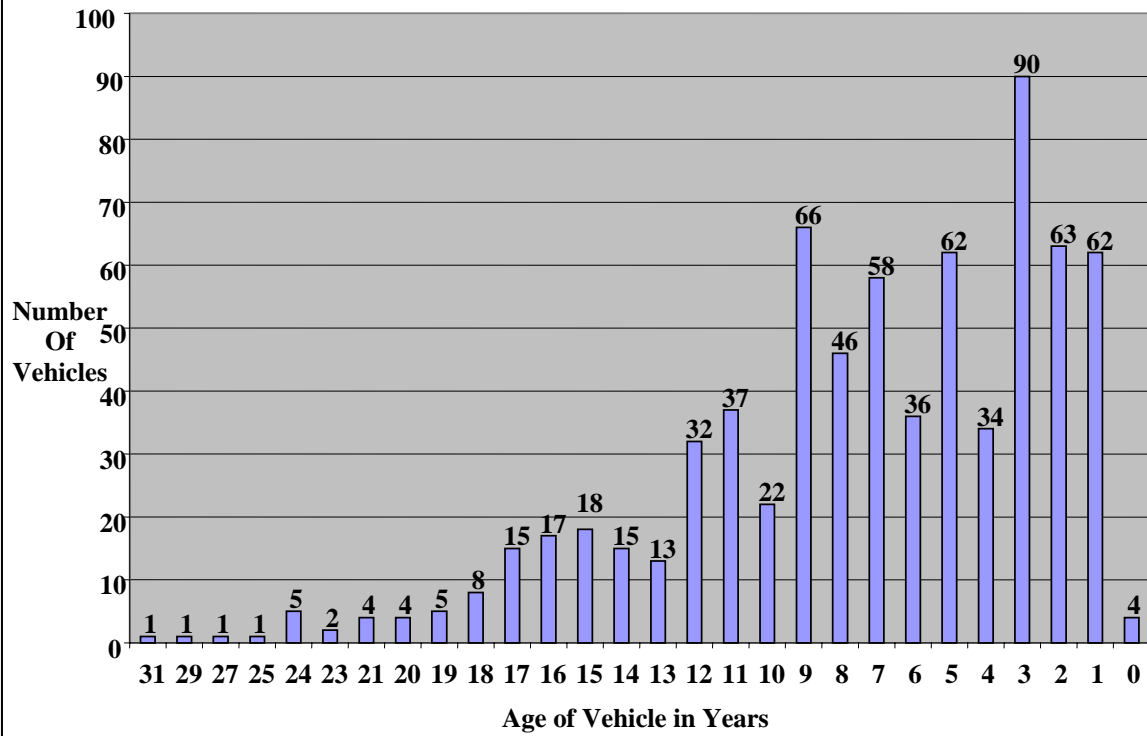


Figure 15

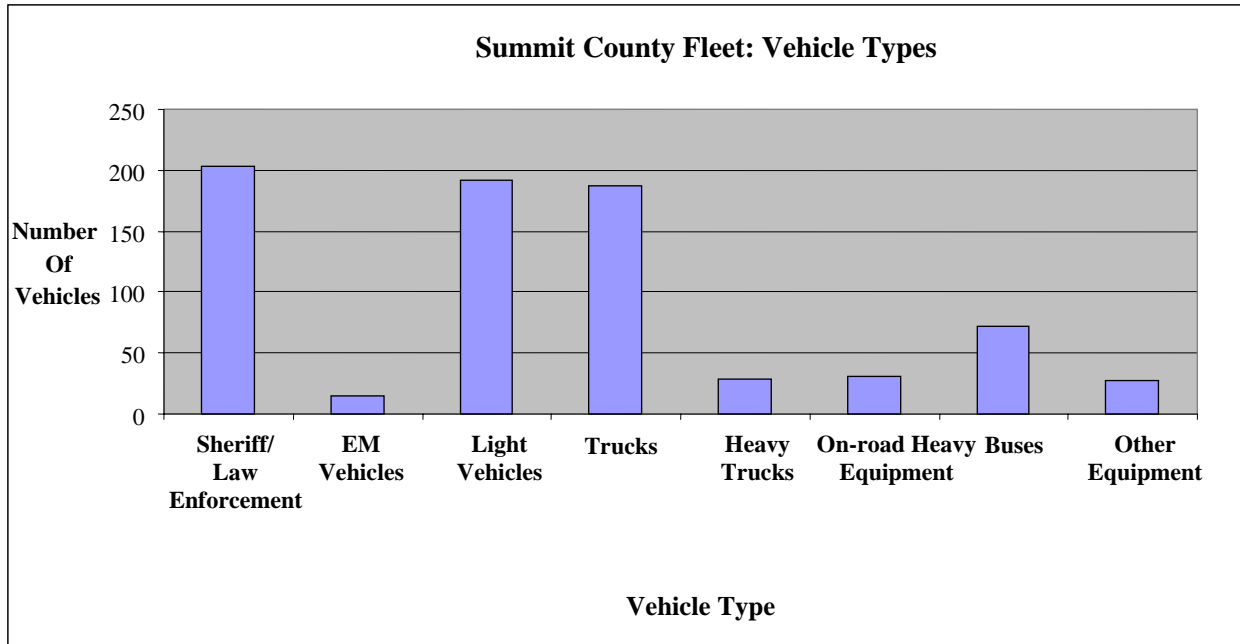


Figure 16

Figure 17
Vehicle Mileage and Fleet Costs Comparisons[†]

<u>Board of Elections</u>	
Total 2005 Depreciation Expense ^{††} :	\$0.00
Total Vehicle Maintenance Costs for 2005	\$1,650.45
Average Fuel Costs for 2005	\$1,912.01
Total Insurance Costs for 2005	\$2,098.25
Subtotal of Expense and Costs:	\$5,660.71
Average Vehicle Mileage Cost in 2005 if Reimbursed: ^{††}	\$3,295.48
Potential Savings (Loss):	\$2,365.23
<u>Title Division</u>	
Total 2005 Depreciation Expense:	\$3,117.85
Total Vehicle Maintenance Costs for 2005	\$958.09
Average Fuel Costs for 2005	\$958.01
Total Insurance Costs for 2005	\$635.29
Subtotal of Expense and Costs:	\$5,669.24
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$5,872.21
Potential Savings (Loss):	(\$202.97)
<u>Psycho-Diagnostic Clinic:</u>	
Total 2005 Depreciation Expense:	\$0.00
Total Vehicle Maintenance Costs for 2005	\$1,021.98

Average Fuel Costs for 2005	\$701.44
Total Insurance Costs for 2005	\$635.29
Subtotal of Expense and Costs:	\$2,358.71
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$2,526.44
Potential Savings (Loss):	(\$167.73)
Adult Probation:	
Total 2005 Depreciation Expense:	\$14,277.10
Total Vehicle Maintenance Costs for 2005	\$2,940.10
Average Fuel Costs for 2005	\$3,140.48
Total Insurance Costs for 2005	\$7,629.33
Subtotal of Expense and Costs:	\$27,987.01
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$17,912.54
Potential Savings (Loss):	\$10,074.47
CSB:	
Total 2005 Depreciation Expense:	\$73,822.00
Total Vehicle Maintenance Costs for 2005	\$14,277.00
Average Fuel Costs for 2005	\$21,622.90
Total Insurance Costs for 2005	\$21,524.21
Subtotal of Expense and Costs:	\$131,246.11
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$158,481.59
Potential Savings (Loss):	(\$27,235.48)
Executive:	
Total 2005 Depreciation Expense:	\$15,026.73
Total Vehicle Maintenance Costs for 2005	† † †
Average Fuel Costs for 2005	\$3,143.09
Total Insurance Costs for 2005	\$3,842.58
Subtotal of Expense and Costs:	\$22,012.40
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$12,131.59
Potential Savings (Loss):	\$9,880.81
JFS:	
Total 2005 Depreciation Expense:	\$22,883.96
Total Vehicle Maintenance Costs for 2005	\$7,373.67
Average Fuel Costs for 2005	\$15,003.33
Total Insurance Costs for 2005	\$8,921.58
Subtotal of Expense and Costs:	\$54,182.54
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$45,685.47
Potential Savings (Loss):	\$8,497.08
Building Standards:	
Total 2005 Depreciation Expense:	\$33,476.11
Total Vehicle Maintenance Costs for 2005	\$9,245.54

Average Fuel Costs for 2005	\$27,030.33
Total Insurance Costs for 2005	\$10,854.79
Subtotal of Expense and Costs:	\$80,606.77
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$110,663.93
Potential Savings (Loss):	(\$30,057.15)
<u>Community & Economic Development:</u>	
Total 2005 Depreciation Expense:	\$18,089.69
Total Vehicle Maintenance Costs for 2005	\$0.00
Average Fuel Costs for 2005	\$2,007.06
Total Insurance Costs for 2005	\$4,704.54
Subtotal of Expense and Costs:	\$24,801.29
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$13,790.06
Potential Savings (Loss):	\$11,011.23
<u>Physical Plants Department (PPD):</u>	
Total 2005 Depreciation Expense:	\$0.00
Total Vehicle Maintenance Costs for 2005	\$5,578.34
Average Fuel Costs for 2005	\$6,017.47
Total Insurance Costs for 2005	\$7,875.42
Subtotal of Expense and Costs:	\$19,471.23
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$24,094.11
Potential Savings (Loss):	(\$4,622.88)
<u>Animal Control:</u>	
Total 2005 Depreciation Expense:	\$4,819.24
Total Vehicle Maintenance Costs for 2005	\$2,610.00
Average Fuel Costs for 2005	\$6,671.53
Total Insurance Costs for 2005	\$4,340.17
Subtotal of Expense and Costs:	\$18,440.94
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$23,867.26
Potential Savings (Loss):	(\$5,426.33)
<u>Fiscal Office:</u>	
Total 2005 Depreciation Expense:	\$0.00
Total Vehicle Maintenance Costs for 2005	\$9,919.14
Average Fuel Costs for 2005	\$5,116.51
Total Insurance Costs for 2005	\$5,819.67
Subtotal of Expense and Costs:	\$20,855.32
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$30,034.70
Potential Savings (Loss):	(\$9,179.38)
<u>Juvenile Court:</u>	
Total 2005 Depreciation Expense:	\$25,871.15
Total Vehicle Maintenance Costs for 2005	\$488.95
Average Fuel Costs for 2005	\$1,403.36

Total Insurance Costs for 2005	\$8,176.83
Subtotal of Expense and Costs:	\$35,940.30
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$58,281.19
Potential Savings (Loss):	(\$22,340.89)
<u>Probate Court:</u>	
Total 2005 Depreciation Expense:	\$13,944.00
Total Vehicle Maintenance Costs for 2005	†††
Average Fuel Costs for 2005	†††
Total Insurance Costs for 2005	\$3,878.29
Subtotal of Expense and Costs:	\$17,822.29
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$6,227.25
Potential Savings (Loss):	\$11,595.04
<u>Prosecutor:</u>	
Total 2005 Depreciation Expense:	\$31,325.83
Total Vehicle Maintenance Costs for 2005	\$7,240.93
Average Fuel Costs for 2005	\$13,942.20
Total Insurance Costs for 2005	\$12,584.54
Subtotal of Expense and Costs:	\$65,093.50
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$59,349.28
Potential Savings (Loss):	\$5,744.22
<u>Veterans Service Commission (VSC)</u>	
Total 2005 Depreciation Expense:	\$11,974.75
Total Vehicle Maintenance Costs for 2005	\$3,099.32
Average Fuel Costs for 2005	\$5,407.46
Total Insurance Costs for 2005	\$2,670.42
Subtotal of Expense and Costs:	\$23,151.95
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$22,013.74
Potential Savings (Loss):	\$1,138.20
<u>Medical Examiner:</u>	
Total 2005 Depreciation Expense:	\$2,518.15
Total Vehicle Maintenance Costs for 2005	\$941.74
Average Fuel Costs for 2005	\$1,632.50
Total Insurance Costs for 2005	\$1,971.00
Subtotal of Expense and Costs:	\$7,063.39
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$3,369.23
Potential Savings (Loss):	\$3,694.17
<u>Child Support Enforcement Agency:</u>	
Total 2005 Depreciation Expense:	\$14,940.55
Total Vehicle Maintenance Costs for 2005	\$8,203.40
Average Fuel Costs for 2005	\$10,678.34

Total Insurance Costs for 2005	\$5,781.46
Subtotal of Expense and Costs:	\$39,603.75
Average Vehicle Mileage Cost in 2005 if Reimbursed:	\$54,323.70
Potential Savings (Loss):	(\$14,719.95)
Total 2005 Depreciation Expense of Fleet:	\$286,087.12
Total Vehicle Maintenance Costs for 2005	\$75,548.65
Total Average Fuel Costs for 2005	\$126,388.00
Total Insurance Costs for 2005	\$113,943.67
Totals of Expenses and Costs:	\$601,967.44
Total Vehicle Mileage Cost if Reimbursed:	\$651,919.75
Total Potential Savings (Loss):	(\$49,952.31)

Notes

- † Departments with vehicles that were considered vital to the operation of the particular department were not included in the following calculations (e.g. Sheriff, Engineer, CSBMR/DD, Emergency Management & DOES). The “Average Vehicle Mileage Cost in 2005 if Reimbursed” was calculated based on an average yearly mileage from the date the vehicle was purchased by the County through 12/31/05. Additionally, projections were made for the remaining months in 2005 as mileage data was received throughout various times in 2005. Finally, “Total 2005 Depreciation Expense” was obtained from the Fixed Asset Depreciation Schedules for Year-Ending 12/31/05. An overall fixed asset amount for CSB was documented in the fixed asset schedules and included all equipment; therefore, IAD calculated an estimated depreciation expense using the straight line method of depreciation with a useful life of five years.
- †† Due to incomplete data, the 2003 Ford was not included when calculating the "Total Vehicle Mileage Cost if Reimbursed" for the Board of Elections.
- ††† The data was not provided during the documents data request.

Overall Recommendations/Conclusions

1. Issue

There is no central location for all county fleet data. Data gathered from various sources was often incomplete and sometimes unavailable. "Active Vehicle Purchase Price" did not contain accurate mileage information. Data from individual departments usually lacked specific vehicle type information and vehicle purchase price information.

Recommendation

All fleet data should be maintained in a centralized location. This data should include vehicle mileage, which should be updated regularly throughout the year and vehicle purchase prices. Centralized fleet data should also include identifying information for each vehicle, such as: VIN numbers, license plate numbers, complete make and model information, title numbers and registration numbers.

2. Issue

Formal, standardized policies & procedures were non-existent for almost all areas for fleet management.

Recommendation

Policies & procedures should be developed, updated where necessary, and implemented for all areas covered under this audit.

3. Issue

There appears to be low mileage on some vehicles, which could suggest that vehicles are not being utilized efficiently. In addition, it appears that management is not monitoring vehicle usage in some instances.

Recommendation

Before vehicles are purchased (as replacements or otherwise), mileage usage on similar vehicles within the department should be examined. Standards should be developed to determine the necessity of the vehicle and a cost comparison should be performed before any vehicle purchase is approved.

The County should consider having a small pool of fleet vehicles which could be utilized by all departments. This would help alleviate the concern of departments keeping vehicles that are underutilized and that may not be vital to the department's operations. IAD recommends that a cost benefit analysis be conducted on all County vehicles.

4. Issue

The vehicle type is not always identified on the department's listing of fleet vehicles.

Recommendation

Vehicles should be identified specifically by type. Categories such as trucks, heavy trucks, light vehicles, emergency vehicles, law enforcement vehicles, buses, and on-road heavy equipment would be useful.