

**Lead Agency:** Department of County **Program Contact:** Garret Vanderzanden

**Program Offer Type:** Innovative/New Program

**Related Programs:** 78029

**Program Characteristics:** One-Time-Only Request, Out of Target

**Executive Summary**

Through one-time only funding, Fleet Services seeks to bring the current inventory of vehicles up to date based on established replacement schedules. This would occur over the course of a three year cycle in order to mitigate financial impact to Fleet customers and operational impact to the Fleet operation.

**Program Description**

Multnomah County's current sedan and truck inventory consists of 81 units that are beyond their scheduled replacement dates. The mechanism for replacing these vehicles, the Fleet Replacement Fund, currently has a significant funding gap due to delayed replacements. For example, when a vehicle due to be replaced in 2004 with revenue collection based on the 2004 purchase price is not replaced until 2013, the purchase value of the new vehicle far exceeds the collected replacement funds. There are some vehicles that are long overdue for replacement, such as the 1999 Mercury Mystique currently active in the Multnomah Building Motor Pool.

Maintaining an aging Fleet has a negative impact resulting in increased costs in both maintenance and fuel consumption. An example, a compact vehicle purchased in 1998 with a fuel efficiency of 25 mpg versus a like vehicle from 2010 at 28 mpg. Upgrading to hybrid vehicles could improve the fuel efficiency up to 40 mpg. This increase in fuel efficiency not only reduces our fuel consumption costs but also significantly impacts our carbon footprint. Subsequently, Fleet Services is requesting one time-only money to eliminate the existing back log of aging vehicle inventory.

The plan to execute the required purchasing to update the Fleet inventory would occur over three years, approx. 30 vehicles per year. This time frame will ensure that there is not a significant purchasing spike on top of on-time scheduled replacements in a single year. Budgetary impacts will be mitigated for funding collection on the new vehicles for future replacements. This activity would be in addition to our normal Fleet Replacement Planning for vehicles that are on schedule to be replaced in coming years.

Fleet Services will mitigate any future replacement fund gap risks by concentrating on the following areas. A description of each is available in the Significant Program Changes section of this program offer:

- 1) Right-sizing the County Fleet
- 2) Leveling the Replacement Schedule
- 3) Standardization of the County Fleet
- 4) The Right Vehicle for the Right Use
- 5) Strategic Sourcing
- 6) Alternative Technologies

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY11-12)	Current Year Purchased (FY12-13)	Current Year Estimate (FY12-13)	Next Year Offer (FY13-14)
Output	Capital Expenditures	0.0%	0.0%	0.0%	30.0%
Outcome	Fuel Efficiency Increase	0.0%	0.0%	0.0%	2.0%

**Performance Measure - Description**

Capital Expenditures - this metric will track the % of one-time only allocated funds spent year to year to ensure the program is on target for elimination of the replacement back log.

Fuel Efficiency - this metric will track the overall increase in fuel efficiency across the County Fleet. As the backlog is eliminated we will be able to take advantage of advances in vehicle technologies to reduce our gas consumption and associated carbon emissions and fuel costs.

## Legal/Contractual Obligation

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2013	2013	2014	2014
Personnel	\$0	\$0	\$0	\$134,129
Capital Outlay	\$0	\$0	\$0	\$1,069,829
Cash Transfer	\$0	\$0	\$1,203,958	\$0
<b>Total GF/non-GF:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,203,958</b>	<b>\$1,203,958</b>
<b>Program Total:</b>	<b>\$0</b>		<b>\$2,407,916</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Other / Miscellaneous	\$0	\$0	\$0	\$1,203,958
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,203,958</b>

## Explanation of Revenues

Funding for this program comes from available one-time-only General Fund resources.

## Significant Program Changes

✔ Significantly Changed

### Last year this program was:

The following measures will be implemented to mitigate future Replacement Fund revenue gaps:

Right-sizing the County Fleet - Enforcement of current rule sets such as an annual review of assigned vehicle utilization and reallocating or resigning those vehicles that are underutilized. This will also entail ongoing evaluation of the County Motor Pool, a program managed by County Fleet, to ensure we have the appropriate number of vehicles available for use.

Leveling the Replacement Schedule - Utilization of better planning to ensure a more even distribution of purchasing across fiscal years. We currently have 36 vehicles on schedule for replacement in 2014, 30 in 2015, and 83 in 2016. This type of spike causes administrative and operational challenges that will be mitigated through better planning and even distribution of purchases year to year.

Standardization of the County Fleet - Implementation of limited set of standard vehicle choices. This will streamline purchasing and financial practices and increase maintenance operations efficiency. For example, less variety in fuel filters yields less purchasing and payment transactions, and less space required for storage of unique filters.

The Right Vehicle for the Right Use - Consultation with programs to ensure vehicle purchases match their work requirements. Is a full-size sedan needed for a program that does not regularly transport individuals other than the driver? Would a mid-size or compact be a better fit?

Strategic Sourcing - Fleet Services will work with the newly implemented Strategic Sourcing program to identify opportunities for cost savings and process efficiencies in vehicle purchasing.

Alternative Technologies - All vehicle replacements will include evaluation of alternative vehicle technologies such as hybrid or EV vehicles. This will include capital funding research to identify grant opportunities and collaborative partnerships to defray up front capital costs to Multnomah County for these emerging technologies.