Performance Audit of the City's Fleet Maintenance

Why OCA Did This Study

The Fleet Operations Division (Fleet) manages the maintenance and repairs of about 4,900 vehicles and motorized equipment with an estimated total replacement value of $437 million. The City budgeted $46 million for fleet maintenance in fiscal year (FY) 2025. Timely maintenance and inspection of fleets is important to enhance equipment life, ensure cost-effectiveness, and minimize risks to safety for City operators and the public. Therefore, we conducted a performance audit with two objectives:

(1) Determine if City vehicles are being serviced according to Fleet Operations Division's established preventive maintenance schedules; and

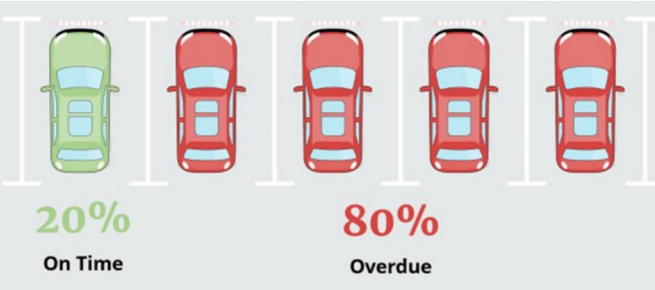
(2) Determine how timely vehicles are being returned to City departments after preventive maintenance.

What OCA Found

Finding 1: Many City vehicles are not receiving their prescribed preventive maintenance services and safety inspections on time, which can lead to safety risks, increased costs, and negative impacts on City operations.

- Most City departments are responsible for bringing in their vehicles for maintenance and Fleet is responsible for maintaining the vehicles.
- **Monitoring and incentivizing** on-time maintenance could **improve accountability and compliance** among departments.
- Citywide, **only 20 percent of preventive maintenance services completed in FY2023 were on time**. When allowing a 10 percent grace period, only **39 percent** were on time. The industry standard goal is 90 percent for timely maintenance compliance.

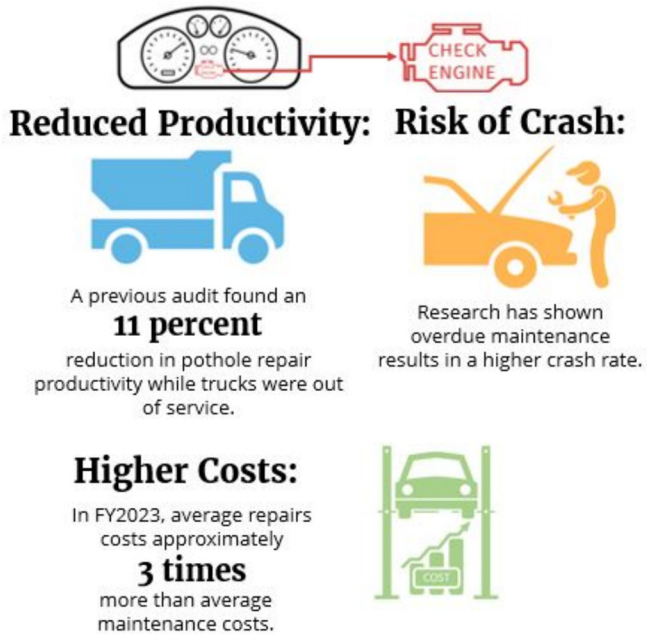
Exhibit 3: Citywide, Only 20% of Preventive Maintenance Services Completed in FY2023 Were On Time



Source: OCA generated based on data from FleetFocus.

- Inspections enhance vehicle performance and are required by law. While **96 percent of environmental inspections** were completed on time, **only 35 percent of safety inspections** were completed on time.
- **68 percent of overdue safety inspections we sampled identified problems** like brake fluid leaks, broken backup alarms, missing mud flaps, and broken mirrors.
- When inspections and maintenance are late, issues may persist that can lead to increased costs, breakdowns, and safety risks.

Exhibit 6: Negative Effects of Overdue Maintenance



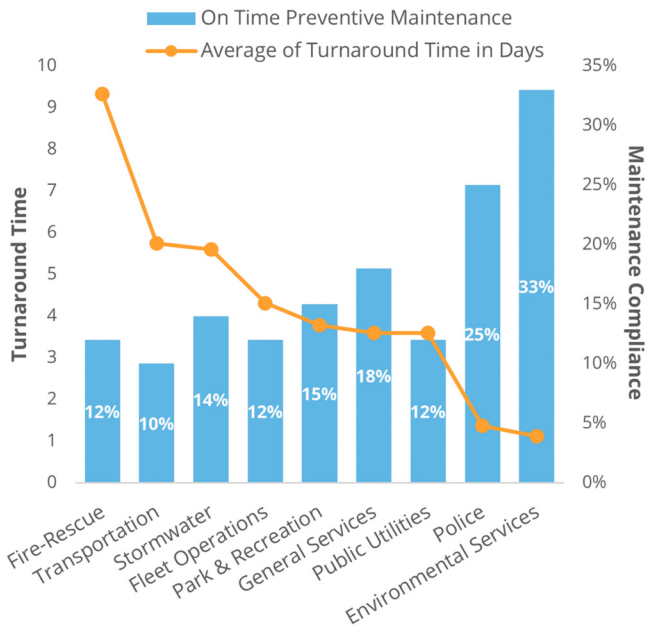
Source: OCA generated based on research, data from FleetFocus, and 2024 Audit of Pothole Repair Operations.

- Although Fleet sends out monthly notifications to departments with upcoming due preventive maintenance and inspections, we found that **contact lists are out of date**.
- In addition, **not all major departments have regular check-ins** with Fleet or **Fleet Coordinators.**
- Fleet only reported on **its preventive maintenance KPI** one time in FY2017 and removed it in the FY2025 Budget. Monitoring is critical to improve accountability.

Finding 2: Fleet is able to complete most preventive maintenance services in less than a day, but additional steps may help streamline services, increase vehicle availability for departments' operations, and improve the timeliness and compliance rates of required maintenance and safety inspections.

- Unlike many fleet agencies, **Fleet does not have turnaround time goals** for preventive maintenance services and inspections.
- Unknown turnaround time makes it hard for departments to plan their day-to-day operations when vehicles are being serviced, and **may lead to reluctance to bring vehicles in for maintenance**.
- **Scheduling appointments** could help with both City department uncertainty and managing workflow.
- There is a self-service mechanism for City departments to review key fleet metrics, such as upcoming due maintenance. However, **not all departments are aware** or know how to use it.

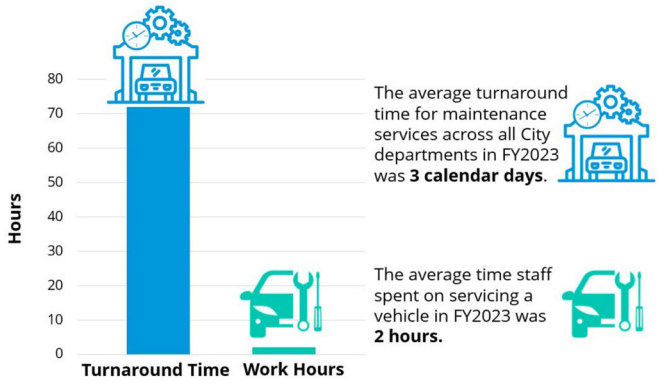
Exhibit 11: Longer Turnaround Times Appeared to Correspond With Lower Rates of Preventive Maintenance



Source: OCA generated based on active vehicle information from FleetFocus and SAP.

- We found that **more than half of maintenance work orders in FY2023 were completed the same day**.
- Preventive maintenance services took an average of 2 labor hours; however, **delays increase the average turnaround time to 3 calendar days**.

Exhibit 13: The Average Maintenance Turnaround Time Was 3 Calendar Days; Fleet Completed the Servicing in 2 Hours on Average



Source: OCA generated based on work order data from FleetFocus.

- 77 percent of preventive maintenance services in FY2023 had a delay. At least **88 percent of delays were caused by waiting for labor**.
- According to Fleet, departments commonly **drop off their vehicles unannounced**. The City's Fleet database, FleetFocus, has a scheduling functionality, but, according to Fleet, **it has not been set up** due to resource constraints.
- The number of fleet technicians has **not kept pace** with the growth of the City's fleet.
- Fleet heavily utilizes the Fleet Technician role but could also use **Assistant Fleet Technicians** to help achieve its preventive maintenance goals in a cost-effective manner.

What OCA Recommends

We made 10 recommendations and City Management agreed to implement all 10. Key recommendations to improve accountability and customer service include:

- Ensuring the correct contact is notified when maintenance is due;
- Addressing late maintenance through incentives, regular meetings, and reporting;
- Establishing, monitoring, and reporting turnaround time goals and performance;
- Setting up a scheduling process and prioritizing vehicles that have scheduled their maintenance appointments in advance; and
- Analyzing optimal staffing levels of certain maintenance positions.

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