



**SOLANO COUNTY  
CIVIL GRAND JURY**

2022-2023

**SOLANO COUNTY FLEET  
MANAGEMENT DIVISION**

**July 10, 2023**

# Solano County Fleet Management Division

Solano County Civil Grand Jury 2022-2023

## I. SUMMARY

The Fleet Management Division of Solano County (hereinafter “Fleet Management”) is facing many challenges. This includes continued response to COVID pandemic, supply chain issues (*e.g.*, inability to get parts, etc.), high gas/diesel prices, and inflation-related uncertainties. These factors are influencing fleet service costs and the turnaround times for maintenance.

Additionally, increasing State of California regulatory initiatives to reduce gas-powered auto emissions are creating uncertainty about how the budget will be impacted by price increases on fuel and other necessary supplies.

Fleet Management is proactively planning and implementing measures to address pending issues and policy considerations. Which include:

- Space issues resulting from the merger of the Light Equipment Shop with the Heavy Equipment Shop
- Continue to implement enhancements to their technology platforms (such as Telemetric Monitoring & Fleet Anywhere software)
- Continue to explore parts inventory practices
- Infusing of hybrid/electric vehicles into the County’s fleet

## II. INTRODUCTION

Fleet Management is one of seven divisions unified under the Department of General Services. They are responsible for providing comprehensive fleet and transportation services, including monthly and daily vehicle rentals; equipment maintenance and repair; management of fuel sites; and acquisition and disposal of vehicles, parts, and equipment.

The 2022/23 Recommended Budget reflects total revenues of \$7,190,240 which are primarily comprised of transfers-in from various departments requesting new vehicles, vehicle rental fees, other charges for service, and fuel and oil delivery.

The Solano County Civil Grand Jury undertook this investigation to research and analyze outstanding issues challenging Fleet Management.

## III. METHODOLOGY

### Toured

- Fleet Management facility at 3255 North Texas Street, Fairfield

### Interviewed

- Department of General Services and Fleet Management personnel

## **Reviewed**

- Solano County website relating to Fleet Management
- A-1 Travel Policy (dated 2/28/2012)
- A-2 Driver Authorization and Driver Performance Policy (dated 2/2/2017)
- A-3 Take Home Vehicle Policy (dated 10/28/2002)
- County of Solano Driver Handbook [General Services Department – Fleet Management Division (dated 6/28/2016)]
- Request for Information follow-up questionnaire responses
- County of Solano, Fiscal Year 2022/23 Recommended Budget
- County of Solano, Fiscal Year 2022/23 Adopted Budget
- Other California county Grand Jury reports relating to Fleet Management
  - 2007-2008 Los Angeles County Civil Grand Jury report titled “Audit of County-Wide Vehicle Use: The Drawbacks of Decentralized Management”
  - 2010-2011 Contra Costa County Grand Jury report titled “County and City Vehicle Maintenance and Usage”
  - 2012-2013 Placer County Grand Jury report titled “Placer County’s Management of its Fleet of Light Duty Vehicles”

## **IV. STATEMENT OF FACTS**

The mission statement for Solano County Fleet Management is:

*“In order to provide the citizens of Solano County with government services that are efficient, environmentally sensitive, and effective, Solano County Fleet Management is committed to providing comprehensive low emission and advanced technology fleet management and transportation services to multiple Cities, Special Districts, and all Departments within Solano County.”*

The 2022-2023 Recommended Budget with respect to Fleet Management identifies its workload as follows:

- Maintains/services 526 County fleet vehicles [including 58 leased to outside agencies]
- Maintains/services over 130 department owned vehicles and heavy equipment
- Completed 2,744 workorders utilizing 7,045 mechanic hours in calendar year 2021

Information on the Solano County website indicates there are two shop locations where maintenance work is performed. One is listed as a Light Equipment Shop and the other is a Heavy Equipment Shop. The Light Equipment Shop was closed by the County in 2022.

### **A. Fueling**

County fleet vehicles use gasoline, diesel fuel, propane and Diesel Exhaust Fluid (DEF) an exhaust fluid that reduces diesel pollution. On average, county vehicles use 76,430 total gallons of gasoline and diesel fuels, quarterly. The Fuel Focus application only monitors gasoline and diesel fuels, propane and DEF are excluded.

There are five fueling stations at present. They are located at 3255 N. Texas Street and 447 Texas Street in Fairfield; 940 St. Francis in Rio Vista; 1340 Virginia Street in Vallejo; and 301 Brown Street in Vacaville. DEF is available only at the Heavy Equipment Shop in Fairfield. Fleet Management also provides fuel to Lake Solano (managed by Solano County Parks).

***B. Fuel Usage and Control***

This investigation determined that no fuel was lost or stolen in fiscal year 2021-2022. The last recorded fuel theft was of approximately 433 gallons and occurred on October 26, 2019, due to a break-in.

Each County vehicle now has a fuel card assigned and can only be used at County fueling locations. The fuel nozzle is matched to the vehicle's fuel filler (input) electronically. This stops fuel from going into any vehicle other than the one paired with the fuel card. County credit cards are charged if there is a need to refuel outside county limits.

The County uses an asset management software system, Fleet Anywhere. The Fuel Focus component tracks fueling, mileage, and maintenance.

***C. Fleet Composition and Management***

The fleet includes cars, medium duty trucks, heavy duty trucks, buses, off-road equipment (*e.g.*, loaders, scrapers, etc.), industrial equipment such as forklifts, scissor lifts, etc.

The department reported 705 total vehicles in the fleet: 494 are fleet managed, 152 are department owned, and 59 belong to outside agencies. A number of County vehicles are awaiting various upgrades.

If any department vehicle is driven less than 4,250 miles annually, the need for its retention must be justified to the County Administrative Officer. There were 141 vehicles (20% of all vehicles) in that category in 2022.

***D. Maintenance***

The Light Equipment Shop at 447 Texas Street relocated its functions into the Heavy Equipment Shop at 3255 North Texas Street in Fairfield. This location now shares its space with the County Public Works Department which includes the County's Transportation Print Shop (TPS) building. The merging of these two shops has resulted in inadequate work space. The long-term resolution of space occupancy and usage remains to be determined.

Seventy percent (70%) of the service on County vehicles is done in-house. The remaining work is performed by outside vendors and is comprised of warranty or specialty repairs.

### ***E. Budget***

Fleet Management's primary funding source is money received from affected departments for services rendered, including funds transferred for requisitioning new vehicles, rental fees, repair/maintenance work, fuel/oil delivery, and contracted services with outside agencies.

The Adopted Budget for Fiscal Year (FY) 2022/23 is approximately \$6.6 million in operating revenue and \$389,500 in non-operating revenues. Total operating expenses are set at approximately \$6.8 million. Position allocation for the Division is 10 Full Time Equivalent (FTE) employees. Salaries and employee benefits cost the County approximately \$1.5 million annually.

Fleet Management's recommended budget for fiscal year 2022/2023 includes these fixed assets:

- \$3,428,500 for 80 vehicle purchases
- \$60,500 for an electric forklift and charger
- \$39,500 for a toolbox hutch and tire changer

### ***F. Telemetric Monitoring***

It is possible to track vehicle maintenance needs using information-gathering, or telemetric software. Many vehicles already have the hardware, but it has to be activated to collect service and vehicle location data. Activation would cost \$9 to \$10 per month per vehicle. Many of the fleet vehicles have telemetrics capabilities built in. If a vehicle does not have the hardware built in, it may be rented for about \$20 per vehicle per month. Altogether, the cost for using telemetrics would be about \$60,000 annually for the County's entire fleet. These costs are not in the current budget.

### ***G. Parts and Repairs Management***

The equipment shop stock parts and shops for other parts as needed. The current value of inventory maintained by Fleet Management is \$303,270.29. Of this amount, overstocked and obsolete parts total \$198,248.88. According to staff, a consignment arrangement with a parts supplier would save both money and time spent researching or waiting for delivery. Technicians would then concentrate on vehicle repair activities.

### ***H. Electric/Hybrid Vehicles***

The California Governor signed an executive order in 2020 that requires that the sale of new gasoline-powered cars will be prohibited in the state by 2035.

The fleet currently includes 98 electric/hybrid vehicles. At present, the purchase of up to 150 electric vehicles has been included in the 2023/2024 Recommended Budget. There are County owned charging stations throughout the County which are not enough to handle the anticipated future needs.

There is a County solar charging station at the Heavy Equipment Shop yard in Fairfield. This was paid for by a grant. Grant applications have been made for two additional solar stations.

Fleet Management is developing policies and procedures for electric vehicle operation and charging.

## **V. FINDINGS AND RECOMMENDATIONS**

**FINDING 1** – Electronic controls for dispensing and monitoring gasoline and diesel fuel use, have been successfully implemented. However, there are no similar electronic controls for vehicles using propane or DEF.

**RECOMMENDATION 1** – Investigate implementing dispensing and monitoring controls for usage of both propane and DEF.

**FINDING 2** – Telemetric monitoring is available in many of the County’s fleet vehicles, but those capabilities have not been activated. Having telemetrics activated in the County’s fleet vehicles would benefit multiple divisions in required vehicle maintenance, emergency breakdown notification, vehicle location and geo fencing notification.

**RECOMMENDATION 2A** – Update the County’s software to enable electronic communications to and from County fleet vehicles to the maintenance department and divisions within the County for the limited purpose of enabling data for maintenance purposes.

**RECOMMENDATION 2B** - Activate the current County’s fleet vehicles that already have the telemetric monitoring systems onboard for the limited purpose of enabling data for maintenance purposes.

**RECOMMENDATION 2C** - Install the needed telemetric hardware in the remaining County fleet vehicles that do not currently have that hardware and activate it for the limited purpose of enabling data for maintenance purposes.

**FINDING 3** – Combining the Fleet Management shops has resulted in a loss of work shop space.

**RECOMMENDATION 3** – Fleet Management initiate a request to identify a new location that can handle maintenance requirements for both light and heavy equipment vehicles.

**FINDING 4** – Twenty percent of the County’s fleet vehicles are being driven less than the required minimum miles each year. The County is experiencing a great deal of underutilized vehicles.

**RECOMMENDATION 4** – The County should complete an in-depth analysis of the needs of the County’s fleet requirements and determine a realistic minimum number of miles accumulated by each vehicle and the steps needed to utilize available telemetric technology.

**FINDING 5** – Fleet Management is maintaining nearly \$200,000 in overstock and/or obsolete parts.

**RECOMMENDATION 5** – Contract a third-party vendor to handle the County’s fleet parts inventory and needs. A consignment inventory could free up cash flow as well as keep the needed parts current and up to date on the vehicles the County has within the fleet.

**FINDING 6** – With recent pronouncements in California concerning the future prohibition of the sale of new gas-powered vehicles. Fleet vehicles ultimately will be largely made up of electric/hybrid vehicles. At present, there are simply not enough County owned charging stations to meet the anticipated needs.

**RECOMMENDATION 6** – The County must secure additional charging stations to handle the influx of electric/hybrid County vehicles. Moreover, the County needs to update the driver handbook with County electric/hybrid vehicle operations.

**COMMENTS** – Over the past several years in fleet maintenance, significant improvement has taken place in a number of areas. A proactive plan is under development and once recognized and approved will be a working document.

**REQUIRED RESPONSES**

Solano County General Service Department – all Findings

**COURTESY COPIES**

County Board of Supervisors

County Administrative Officer

Solano County Department of Information Technology