

Lee County Fleet Management

ANNUAL REPORT and BUSINESS PLAN



“Every morning in Africa, a gazelle wakes up.
It knows it must run faster than the fastest lion or it will be killed.

Every morning a lion wakes up.
It knows it must outrun the slowest gazelle or it will starve to death.

It doesn't matter whether you are a lion or a gazelle.
When the sun comes up, you'd better be running.”

Submitted: January 2009
by
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Fleet Manager



“If we’re not customer driven, our vehicles won’t be either.”

- *Fleet Motto*

Statement of Purpose:

This business plan is simply a statement of where we are, where we want to be and our plan to bridge the gap between the two. This document will be modified and updated periodically to reflect changes in the County’s direction, the changing needs of our internal customers and changes in the automotive and equipment industry.

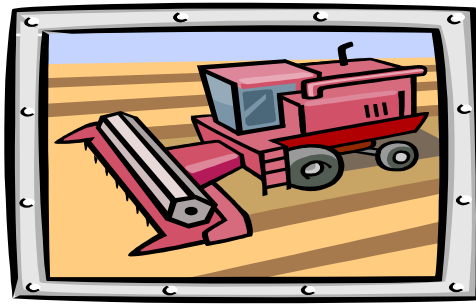
Fleet Mission Statement:

To establish efficient and effective delivery of county fleet services by providing customer agencies with safe, reliable, economically and environmentally sound transportation and related support services that are responsive to the needs of customer departments and that conserve vehicle value and equipment investment.

Preventive Maintenance (PM) Definition: timely and periodic servicing of equipment and the diligent inspection, detection and correction of potential equipment failure before a major defect occurs.

Ongoing Goals:

- To assist with the development of County policy regarding vehicle transportation for County employees in the conduct of official County business.
- To establish Fleet financial policy that identifies all fleet costs, allocates these costs and supports Fleet Management as a governmental operation.
- To institute market-driven services that keep Fleet competitive by making periodic assessments of the cost competitiveness of fleet service delivery.
- To provide for a centralized fleet management function in order to maximize vehicle usage and the efficiency of the fleet operation.
- To provide a customer-focused, strategic and systematic approach to continuous performance improvement.
- To provide a management information foundation that enables the organization to identify all costs and support all fleet functions, enables managers to make decisions related to the most efficient use of resources and empowers all fleet personnel to make decisions in their area of the fleet organization.
- To provide Fleet employees with a unique work environment that balances exceptional customer service, hard work, personal growth and fun.



1. General Information

A. Description

Fleet Management is a Division within County Administration and is responsible for “cradle to grave” equipment services including: vehicle and equipment maintenance and repair, governmental and environmental compliance, vehicle and equipment specification development, equipment acquisition and disposal, repair part acquisition, and the purchase and resale of fuel for County vehicles and equipment.

The Division is responsible for managing a \$9.88 million annual operating budget, and overseeing annual capital purchases of approximately \$4.9 million for new and replacement equipment.

Fleet Management currently maintains approximately 1,925 pieces of equipment, 44.1% of which are cars, vans, and light duty trucks and 21% medium and heavy duty trucks and 23% heavy equipment. Fleet growth has flattened this year dropping from a 10% increase to less than 1%. These vehicles are driven approximately 11,000,000 miles per year and have an estimated replacement value of \$55.3 million.

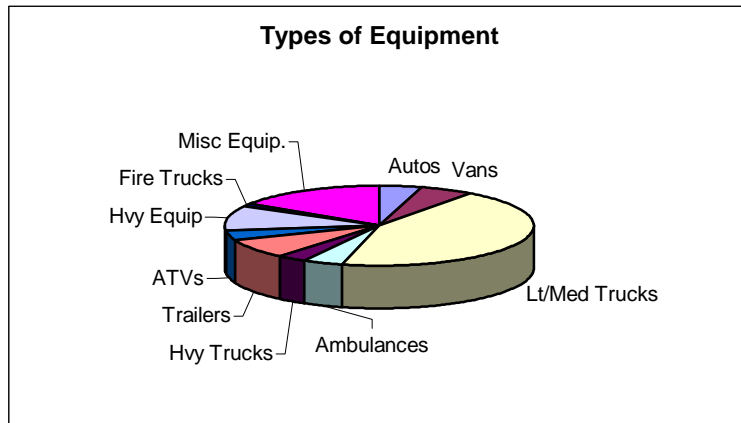
There are 73 areas / divisions that are assigned motorized rolling stock and equipment within Lee County government and its Constitutional Officers. These organizations use Fleet Management as the main provider of equipment maintenance, repair services and/or fuel. A basic list of customer departments includes:

- Animal Services
- Community Development
- Construction and Design
- County Administration
- Court Administration
- Department of Transportation (DOT)
- Facilities Management
- Health Department
- Human Services
- Library System
- Medical Examiner
- Natural Resources
- Parks and Recreation
- Property Appraiser *
- Public Resources
- Public Safety
- Tax Collector
- Utilities
- Various Fire Districts *
- Visitor and Convention Bureau *

* Recently added customers

The County's equipment is comprised of a diverse collection of automotive and heavy equipment including: cars, vans, light, medium and heavy duty trucks, loaders, dump trucks, street sweepers, bucket trucks, tractor mowers, trailers, and various other types of equipment and attachments.

During the past two years, Fleet has added several of the local fire districts to their customer base. Initially, the service was provided to these districts on an as-needed basis. The Fire districts were so pleased and realized such significant savings, that they asked to become full-time fleet customers.



Lee County Fleet Management generated approximately 30,000 work orders last fiscal year (2500 work orders / month) for vehicles and equipment belonging to both internal and external customers.

B. Locations / Physical properties

The Fleet Management Division is located at 2955 Van Buren Street, at the end of Canal Street, in Fort Myers, Florida. Built on 10 acres of land in 1990-1991, the Van Buren facility consists of 40,000 square feet of building space including repair shops for heavy equipment, cars and light trucks, and emergency response vehicles. Dedicated space for preventive maintenance, welding, parts warehousing and administrative offices also exists at this facility. Prior to moving to this location, Fleet Management was located on Henderson Avenue about 2 miles from its present site. The Lee County Sheriff's Fleet Management leases approximately 20% of the current facility space. Due to the flattening of Lee County's population growth, the growth of the County's fleet of vehicles has also stabilized. This has helped Fleet resolve Fleet Management's space problems, as the facility is reaching maximum capacity in terms of working space during normal working hours.



The portion of the building that houses Lee County Fleet Management is inadequate for the number and size of the vehicles being serviced. During 2008, portable, heavy-duty lifts were purchased enabling Fleet to better utilize their current work space. Additional, larger bay spaces are needed. Overhead lights, air hoses and lubrication reels have had to be moved in order to raise many of the larger vehicles for service.

Lee County Fleet Management has implemented several changes in the way we do business in order to free up more mechanic workspace. The recent remodeling and reconfiguring of our current work space has helped considerably.

The construction and remodeling began in 2007 with the initial conversion of several storage areas into a welding shop. The welding shop was relocated from the south end of the facility to the north end. Secondary to scope of the project was the remodeling of the former welding shop into a state-of-the-art, emergency response work area including new overhead doors, lube racks and a 20-foot metal overhang roof. Two new bay doors were installed in this new EMS Shop to allow for easier access. This allowed the newer EMS ambulances to be serviced without blocking drive-through areas.

The project was funded from the interest earnings in the equipment replacement fund so there was no impact to the taxing funds or to user departments.

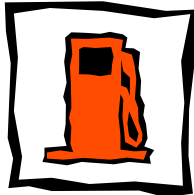


Some additional ideas under review for increasing work space in the future include:

- Add an additional infield technician for performing PMs and minor repairs at County locations. The cost of another service truck (about \$75,000) and the parts to stock it would be the greatest expense.
- Reinstating the weekend shift – This shift would work 7:00 a.m. to 5:30 pm, Wednesday through Saturday or Sunday through Wednesday. Adding this shift could present a problem due to the lack of mechanic work space available on Tuesdays, Wednesdays and Thursdays. This plan could be implemented if we find additional bay space in other County facilities.
- Remodeling an existing space in the out-buildings of the County Sports complex for use on an as-needed basis by County technicians. Technicians could operate at this facility on a very limited basis. Equipment maintained at that site would be limited to Parks and Recreation equipment that is difficult to transport and to other emergency repairs. Fleet activity at certain times of the day / week would be restricted due to activities at the Sports complex (Spring training, etc.).
- As additional facilities are designed for other County departments, Fleet Management is discussing the possibility of co-location. For example, a small, metal building could be added at a County park or other facility to handle minor repairs on their equipment. These “satellite” facilities would eliminate the need for transport of these vehicles to the main fleet location. *We are reviewing current County facilities to identify potential sites.*
- Adding a night shift – A second (night time) shift would be the ideal way to proceed in most cases. In order for this to work, the second shift would have to start at 5:00 pm and end at either 1:30 a.m. (8 hour shift) or 3:30 a.m. (10 hour shift). *Before this program could be implemented, additional study would have to be completed in order to*

better secure the Van Buren facility and to provide a safe, night-time environment for employees.

- Move the Sheriff's fleet to a new location – This plan would open up one entire section of the shop for County use. The Sheriff's fleet is limited on space but currently uses two bays as a parts room and two bays for an air-conditioned office/break room. The Sheriff may have to reconsider these practices to free up additional workspace and add a full-day, Saturday shift in order to meet their space needs.



Fleet Management staff is also responsible for eight fueling sites throughout Lee County with a total estimated capacity of almost 70,000 gallons county-wide. These sites include:

- Vehicle Maintenance facility – 2955 Van Buren, Fort Myers; 10,000 gallons – unleaded; 10,000 gallons – diesel;
- DOT Operations facility – 5560 Zip Drive in the Billy's Creek Commerce Park off Lockett Road; East Fort Myers; Unleaded - 10,000 gallons; Diesel - 10,000 gallons; (Diesel tank was upgraded this year from 5,000 to 10,000 gallons and the old 5000 gallon tank was moved to the Evergreen site as part of the Evergreen facility upgrade.)
- Evergreen Road Facility (Formerly DOT Depot 1) – 190 Evergreen Rd., N. Fort Myers, near US 41 and Pine Island Road; this fueling site has been totally remodeled in order to bring the underground storage tanks (UST's) above ground in compliance with state and federal requirements. Unleaded - 5200 gallons; Diesel - 5200 gallons.
- Fort Myers Beach Sewer Plant – 17155 Pine Ridge Road, Fort Myers (Scheduled for relocation in 2009); Unleaded - 4000 gallons; Diesel - 10,000 gallons;
- Operations Depot - Lehigh Acres (limited access); Unleaded - 500 gallons; Diesel - 2,000 gallons;
- Hammond Stadium – for refilling small stadium equipment or gas cans only; no vehicle fueling allowed at this facility as space does not allow for high traffic patterns; Unleaded – 200 gallons; Diesel – 300 gallons.
- Red Sox Stadium – 2201 Edison Ave., Fort Myers, 33916; (limited access) Unleaded – 150 gallons; Diesel – 150 gallons;
- Red Sox training facility (5-plex) – 4301 Edison Ave., Fort Myers, 33916 (limited access); Unleaded – 300 gallons; Diesel – 300 gallons;

The lack of fueling facilities in the southern sections of the County continues to be an issue. The construction of the School Board's fleet facility on Six Mile Cypress has helped reduce the problem, but has not eliminated it all together. This facility came on-line in March, 2005 and approximately 15,220 gallons of fuel are dispensed to County vehicles and equipment each month via the School Board site. The LCSB is not diligent in testing their low sulfur diesel fuel so we have had to cut back on new vehicle fueling at the School Board site.

An additional fueling site is under development on Three Oaks Parkway on a small strip of property between a proposed County park and a County utility plant. The site should come "on-line" in late 2009.

Repairs and updates to the County fueling sites have been an ongoing concern due to changing environmental regulations as well as the age of the fueling site equipment. A Capital Improvement Program project for fueling site expansions, updates and repairs was initiated several years ago and has helped to fund the County's rapid growth. Current plans include the upgrading of each of the individual county fuel sites to bring them up-to-date with current technology. To date, all fuel sites have been upgraded except for the Van Buren and Fort Myers Beach sites. Both upgrades are scheduled for 2009.

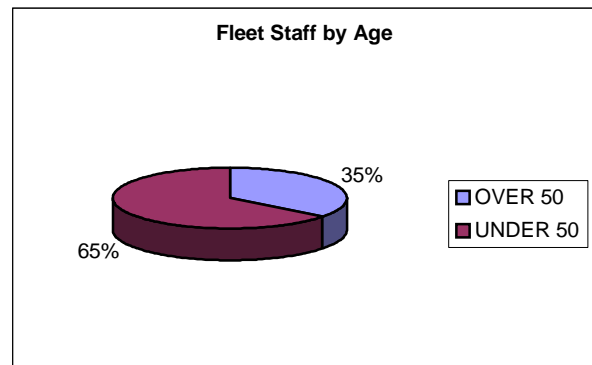
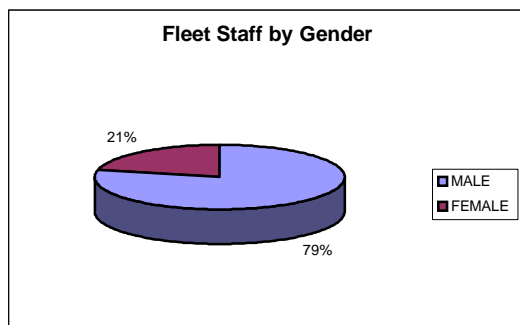
We continue to discuss possible fueling options, including co-location with other County departments and partnerships with other local municipalities, to help further reduce the need for new fueling sites in the southern part of the County.

C. Current Staffing

The Fleet Management Division currently employs a diverse group of 32 full-time employees consisting of one (1) Director, one (1) Operations Manager, one (1) Fiscal Officer, one (1) Shop Superintendent, four (4) Shop Supervisors, one (1) Parts Manager, one (1) Senior Supply Specialist, one (1) Supply Specialist, fifteen (13) Fleet Mechanics, two (2) infield Fleet Mechanics (primarily PMs and minor repairs), three (3) Fleet Service Workers (PMs and minor repairs), one (1) Administrative Support Supervisor, and two (2) Administrative Specialists. (See org chart)

Overall, employee turnover has been very low. In the past year, Fleet eliminated one vacant, office support position due to budget reductions. Fleet lost one infield mechanic due to retirement, but the position was quickly filled. The number of qualified applicants for vacant technician positions has increased due to the current local job market. To date, we have been able to fill our existing vacancies with qualified technicians. We will evaluate the need to fill any new vacancies on a case-by-case basis.

In the past, Fleet has participated in the summer internship program and hired a local high school student to train with our technicians. Continuance in that program will depend on funding availability.



Team building exercises, leadership training and staff retreats have helped to form a team of employees who work mutually well together and who are recognized each year as one of the top 100 fleets in America. The Fleet Management leadership team meets regularly to establish new goals, to review current policies and procedures and for additional leadership training.



The shop continues to maintain its Blue Seal designation with ASE (Automotive Service Excellence). Special consideration has been given to the hiring of technicians who currently hold ASE certifications and adequate opportunity is given to existing technicians to prepare for maintaining their current ASE certifications. Several technicians have

worked to obtain their “Master” certification as Emergency Vehicle Technicians (EVT) as well as in Light and Medium Duty truck and Heavy Trucks. To date, Fleet Management has nine (9) Master certifications in-house. This program will enable us to continue to perform quality service and repair to emergency response equipment.

Fleet Management technicians currently are required to provide their own tools to work on County vehicles and equipment. The County provides \$500 to each technician to cover wear and tear on the tools, to replace them if necessary or to buy new tools. The money is provided on a reimbursement basis. The County also provides annual reimbursement for safety shoes, which are required for their job.

D. Competitiveness

Fleet Management is keenly aware that the services provided are essential to County operations but it is not essential that Fleet provides those services. We realize that we must be competitive with the current market in price, timeliness and customer service in order to maintain our customer loyalty.

The Fleet Management Division’s primary competitors are the local vehicle service facilities and dealerships. While there is no “one-stop” shop that could perform all repairs to the County’s diverse equipment, there are many specialty shops that could provide a good service at a competitive shop rate. We, at Fleet Management, prefer to see our “competitors” as private industry “partners” who can help us do our job even better. With joint cooperation between Fleet Management and the local vendors, problems are more quickly resolved and the productivity and “bottom line” of each organization is improved substantially.

Currently, Fleet Management’s hourly labor rate of \$55 per hour is lower than most repair shops in the Lee County area. This rate is reviewed and adjusted annually as needed to meet our operating requirements. A survey of local repair shops shows their labor rates to range from \$72 to \$97 per hour. Because of Fleet’s diligence to “in-source” additional work from outside agencies, we have been able to hold our billable rate to well below the local market.

Occasionally, local shops that specialize in the repair of specialty types of equipment (brush chippers, stump grinders, etc.) can out perform the Fleet Management Division by repairing equipment in less time due to specialized training and repair tools that are necessary to complete the repair. In those cases, Fleet staff examines the feasibility of outsourcing those jobs. The private facility’s distance from the Fleet shop and the time for Fleet staff to transport equipment to and from those facilities are both considered in the evaluation process. Approximately 20% of Fleet’s work is outsourced to our vendor partners in the community.

The following services are planned for full outsourcing in FY 2009:

- Roadside tire services
- Heavy truck and equipment tire replacement/repair
- Front- end alignments
- Paint and body work
- Towing
- Heavy crane certification
- Glass replacement / repair
- Car washing and detailing
- Radiator repair
- Automatic transmission overhauls
- Complete diesel engine overhauls

- Major Reel mower blade sharpening
- Upholstery work
- Alternator and starter rebuilds
- Communication radio installation and repair
- Heavy machining (hydraulic cylinders, engine cylinder heads, etc.)
- Machining heavy duty drums & rotors (for the brakes) and flywheels (for the clutches)
- Building drive shafts
- Mandatory Bucket truck certifications
- Major service work on the bucket trucks.
- Window tinting
- Repairs to lifts and shop equipment (brake lathe, tire machine, balancers, etc.)

(All other repairs are outsourced on an individual basis based on shop backlog and technician availability.)

Fleet Management also provides unleaded and diesel fuel to County Departments with prices consistently 15 to 20 cents below pump (retail) prices. County emergency vehicles are allowed to use credit cards to purchase fuel at public fueling sites if the situation deems it necessary. Fleet Management has entered into an agreement with Voyager Fuel Cards to provide generic credit card type fueling services when County sites are not available for use. These cards can be used at most name brand fueling facilities both inside Lee County and when on the road for business travel. Cards can be obtained from Fleet Management staff upon request.

In the past, fuel services were provided to several external non-profit agencies. The service was discontinued in 1996, as the County did not have a re-sale license for fuel. Since that time, the re-sale license was obtained and the possibility for pursuing outside, non-profit or governmental customers was explored. Currently, Fleet Management provides fuel to several constitutional offices, fire districts and most recently, Good Wheels, a local para-transit agency to the disabled and disadvantaged.

Fleet Management has been approached by many outside agencies regarding handling the repair work on their vehicles. Currently, Fleet services the neo-natal Intensive Care Unit of Lee Memorial Health Park, the Constitutional Officers vehicles and, on a limited basis, Hendry County emergency services.

In addition to these agencies, Fleet Management has been approached by several Fire Districts regarding a potential agreement to work on their vehicles. Currently Fleet Management services and repairs vehicles for the Ft. Myers Beach, Estero, Bayshore, Sanibel and Captiva Fire Districts. Additional districts have asked about using Fleet's services but due to budgetary, staffing and facility constraints, these talks are on hold. Fleet Management will continue to monitor the interest through the Fire Chiefs' Association and will bring a recommendation to County Administration in the event there is additional, continued interest on their part.

Discussions are on-going with other organizations and non-profit agencies to provide service on their vehicles if we determine we can do so without adding technicians specifically for that purpose.



3. Technology

Fleet Management has an extensive website which provides the viewer with access to Fleet's policies and procedures, business plan, current and past monthly newsletters, and budget information (see www3.leegov.com/Fleet/).

The following is a list of the major software applications used by Lee County Fleet Management in support of our core business functions:

- FASTER – Fleet Management tracking software designed by CCG Systems of Norfolk, Virginia; this system allows staff to track vehicle maintenance history, usage, and replacement criteria among other things. The system is upgraded by the parent company at least annually. Support for the system and software upgrades are included in the annual maintenance contract.
- RNI – A fleet fuel system, supported by Automotive Computers and Equipment Inc. to track vehicle fuel usage, fuel inventory and collect mileage and hours of use data. This system has been fully implemented and has reduced the number of odometer errors significantly. The RNI and the FASTER systems are fully integrated.
- BCI Technologies – Live time fuel level monitoring system similar to the systems used at the Water treatment plants.
- One World / On Base– Accounts payable system implemented by the Clerk of Courts.
- Kwiktag – Fleet Management currently must maintain records of Material Safety Data Sheets (MSDS) for all chemicals ever used in the facility. The Kwiktag software program will provide us with the means to track both current and past chemicals used. The KwikTag system has also allowed us to track our equipment specifications more efficiently.
- NeoGov – system provided by Lee County Human Resources to track potential employment candidates.
- On-line training – many fleet vendors offer on-line training for their customers; currently Fleet participates in free training programs from AC Delco, Ford, International, and others;
- Diagnostic analysis technology – Fleet Management continues to utilize specialized diagnostic equipment and laptop computers on most major brand equipment. With the escalation of computer technology, these laptops will allow the technicians to diagnose problems more accurately and easily and enable Fleet to maintain a service level comparable to local dealerships.
- Fleet has also installed laptop computers with protected WIFI connections in both of our infield service trucks to enable our field technicians to update their labor and issue parts in “live time” rather than entering the information manually at the end of the day or the following morning.
- Automated notification of a vehicle’s “ready” status at Fleet. When the work orders status is updated to “F” (finished), an automatic email is sent to the operator of the vehicle.

- All Data – Subscription service available to Fleet technicians to access repair information, service bulletins and vehicle schematics.
- Kelly Blue Book / Karpower Online – Subscription service available to Fleet employees for new vehicle pricing, dealer concessions and for comparison purposes on vehicles sold by the County.

Proposed New Technology

The Fleet Management and ITG staffs are currently researching the use of Palm Pilot technology to replace the laptop diagnostic computers in the shop. No alternative has been identified to date.



4. Core Services

- Fleet Services
 - Centralized record keeping
 - Equipment replacement planning
 - Specification development
 - Equipment acquisition
 - Equipment disposal
 - Mechanic training
 - New product research
 - Alternative fuels research/compliance
 - Vehicle / Equipment Leasing to user departments
- Preventive Maintenance
 - Lubrication/Oil and fluid change
 - Emissions inspections
 - Equipment inspection
 - Compliance inspection
 - In-field maintenance - Heavy Equipment
- Equipment Repair Services
 - In Shop Repairs – scheduled/unscheduled/emergency
 - In-field Repairs – scheduled/unscheduled/emergency
 - Warranty service
 - Failure analysis
 - Welding/Fabrication
 - Modifications to Equipment
 - 24/7 Emergency Response
- Equipment Support Services
 - Accident damage analysis/assistance
 - Tag/Title work
 - Vehicle Towing
 - On-Site Equipment detailing
 - Operator training (fleet equipment)
 - Free loaner vehicles while County vehicle is being repaired
- Equipment Parts Warehousing
 - Thirty minute “hot shot” of stock parts from major vendors
 - Negotiated long-term contracts with major suppliers
 - Parts ordering for small equipment not maintained by Fleet

- Bulk lubrication products for departmental use
 - 24 hour turn around on most non-stock parts
 - Multiple sources for parts acquisition
 - Use of internet for parts sourcing
 - Barcoding of parts inventory
 - Tire warranty tracking
- Out of County Travel
 - Fuel Credit cards for use outside Lee County
 - Motor pool “loaners” at a \$25 - \$35 per day plus cost of fuel
- Fueling Services
 - Automated fueling system for County vehicles
 - Automated odometer updates
 - No keys or cards required
 - Inter-agency use of fueling facilities
- Road side assistance
 - Truck to location within one hour
 - Fleet staff to respond if vendor cannot or if operator is in unsafe situation
 - 24/7 availability

5. Key Assumptions

- The Fleet size has increased consistently (8-10%) each year for the past five years with growth during 2008 projected at a less than 1%. Depending on County budget and staffing reductions in 2009, we estimate that we will see a flat or negative impact for the first time in fifteen years.
- Mechanic development / apprenticeships with local high schools and vocational schools will be continued as funding is available.
- Optimum replacement times and standardization of equipment will help to stabilize maintenance and repair costs.
- Infield service work will need to increase significantly to reduce down time.
- Additional workspace will be required.
- Under-utilized equipment will continue to be monitored in light of potential staffing reductions, department need and services provided to the citizens of Lee County.
- Clean air and alternative fuel regulations will need to be monitored closely.
- Fluctuating fuel prices, alternative fuels, budgetary impacts, regulatory compliance and a well-trained work force will be a major focus of Lee County Fleet Management over the next five years.
- Cooperation will continue with other agencies to consolidate services, participate in joint ventures, eliminate duplication of services and equipment and reduce the costs of materials, supplies and construction.

6. Key Objectives

A. Education

While Fleet Management staff work to schedule forty hours of training per employee per year, we realize that every hour of every day should be a learning experience. Each member of the Fleet leadership team is required to submit a personal and professional growth plan for each fiscal year. In this plan, they will identify at least one objective which is outside their “comfort zone” and which may or may not be work-related. For example,

one employee may decide to learn to speak Spanish and another may decide to take some college courses toward his / her degree.

The Fleet organization is committed to provide a wide variety of training, both technological as well as “soft skills” (leadership, teamwork, etc.), in order to continue to “grow” the organization. Whenever possible, we include both technician and operator training in the equipment specifications in order to fully realize the cost of the piece of equipment.

Standardization of vehicles and equipment has allowed us to reduce the need for some training on more specialized equipment. We have been working closely with Ford Motor Company to piggy back on training offered locally to their dealerships and to bring additional Ford training to our facility. In some instances we have partnered with other fleets from throughout southwest Florida to provide mechanical training to our technicians. We have also established a mentoring program in which ASE certified Fleet employees assist other Fleet technicians in studying for their certification exams.

With the current budget constraints, out-of-county travel has become more limited. As a result, training without traveling has become a key consideration. National organizations such as AEMP and NAFA provide webinars and telephone conferencing to reduce the need for hotel accommodations and air travel.

Another important area of training is through the use of shop computers to access manufacturer and dealer sites via the internet. Currently, there are terminals available in the shop to connect to Internet sites for the latest in technical information. Employees also have ready access to computers in the Fleet conference room to find sights that include manufacturer’s technical data such as Ford’s Fleet Link and AC Delco’s on-line training programs. All supervisory staff members are trained at a minimum in Microsoft Excel and Word.

All new Fleet staff members are required to participate in various leadership development programs including John Maxwell’s “21 Laws of Leadership” and the “17 Laws of Teamwork.” The Fleet leadership team will continue to devote considerable time to the personal development of the mid-level supervisors.

Four years ago, Fleet Management implemented a voluntary “Just for the Health of it” program, which provides training on nutrition, diet and physical fitness. The number of participants varies from year to year.

Lee County Fleet Management is also the lead agency for a local Fleet Management group comprised of Fleet Managers and their support staff from throughout Florida. Staff members from surrounding counties and cities (Collier, Charlotte, Manatee, Sarasota, Fort Myers, etc.) as well as those from as far away as N. Miami Beach and Tallahassee support the group. Efforts are made to coordinate policies and procedures and to share solutions to fleet problems and issues via meetings and via internet communication. Approximately 20- 25 people attend these bi-monthly meetings held at the various Fleet Management sites but hundreds participate in the email question and answer requests. .

B. Best Practices

Lee County Fleet Management continues to network with other public equipment/ vehicle repair organizations. The Fleet leadership team has been active in many professional organizations such as the Association of Equipment Management Professionals (AEMP), the National Association of Fleet Administrators (NAFA) and the Florida Association of Governmental Fleet Administrators (FLAGFA) that have provided valuable information on equipment maintenance and management. Lee County Fleet

currently has three staff members who have successfully passed the rigorous testing and experience criteria to become Certified Equipment Managers (CEMs) through AEMP.

Fleet Management leadership team members are consistently asked to speak at various conferences on Fleet topics. These organizations include: the AEMP national conference, AEMP Certified Equipment Managers training program, the University of Wisconsin "Best Fleet Practices" program, Rocky Mountain Fleet Manager's Association (RMFMA) conference, among others.

Two members of the leadership team recently participated in the County's Lee G.R.O.W.S. program which introduced them to many formerly unknown programs within Lee County government.

Fleet Supervisors are encouraged to visit other governmental facilities, review other organizations' practices and generate new Fleet procedures. Fleet technicians have been given the opportunity to "ride" with the equipment operators for a day to see just how the equipment they work on is being used in the field. We have continued our employee switch days to allow Fleet employees to "walk a mile" in another employee's shoes.

C. Benchmarks and Measures

Fleet Management has developed a number of benchmarks that are measured annually. These benchmarks will provide valuable information to compare public service against private business. Additionally, we will measure individual performance with the vision of remaining competitive with the private sector.

Six benchmarks have been identified to monitor our accomplishments. Three of these are posted so the shop employees can compare their personal progress to that of their co-workers.

- Preventive Maintenance (PM) Compliance - This measurement is a standard in the industry and one that gives a quick snapshot of the condition of the fleet. Our goal has been 95 percent of PM's completed on time. Currently our average compliance rate is 97%. Vehicles which are seriously past due for service are reported to the division and/or department director for follow-up. If the vehicle continues to be non-compliant, fueling privileges may be discontinued.
- Reason for Repair - Four categories will be measured: scheduled, non-scheduled, drive-in, and emergency repairs. We are working to be consistently at 70% in the scheduled category. This displays a good maintenance program where breakdowns are at a minimum. The drive-in repairs generally consist of removing nails from tires, replacing light bulbs, etc. Fleet also provides emergency service on a 24/7 basis utilizing an on-call mechanic as well as local service vendors.
- Training – Fleet's overall goal is to provide a minimum of 40 hours of specialized training per employee. Supervisors will continue to track each employee's training to ensure that he/she is provided with the information and skills needed to do a great job. Overall, every hour of every day should provide the employee with the opportunity to learn something new and to stretch the way employees think about solving problems.
- Individual Work Performance - Mechanics are expected to generate a minimum of 1650 billable hours (out of 2080 total) in order to meet the financial requirements of the organization. Fleet supervisors' hours are somewhat lower

(1450) due to the administrative duties they must perform. Pay for performance salary adjustments are made based on these numbers as one of several criteria.

- The Shop Superintendent randomly compares Fleet mechanic hours billed on a work order to industry standards (flat rate times) whenever available. This information, along with the number of “reworks” or “comebacks”, is considered during the employee’s performance evaluation. Fleet’s overall goal for re-works is to maintain a less than 2% re-work rate. Currently Fleet technicians have consistently maintained a less than a 1% re-work standard. Re-work reports also help us to determine areas where employees may need additional training.
- The Fleet “Scoreboard” – depicts how quickly equipment is being “turned around” and identifies the reasons for delays (waiting for parts, waiting for a bay, waiting for a technician, etc.). This business plan defines where Fleet wants to be; this scoreboard report tells us how we are really doing. Our customer surveys demonstrate that our customer service has gradually improved over the past five years. Each shop is monitored monthly by the percentage of vehicles in and out in less than 24 hours, 24 - 48 hours, 49 -72 hours and greater than 72 hours. During this fiscal year, 70% of the jobs were out of the shop in less than 48 hours. Repairs to heavy equipment account for the majority of the “over 72 hour” repairs. Overall, turn around times in each of these categories has remained constant.



D. Team Building

The importance of teamwork is not always measurable but it is critical to the overall operation of the division. This is not to say that we always have to agree. It does, however, speak of the respect that all employees have to have for one another.

For example, ten years ago, Fleet employees gave very little to support the County’s United Way fund raising campaign. Over the past few years, we have seen a dramatic increase in Fleet’s monetary contributions. Staff members have organized several highly successful fund raising events and over four year’s time, giving has increased by almost 500%.

Fleet Management continues to provide a “fun” work environment for its employees. Incentive programs, as well as internal competitions, afford Fleet employees to “win” hats, posters and other “giveaway” type prizes. Formal programs are in place for recognizing “**A**bove and **B**eyond the **C**all of **D**uty” (ABCD) service and rewarding exceptional ideas that save time and money for the County.

Hurricane season continues to provide opportunity for the Fleet Management team to demonstrate their ability to function well as a team. Within 2 hours of the storm’s arrival, a team of Fleet Management employees were providing support to County departments

and to outside support agencies. Mechanics responded to emergency calls for roadside assistance.



E. 2008 Goals and Accomplishments

1. Last year's accomplishments (not mentioned elsewhere in this document):

- a.) Developed hydrogen / unleaded hybrid technology for use on a Ford Escape and an F-150. Increased mileage by 65%.
- b.) Investigated the usage of bio-diesel as an alternative fuel source for County vehicles and equipment.
- c.) Had all County fuel tanks cleaned to prepare for bio-diesel usage.
- d.) Developed a "green building" by installing programmable thermostats, energy efficient light fixtures and motion activated light switches in several locations. Fleet's recycling program includes: paper, cardboard, toner cartridges, scrap metal, wooden pallets, used oil and used antifreeze.
- e.) Changed the replacement schedules of certain types of vehicles and equipment reducing the need to collect replacement funds from departments. Estimated savings \$10,000,000.
- f.) Fleet coordinated with our asset management software vendor (CCG FASTER) and our fuel software vendor (RNI) to create a COFF (Chronological Order Fuel File) to reduce the number of fuel errors. This file also allows Fleet to better track equipment with hour meters.
- g.) Added an additional, local auctioneer to dispose of vehicles on a monthly basis. This change saved the county the transportation costs to Lakeland, but the prices generated at the local sale were not as high as the Lakeland sale. As a result, we are evaluating what type of equipment should be sold at each location in order to obtain the best prices for the County.
- h.) Continued to monitor and reduce the obsolete inventory in the parts room for a total in refunds and vendor credits for a savings of about \$20,000.
- i.) Continued to review alternative fueling technologies for implementation. (Fleet staff will continue to monitor performance vs. cost information for future consideration).
- j.) Continued to meet with Fleet Managers from around the State of Florida at Lee County Fleet Management to discuss areas of concern and solutions to problems.
- k.) One additional Fleet Management employee received his certification as a "Certified Equipment Manager" (CEM) through the Association of Equipment Management Professionals (AEMP) bringing our total to three (3).
- l.) Provided joint EMS/Fleet Management training program (ongoing) for all new paramedics. Training includes, but is not

limited to, proper maintenance of ambulance systems, proper Fleet procedures, and fueling of ambulances. Classes are held approximately every other month.

- m.) Adjusted service intervals on all EMS equipment and reduced cost per mile accordingly.
- n.) Purchased \$1.3 million of equipment during the past fiscal year out of a budget of \$6.6 million.
- o.) All front office staff members have been cross-trained to guarantee coverage.
- p.) Standard operating procedures have been developed for all major fleet administrative functions.
- q.) Fleet continues to be recognized and /or featured in major equipment magazines due to our role as an industry leader.
- r.) Completed our fourth full year of our “Just for the Health of it” program – in total, employees have lost almost 200 pounds, dropped hundreds of cholesterol points, and reduced their dependence on prescription medications.
- s.) Developed a lease agreement between Fleet Management and the Lee County Sheriff’s Office Fleet for their use of the Fleet facility.

2. Goals for 2009

- a.) Continue to find cost saving methodologies for use at Lee County Fleet Management.
- b.) Research new equipment types and suppliers to ensure that Lee County purchases the equipment with the lowest overall life cycle costs rather than the lowest priced equipment.
- c.) Ensure that all new Fleet employees complete The 21 Indisputable Laws of Leadership training.
- d.) Research the purchase of a small, fuel truck for use during emergencies in order to provide fuel to limited-capacity generators where the amount of fuel required does not warrant delivery by the County’s fuel vendor.
- e.) Work with other local municipalities to ensure that disaster plans are developed and in place.
- f.) Continue to reduce parts obsolescence and surplus in the parts warehouse.
- g.) Have leadership team establish personal growth plans for the next year including doing one thing that is out of their “comfort zone”.
- h.) Hold another off-site leadership retreat in spring 2009.
- i.) Continue to monitor fuel pricing to find ways to reduce the County’s expense for fueling its fleet of vehicles.
- j.) Investigate alternatively fueled vehicles and equipment to determine feasibility for implementation in Lee County.
- k.) Continue to develop our hydrogen / distilled water technology program for use on diesel and unleaded vehicles.
- l.) Research the possibility of working on additional Fire / emergency equipment for the county’s Fire Districts.

- m.) Continue to monitor the changes in the Ultra Low Sulfur Diesel and emission standards in order to maintain the integrity of the County's equipment and to maintain the OEM's equipment warranties.

F. Improving Communication

EXTERNAL

Fleet Management has worked hard over the last year to improve communication with our customers. Customers are informed of the status of their vehicles, problems during the repair, and preventive maintenance service dates. We have initiated an automated e-mail notification system to inform them when their vehicle is ready to be picked up. One person in each department or division has been designated as the "point of contact" for Fleet related matters.

The "Fleet Focus", Fleet's monthly newsletter, provides Fleet customers with information regarding changes taking place and new services being provided at Fleet Management. Over 600 newsletters are distributed each month to both internal and external customers and industry leaders around the country. During 2008, the newsletter changed to an electronic format, saving the costs of printing and distributing it each month.

Annual meetings with departments are held to discuss changing departmental needs, costs, fleet utilization and size, the short and long term replacement plans, vehicle abuse, accidents, and overall satisfaction with Fleet's services. These meetings were implemented in the fall of 2002. Periodic visits to departmental staff meetings during the course of the year have provided us with another great communication tool.

A vehicle user manual was developed in early 2003 and is available for departmental download through Fleet's intranet site.



INTERNAL

The leadership team comprised of the Fleet Manager, Operations Manager, Parts Manager, Shop Superintendent, and Fiscal Officer, meets weekly to discuss past due work orders and vehicle orders and to resolve any issues or concerns. Each supervisor is then responsible for meeting with his/her employees to disseminate the information.

Fleet also surveys a sampling of its employees annually to determine areas where we need to improve. Answers are ranked on a scale of 1 (strongly disagree) to 5 (strongly agree). This year's results were significantly higher than last year's results. Most felt good about their jobs and felt a part of the Fleet "family." They also felt they had the information and the tools to do their jobs effectively. Some (47%) identified limited shop space as a serious problem. Other areas surveyed included:

- Fleet is as good (or better) as any dealership – 58% strongly agreed; 42% agreed;
- Fleet recognizes my accomplishments – 62% strongly agreed;
- Leadership has an open door policy – 100% either agreed or strongly agreed;

7. Financial Management



Fleet Management's finances are held in an Internal Services Fund (594) and are segregated into three sub-funds: operating, capital, and debt related expenses. Each year, Fleet is required to generate enough funds to cover all of the above expenses and to balance revenues with expenditures. Fleet Management has operated in a positive cash flow situation for the past 10 years.

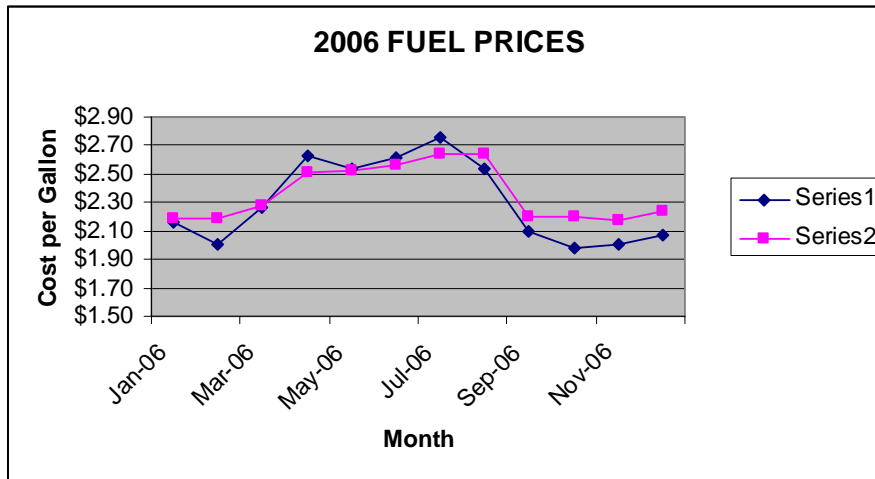
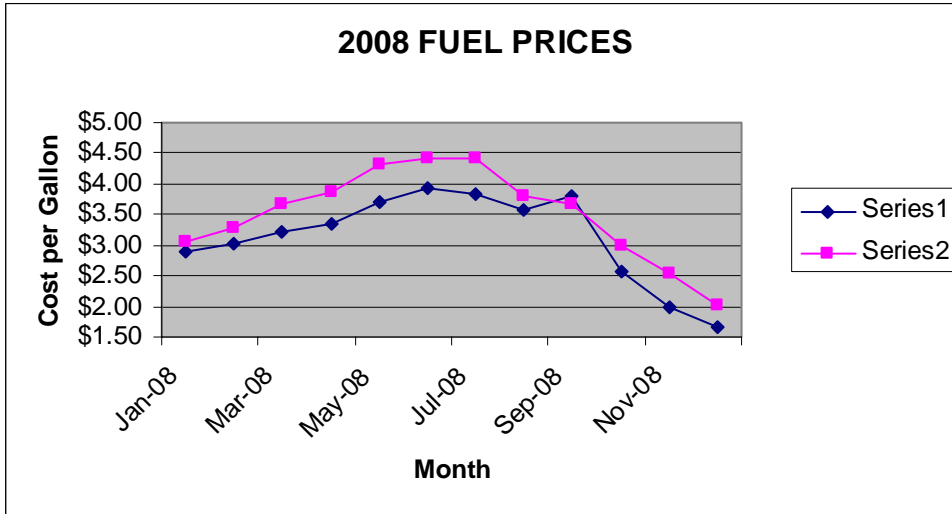
The Fleet Management Division's annual operating budget for fiscal year 2008 was about \$8.0 million with the greatest increase as a result of escalating fuel prices. Salaries and benefits account for 34.0% of the total budget while parts and outside maintenance requires 27.0%. Escalating fuel prices have brought fuel expenditures to about half of Fleet's operating budget or 49.1%. Internal Governmental Services (IGS) and Indirect Costs comprise 5.3%. Minor operating and capital expenditures make up the balance. Debt service on the existing Fleet facility was \$400,000 annually. Debt service payments were to be completed in October 2010 but the debt was paid in full two years early.

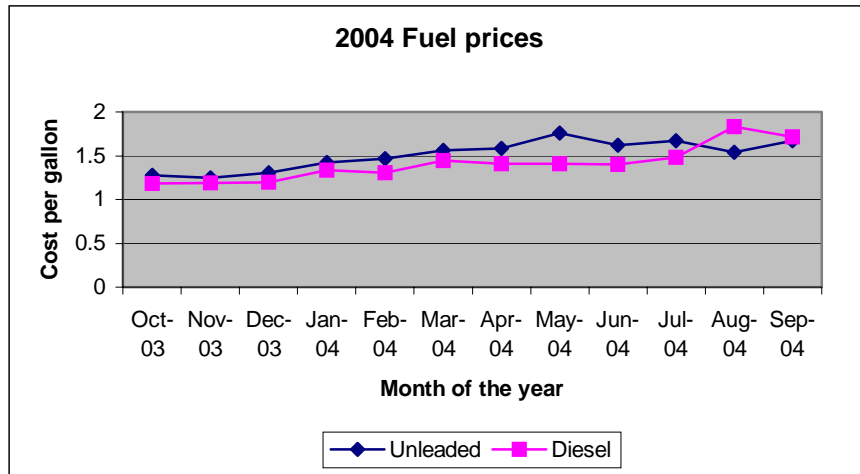
The economic situation within the State of Florida remains in a serious situation with departments looking for every possible cost saving measure available to Fleet management. Fleet staff is committed to reducing costs for next fiscal year as well as for the current year and were tasked with identifying cost savings in their areas of responsibility as well as county-wide savings. Some areas under consideration include:

- Reduction in overtime costs by changing from an "on-call" mechanic (paid a minimum of 10 hours pay each week plus actual hours worked) to a "call out" situation where technicians are only paid when they actually come into the facility. **Estimated annual savings - \$20,800.**
- Reduction in our current fuel budget due to falling fuel prices – **Estimated annual savings - \$1.5 million.**
- Reduction in our current replacement budget due to changes in our replacement schedule – **Estimated annual savings - \$1.4 million.**
- Position analyses completed for all positions (both wrench and non-wrench) to determine possible economies / reductions. – **Estimated annual savings – To be determined (TBD).**
- Eliminating all vehicles with usage < 400 miles per month – **Estimated annual savings - \$142,800.**
- Eliminate the purchase of all non-essential, accessory type items for departments. **Estimated annual savings - \$30,000.**
- Purchase used equipment rather than new wherever feasible – **Estimated annual savings – TBD.**
- Lease, rather than purchase low usage equipment. **Estimated annual savings – TBD.**

One obvious financial concern is the fluctuating cost of fuel. Two years ago, County fuel prices were about \$1.75 per gallon. During 2006, fuel prices to county departments reached \$2.75 per gallon for unleaded and \$2.62 per gallon for diesel while pricing peaked at well over \$3.00 per gallon at local retail fueling stations. During 2008, the cost of unleaded gasoline for County vehicles neared the \$4.00 per gallon mark while diesel fuel exceeded it. In recent months, prices have declined sharply and stabilized at least temporarily. Prices are projected to increase again depending on the home heating fuel usage in the northern states. Prices also habitually increase at the start of each year's vacation season.

ANNUAL FUEL COST COMPARISONS





Fleet Management has also developed a plan to begin to “in-source” work from outside agencies. Presently, Lee Memorial Health Park brings their neo-natal transport vehicle here for repairs. During the past year, we have also added Hendry County EMS and various fire districts to our list of customers served. These additional customers added over \$250,000 to our fuel and maintenance revenues during 2008 and allowed Fleet to keep their rates to internal customers significantly lower than the private sector.

The Fleet parts room has improved greatly over the past ten years with changes made to the inventory process and to the procedures for ordering and receiving parts. Currently the parts room maintains an 88.7% “fill rate” (requests filled the first time to the counter) and 4-5 inventory turns per year. Overall, the parts inventory contains approximately 2586 line items at a total dollar value of \$246,040.

In recent years, the parts room staff has worked diligently to reduce the obsolete inventory and improve the overall appearance and efficiency of the parts room. All parts are now bar coded to streamline the inventory process. This year’s inventory produced a discrepancy of less than .01%. Minimum and maximum stocking levels have been adjusted to reduce surplus parts in the warehouse. Parts room staff have established a “just in time” parts warehouse rather than a “just in case” warehouse. All this has been done without affecting the overall efficiency of the technical staff and the County departments who rely on the services of the parts room.

The Parts Manager is also working to establish a “retail” side of the parts room with upfront displays featuring items that are most requested by the user departments. These items might include: windshield washer solvent, wiper blades, jumper cables, air fresheners, etc.



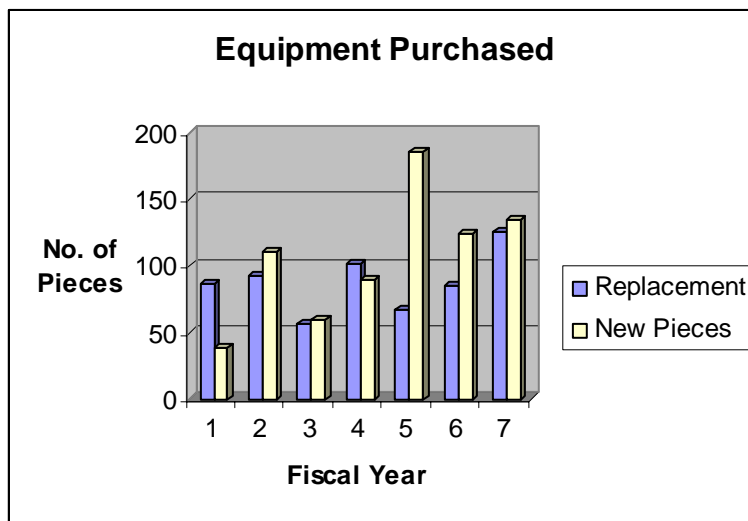
8. Asset Management

In 1991, a vehicle replacement program was established to provide the necessary capital for replacement of cars and light trucks. The plan was that each department would be invoiced \$1500 per year for the life of the vehicle. In 1993 that amount increased to \$2000. Originally, these funds were not segregated from the organization's operating funds, and were spent to meet operating expenses. In 1994, the Vehicle Replacement Fund was established to segregate replacement capital from the operating funds.

In 2001, County departments asked that Fleet Management be allowed to establish an additional replacement program to provide the necessary funds to replace heavy equipment. The costs for replacement were dually funded for three years in order to "seed" the start up of this program. These two programs allow the annual costs of vehicle and equipment replacement to be constant instead of fluctuating from one year to the next. Currently the replacement fund balance is approximately \$20 million. As a result of the high fund balance and the current economic downturn, the collection of the equipment replacement funds has been put on hold and departmental budgets have been reduced accordingly. Overall, the County saved approximately \$5.0 million annually by taking this action.

Funds are available this year to replace the vehicles and equipment meeting the replacement criteria, but due to the budget shortfall, fleet staff is limiting the equipment to be replaced to those where repairing the equipment no longer makes sense. Currently, approximately \$2.5 million in vehicles and equipment meet the minimum standards for replacement.

During the fall of 2008, the Utilities Department contacted Fleet Management staff regarding the establishment of a vehicle replacement fund for their department. (Currently, enterprise funds are exempt from the collection of replacement funds.) Fleet Management produced an annual dollar figure to cover the replacement costs for all Utilities vehicles newer than 2005. Utilities will set aside that amount this fiscal year in order to "seed" their replacement fund.



Another important task is the identification/evaluation of equipment with low usage either by hours or miles. Each fall, Fleet identifies these low usage vehicles and works with departmental staff to either eliminate them or relocate them to another higher usage site. On occasion the vehicles in question are equipped with "specialty" equipment, designed for specific job functions. In most cases, these vehicles are used to move that

equipment and then sit at an intersection or work site. These “low-usage” vehicles are pulled from the list.

The number of under-utilized vehicles has been reduced substantially each year with the goal of less than 3% as the target countywide. The County’s minimum utilization criterion for cars and light trucks is 500 miles per month. As of 12/31/2008, 185 cars and light trucks (roughly 10% of the fleet) met the criteria. This number is slightly inflated due to recent staffing reductions countywide. Many of these surplus vehicles are slated for disposal later this month.