

State of Alaska
FY2005 Governor's Operating Budget

Department of Transportation/Public Facilities
State Equipment Fleet
Results Delivery Unit Budget Summary

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State Equipment Fleet Results Delivery Unit

Contribution to Department's Mission

The mission of the Statewide State Equipment Fleet (SEF) is to cost effectively replace, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Core Services

The regional SEF components provide maintenance, repair and servicing of state equipment at maintenance and operations shops, remote rural airport stations, and roadside locations throughout Alaska. Preventative maintenance, safety and vehicle emission inspections, parts procurement, and inventory control are provided. Equipment is evaluated and specifications are prepared in coordination with SEF Headquarters for the equipment replacement program. New vehicles, equipment and attachments are received, checked in and issued to using agencies.

End Results	Strategies to Achieve Results
<p>(1) Improve customer satisfaction with DOT&PF fleet services.</p> <p><u>Target:</u> Increase customer satisfaction with DOT&PF fleet services by 5% from prior year.</p> <p><u>Measure:</u> Percent change in customer satisfaction with DOT&PF fleet services based on survey of customers. (Rating of 4 and above on a scale of 1 to 5, with 5 being best).</p> <p>(2) Reduce the lifecycle cost of the fleet.</p> <p><u>Target:</u> Reduce the lifecycle cost of the fleet by 5%.</p> <p><u>Measure:</u> Percent change in annual lifecycle fleet cost compared to the prior year average.</p>	<p>(1) Improve the quality of DOT&PF fleet services.</p> <p><u>Target:</u> Increase all wet vehicle uptime by 2%.</p> <p><u>Measure:</u> Percent change in uptime from prior year for all wet vehicles.</p> <p><u>Target:</u> Reduce the average number of days from purchase requisition to purchase order for capital purchases to 75 days.</p> <p><u>Measure:</u> Average number of days from requisition to purchase order for fleet purchases.</p> <p>(2) Provide efficiencies to reduce fleet costs.</p> <p><u>Target:</u> Increase preventive maintenance compliance by 5%.</p> <p><u>Measure:</u> Percent change in preventive maintenance compliance as compared to prior year.</p> <p><u>Target:</u> Increase scheduled maintenance to 50% of total maintenance cost.</p> <p><u>Measure:</u> Percent of scheduled maintenance compared to total maintenance costs.</p>

Major Activities to Advance Strategies

- | | |
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| <ul style="list-style-type: none"> • Increase the use of extended term contracts for the procurement of capital assets • Partner with FNB Alaska to install a single statewide fleet fuel card. • Make lease and purchase decisions based on the lowest lifecycle cost analysis. • Direct bill W status assets whose life maintenance costs exceed 100% of original asset cost. | <ul style="list-style-type: none"> • Direct bill maintenance on fully amortized assets. • Extend amortization periods of existing assets when indicated by lifecycle cost projections. • Shorten or extend amortization periods of assets when indicated by lifecycle cost projections. • Transfer assets between low and high use locations to equalize usage. |
|---|---|

FY2005 Resources Allocated to Achieve Results

FY2005 Results Delivery Unit Budget: \$21,133,700	Personnel:	
	Full time	162
	Part time	2
	Total	164

Performance Measure Detail

(1) Result: Improve customer satisfaction with DOT&PF fleet services.

Target: Increase customer satisfaction with DOT&PF fleet services by 5% from prior year.

Measure: Percent change in customer satisfaction with DOT&PF fleet services based on survey of customers.
(Rating of 4 and above on a scale of 1 to 5, with 5 being best).

SEF Customer Satisfaction Rates

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available				

Analysis of results and challenges: The evaluation of customer satisfaction provides customer departments a method of direct communication regarding their concerns and issues while also working to educate the customer base about the fleet operation. This communication provides management with a list of positive and negative issues regarding the actual service level or customer satisfaction.

This is a new measure that requires design and implementation of a customer satisfaction survey. At that time data will be compiled for analysis.

(2) Result: Reduce the lifecycle cost of the fleet.

Target: Reduce the lifecycle cost of the fleet by 5%.

Measure: Percent change in annual lifecycle fleet cost compared to the prior year average.

Life Cycle Fleet Costs

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available				

Analysis of results and challenges: Whether they are managing a private or government fleet all managers have a common interest in the cost of operating the equipment in their control. Management has the responsibility to ensure vehicle costs are reviewed, goals are established, and comparisons are made with prior years.

This is a new measure and data is being compiled for its analysis.

(1) Strategy: Improve the quality of DOT&PF fleet services.

Target: Increase all wet vehicle uptime by 2%.

Measure: Percent change in uptime from prior year for all wet vehicles.

Light Duty Vehicle Uptime in Urban Areas

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2001	not available	not available	not available	not available	92.2%
2002	not available	not available	not available	not available	94.7%
2003	not available	not available	not available	not available	97.4%
2004	97.6%	0	0	0	97.6%

Analysis of results and challenges: SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can't perform its function when it is down for any reason. Fleets must manage this parameter. Downtime of a vehicle can be affected by staffing levels, parts availability, and adequate staff training. Education of staff is essential to assure that data entry for opening and closing dates of work orders are consistent throughout SEF.

Target: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 75 days.

Measure: Average number of days from requisition to purchase order for fleet purchases.

Days Taken to Process Vehicle Purchase Orders

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available				

Analysis of results and challenges: SEF is the sole procurement authority for vehicles for executive branch agencies. Responsiveness to the purchasing needs of its customers can be measured by the amount of time it takes to change purchase requisitions into purchase orders.

This is a new measure. Current year data is being compiled for analysis.

(2) Strategy: Provide efficiencies to reduce fleet costs.

Target: Increase preventive maintenance compliance by 5%.

Measure: Percent change in preventive maintenance compliance as compared to prior year.

Preventative Maintenance Compliance

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	not available	not available	not available	not available	85.5%
2003	not available	not available	not available	not available	86.9%
2004	89%	0	0	0	89%

Analysis of results and challenges: State Equipment Fleet continues to track preventive maintenance (PM) activities. As of mid-September, the regions are experiencing from 86 to 95 percent compliance with preventive maintenance schedules. Statewide PM compliance is 89 percent. The PM compliance goals by fiscal year are FY2002—80 percent, FY2003—85 percent, FY2004—90 percent, and FY2005—95 percent.

Preventative maintenance is a critical aspect of efficient fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of maintaining fleet safety, maintaining maintenance and operation integrity, and controlling maintenance costs. The main components of a preventive maintenance service program are regularly pre-determined inspections including lubrication and service. Adherence to these components will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

Barriers to reaching or surpassing this measure include: The failure of the user agency to bring the vehicle in for preventive maintenance when requested by State Equipment Fleet; The inability of the user agency to bring the vehicle in if it is being used during the state's limited construction season (This can be alleviated by scheduling non-critical preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use); and The FY2003 addition of 650 DOT&PF vehicles to the PM program.

Target: Increase scheduled maintenance to 50% of total maintenance cost.

Measure: Percent of scheduled maintenance compared to total maintenance costs.

Percent of Maintenance That Is Scheduled

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	not available				

Analysis of results and challenges: The amount of scheduled maintenance is an indicator of the amount of control that management has over the inspection and repair of the fleet. In general management and supervision should be scheduling 50 percent or more of the workload.

This is a new measure. The Equipment Management System and work orders are being modified to track all scheduled maintenance activities.

Key RDU Challenges

The Department's goal is to run the State Equipment Fleet as efficiently and safely as possible. To do that the following issues will be dealt with during the next few years:

- Control costs to prevent/reduce future rate increases
- Identify waste streams to reduce hazardous waste in our shops.
- Provide for commonality of parts and repair procedures in an effort to standardize the fleet equipment.
- Coordinate with vendors and users to deliver parts to remote camps.
- Continue to update remote shops for computerized access to the Equipment Management System and internet/email.
- Seek training methods that provide technical training locally at reasonable cost.

Coordinate with using agencies to help the transition of billing process changes and provide for direct billable charges.

Significant Changes in Results to be Delivered in FY2005

None.

Major RDU Accomplishments in 2003

- Received 563 new vehicles, equipment, and attachments in fiscal year 2002; evaluated for compliance to bid specifications, and assigned to appropriate agencies.
- Accomplished the transition of all DOT&PF Highway Equipment Working Capital Fund assets to the wet rental program.
- Surveyed unassigned vehicles and sold excess vehicles. Held two auctions. Proceeds were returned to client agencies.
- Implemented computerized repair and estimating information at Anchorage, Palmer and Soldotna.
- Updated systems at Dillingham and Silvertip for E-mail access.

Contact Information

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**State Equipment Fleet
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2003 Actuals				FY2004 Authorized				FY2005 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Central State Equipment Fleet	0.0	0.0	7,123.2	7,123.2	0.0	0.0	7,930.0	7,930.0	0.0	0.0	8,165.7	8,165.7
Northern State Equipment Fleet	0.0	0.0	10,182.2	10,182.2	0.0	0.0	10,764.0	10,764.0	0.0	0.0	11,090.0	11,090.0
Southeast State Equipmnt Fleet	0.0	0.0	1,604.8	1,604.8	0.0	0.0	1,820.7	1,820.7	0.0	0.0	1,878.0	1,878.0
Totals	0.0	0.0	18,910.2	18,910.2	0.0	0.0	20,514.7	20,514.7	0.0	0.0	21,133.7	21,133.7

**State Equipment Fleet
Summary of RDU Budget Changes by Component
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	20,514.7	20,514.7
Adjustments which will continue current level of service:				
-Central State Equipment Fleet	0.0	0.0	235.7	235.7
-Northern State Equipment Fleet	0.0	0.0	326.0	326.0
-Southeast State Equipmnt Fleet	0.0	0.0	57.3	57.3
FY2005 Governor	0.0	0.0	21,133.7	21,133.7