

Table I

Annual Savings Calculation		
<b>Personnel Expenses</b>		
Fleet Personnel Costs <sup>1</sup> (60000-60145)	\$	1,155,162
FREDS Admin - "Assess Dept Support" (93017)	\$	255,783
Settle Labor (95102)	\$	3,995
	<b>Total \$</b>	<b>1,414,940</b>
<b>Physical Space Expenses</b>		
Fleet "Building Management (60430)	\$	478,865
Settle Building Management <sup>2</sup> (95430)	\$	16,887
Internal Service Distribution <sup>3</sup> (60460)	\$	170,607
	<b>Total \$</b>	<b>666,359</b>
<b>Other Expenses</b>		
Supplies w/o fuel expenditure (60240)	\$	577,212
Repairs and Maintenance (60220)	\$	122,562
All Other Non-Ommitted Accounts <sup>5</sup>	\$	154,420
	<b>Total \$</b>	<b>854,193</b>
<b>Fleet Services External Revenues</b>		
Charges for Services (50236)		777,133
Sales to the Public (50250)		1,400
Fines & Forfeitures (50280)		125
Dividends & Rebates (50290)		44,170
	<b>Total \$</b>	<b>822,828</b>
<b>Fleet Services Costs Under Current Model</b>	<b>\$</b>	<b>2,112,664</b>
Cost of Time & Materials Outsource Model	\$	1,397,728
Cost of Monthly Fee + Mileage Rate Model	\$	1,588,779
<b>NET ANNUAL SAVINGS - TIME &amp; MATERIALS OUTSOURCE MODEL</b>	<b>\$</b>	<b>714,936</b>
<b>NET ANNUAL SAVINGS - MONTHLY FEE + MILEAGE RATE MODEL</b>	<b>\$</b>	<b>523,886</b>

The above is copied from the Coraggio Table entitled Annual Savings Calculations.

**The following includes a summary of the issues raised in my review of the Fleet Maintenance sections of the report.**

Items identified by ??? Require significantly more data to identify the amount of financial impact and should be reviewed during any implementation planning.

**Adjustments to Savings include:**

**Understated Outsourced Model Costs**

Parts calculation error in Corragio "Outsourced Trucking Cost Analysis" and "Fleet Maintenance Summary Data". The first uses \$406969 as the Total Parts and marks it up. The FM Summary Data shows Internal County only "Sum of Parts Cost (w/o margin)" as \$447662. If this amount is marked up 10%, it adds \$44763 to the outsourced model.

\$ 44,763

Repairs and Maintenance not included in outsource model costs, but is included in County costs. The Outsource Model includes work hours equivalent to the County work hours, but not the work that is sent out for repair.

\$ 118,129

60170 Towing included in Professional Services and not in Outsourced Model

\$ 9,000

**Subtotal \$ 171,892**

**Fixed Costs included in Savings Calculations**

60430 Fleet "Building Management \$ 478,865

60460 Internal Service Distribution<sup>3</sup> - Assumes \$70,000 is facility cost \$ 70,000

60370 Internal Services Telephone - Total \$14937 - How much would Telecom budget reduce? ???

60380 Internal Services Data Processing - Total \$70239 - How much would IT budget reduce? ???

**Subtotal \$ 548,865**

**Non- Maintenance M&S Items included in "Fleet Services Costs Under Current Model"**

60170 Auction Commission \$ 3,000

60170 Motor Pool Security Patrol \$ 5,425

60200 Communications Total of \$2645 includes primarily fuel system communication line \$ 2,000

60210 Rentals - Need more info on how much of this is for rental vehicles or non-shop equipment ???

**Subtotal \$ 10,425**

**Non- Maintenance Administrative Labor included in "Fleet Services Costs Under Current Model"**

Source: "Overhead Calculation FY11" workbook - "Overhead Calculation FY10

Vehicle Replacement \$ 32,010

Vehicle Disposal \$ 7,768

Fuel Provision Cardlock and Retail \$ 7,394

Fuel Provision County Fuel Sites \$ 19,908

Motor Pool \$ 54,831

Parking \$ 7,814

Fleet Billing Process - County Total is \$34,248, assume 75% related to fleet maintenance \$ 8,562

Fleet Billing Process- Outside Agencies Total \$16938 - Assume no more outside agency work \$ -

General Fleet Administration \$ 137,512

Fleets Share of FREDS General Administration \$ 220,825

**Subtotal \$ 496,624**

**Unidentified Expenses from following Outsource Recommendations**

Additional Transport for repair Costs \$ 173,400

DEQ Testing - Additional Transport Costs ???

Outsource Contract Administration - Unknown (\$150,000?) ???

Emergency Response Contracting - Unknown ?????

**Subtotal \$ 173,400**

Total adjustments to savings \$ 1,229,314

**Net Annual Savings Adjusted (Increased cost to County over current method) \$ (514,378)**