

Report on Department Fleet/Mileage

Department: Public Safety

Secretary: Jami Cook

The purpose of this report is to prompt an analysis of fleet management and mileage reimbursement within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency and cost savings in this area. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

ACTION PLAN FOR PROJECT 1:

1. Project Title: UTILIZE ALL DPS AUTO SHOPS FOR MAINTENANCE AND REPAIRS

1.1. Brief description of project, goal, and action plan.

The Department proposes creating a single Department-wide fleet section to replace individual division management of fleet and fleet operations. The Department believes that a single fleet section is the most logical way to proceed. A single fleet section allows for the following:

- A. Capability to review fuel and maintenance costs for each vehicle over the life of the vehicle.
- B. Vehicle repairs to be uploaded into the Fleet Maintenance Database, uploaded nightly into AASIS.
- C. WEX fuel purchases to be uploaded nightly into AASIS.
- D. Daily payment of the WEX bill, consistent with the model already in place at Arkansas State Police.
- E. Free movement of vehicles among Divisions without affecting the fleet cap. As a result, Department vehicles could be utilized for a longer period of time, increasing savings by decreasing the total number of number of vehicle purchases.

1.2. Identify any additional resources required for the implementation and success of this plan.

A change in the fleet cap to accommodate the entire Department rather than individual Divisions.

1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

There have been minimal upfront costs associated with making Department shops in East Camden and Lowell fully operational. With decreased travel and down time, and the reduction in overall maintenance expenses, the Department anticipates measurable cost savings within twelve to eighteen months. Shop operations will be closely monitored, with appropriate adjustments being implemented as needed, to take full advantage of all cost savings.

1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

The current auto shop hourly rate is approximately \$125.00 per hour. Divisions currently using outside shops for vehicle maintenance will immediately begin seeing cost savings as a result of using Department auto shops. As a result of established contracts and current volume discounts, the Department also anticipates measurable cost savings on ongoing maintenance necessities.

The Department will continue to track progress using AASIS, Excel, Fleet Maintenance database, and Pro Demand. These applications allow the Department to determine dealership cost to compare against Department shop costs for maintenance and repair. A review of completed DPS work orders indicates an actual cost saving of approximately 75% when compared to current market costs.

1.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

This plan has already been implemented and has resulted in significant cost savings. As of September 11, 2019, oil changes and minor repairs in the Northwest region of the state are completed at the Department's Auto Shop in Lowell. The Department's Auto Shop in East Camden is fully operational and servicing all fleet vehicles in that geographical region.

The Department will continue to track turnaround times in all Department shops and will continue to implement efficiency efforts through 1: Having necessary parts to complete a job on-hand, as needed and 2: Utilizing the East Camden and Lowell shops to decrease volume at the Little Rock Shop.

The Department anticipates, at a minimum, a 50% reduction in cost to Divisions that were not previously using the DPS auto shops. Those Divisions that were previously using in-house auto shops for maintenance can expect a significant saving as a result of the decreased down time associated with travel to and from a shop.

1.6. Identify any obstacles to the implementation and success of this plan.

The Department anticipates a time delay in moving all Department employees to the WEX (fuel card) system. Once all employees are under the same WEX system they will be able to purchase fuel and pay for non-inventory items needed for vehicle maintenance.

1.7. How could Department of Transformation and Shared Services provide support to the Department?

ACTION PLAN FOR PROJECT 2:

2. Project Title: UTILIZE CONTRACTS IN PLACE FOR ALL DPS AUTO SHOPS

2.1. Brief description of project, goal, and action plan.

The Department will explore contract opportunities to ensure the best pricing on auto parts and tools. A primary goal of the Department's fleet section is to reduce cost while maintaining the highest quality workmanship. This goal is accomplished by continuous contract review and negotiation.

2.2. Identify any additional resources required for the implementation and success of this plan.

The Department will utilize existing resources.

2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

The Department does not anticipate any costs associated with this plan and expects that current budget allocations will continue to cover any anticipated costs.

2.4. How will you measure the success and results of your plan? Include forecasts of cost savings,

efficiencies achieved, etc.

Success will be measured based on the continued cost savings as a result of continuous contract review and negotiation for best pricing.

2.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

Department shops in East Camden and Lowell will utilize existing contracts. The Department has negotiated with vendors in East Camden that have agreed to honor discounts, including the state contract price on tires. As a result of these negotiations, the Department will save approximately 50% per tire. Vendors in Lowell have also agreed to honor state contract pricing. Additionally, several local car dealerships have agreed to match current pricing on factory parts purchased from the dealership.

2.6. Identify any obstacles to the implementation and success of this plan.

None anticipated.

2.7. How could Department of Transformation and Shared Services provide support to the Department? Explore contract opportunities to ensure the best pricing on auto parts and tools

ACTION PLAN FOR PROJECT 3:

3. Project Title: STORE POOL VEHICLES AT HIGH VOLUME LOCATIONS AND AUTO SHOPS

3.1. Brief description of project, goal, and action plan.

The Department will house pool vehicles at high volume locations and auto shops in order to reduce or eliminate mileage reimbursement for employees and allow employees to utilize pool vehicles while their assigned vehicle is undergoing maintenance.

3.2. Identify any additional resources required for the implementation and success of this plan.

The Department will implement a policy requiring use of pool vehicles when available. Except in certain circumstances, employees that choose to drive a personal vehicle would not receive reimbursement.

3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

The Department anticipates minimal costs associated with the physical move of various fleet vehicles.

3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

The Department will continually review monthly usage reports and anticipates cost savings associated with the reduction in mileage reimbursement in those locations.

3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

The Department is already shifting assets to high volume areas, including moving additional vehicles

to East Camden and Lowell. The Department is also studying vehicle usage in Northeast Arkansas to determine whether relocating assets to that region would be cost effective. The Department will continue to monitor the placement of pool vehicles to determine where additional resources may aid in the reduction or elimination of mileage reimbursement and employee down-time.

3.6. Identify any obstacles to the implementation and success of this plan.

None identified.

3.7. How could Department of Transformation and Shared Services provide support to the Department?

ACTION PLAN FOR PROJECT 4:

4. Project Title: UTILIZE ASP TOW TRUCK FOR ALL DPS VEHICLES

4.1. Brief description of project, goal, and action plan.

The Department will utilize tow trucks owned by the Division of the Arkansas State Police for all Department vehicles. Towing bills currently range from \$100.00 to \$250.00. The Department anticipates reducing towing expenses by as much as 50%. The Department also anticipates a significant reduction in storage costs for towed vehicles. Department costs for towing and storage include only the costs associated with fuel and personnel time.

4.2. Identify any additional resources required for the implementation and success of this plan.

The Department will continue to partner with LESO for acquisition of additional tow trucks and equipment.

4.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

The Department anticipates a minimal cost increase associated with fuel and maintenance costs and expects that its current budget allocations will continue to cover any anticipated costs.

4.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

The Department will continue to monitor savings associated with the reduction in towing and storage costs for damaged or inoperable fleet vehicles.

4.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

The Department has already implemented this project and is currently providing towing assistance for all fleet vehicles.

4.6. Identify any obstacles to the implementation and success of this plan.

The Department has discussed potential logistical issues, but does not anticipate a significant impact on the overall success of the plan.

4.7. How could Department of Transformation and Shared Services provide support to the Department?

ACTION PLAN FOR PROJECT 5:

5. Project Title: CREATE A BODY/PAINT SHOP TO REPAIR ALL DAMAGED DPS VEHICLES

5.1. Brief description of project, goal, and action plan.

The Department proposes establishing a body & paint shop to repair all damaged fleet vehicles. Approximately 15% of Division vehicles are repaired in-house using decommissioned vehicles. In FY2019, in-house repairs resulted in approximately \$40,000 in cost savings at the Division of the Arkansas State Police. Despite cost savings associated with in-house repairs, the Division of the Arkansas State Police spent approximately \$270,890 repairing damaged vehicles in FY2019. The Department anticipates significant cost savings through the establishment of a paint & body shop.

5.2. Identify any additional resources required for the implementation and success of this plan.

The Department is currently evaluating the need for an employee with paint and body experience. The cost of the employee would be offset by savings associated with in-house repairs.

5.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

The Department does not anticipate any upfront costs associated with this project. The Department has negotiated with a local paint company to install a paint booth at no cost to the Department.

5.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

The Department will continue to obtain outside bids for vehicle repair and compare those bids against the cost of fixing the vehicle in-house. Based on previous cost savings, the Department anticipates substantial savings associated with paint and body repair.

5.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

The Department will continue to track progress using AASIS, Excel, Fleet Maintenance database, and Pro Demand. These applications allow the Department to determine market cost to compare against Department costs for repair. A review of completed Department work orders indicates an actual cost saving of approximately 75% when compared to current market costs.

5.6. Identify any obstacles to the implementation and success of this plan.

The building that has been proposed as the future paint & body shop is currently in use. Once the building becomes available, the Department anticipates minimal costs associated with development of the shop.

5.7. How could Department of Transformation and Shared Services provide support to the Department?

Additional thoughts/comments:

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