

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

904



SUBMITTAL DATE:
January 8, 2015

FROM: Purchasing and Fleet Services Department

SUBJECT: Approval of FY 2015/16 Fleet Services ISF Rates

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the proposed rates for Fleet Services as shown in Attachment A, and;
2. Approve the waiver of Board Policy B-28 for the use of unrestricted net assets to offset operating costs, in the amount of \$1,290,476.

BACKGROUND:

Summary

This Form 11 is for the purpose of setting Fleet Services rates for fiscal year 2016.

(Continued on Page 2)

Lisa Brandl

Lisa Brandl, Director
Purchasing & Fleet Services Dept.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ N/A	\$	\$	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$	\$	
SOURCE OF FUNDS:				Budget Adjustment: N/A	
				For Fiscal Year: 2015/16	

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand*

Ivan M. Chand

1/23/2015

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
 PAUL LANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Russell Dominski*
 Russell Dominski 1-15-15

Departmental Concurrence

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: | District: ALL | Agenda Number:

3-30

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BACKGROUND (Continued)

Fleet Services rates for fiscal year 2016 are based on cost and volume of service provided. Rate methodology conforms to accepted accounting practice, state and federal guidelines, and Board of Supervisors policy. A guide to the Fleet Services rate development process and model used to calculate individual rates was submitted for review as part of the rate process.

ASSIGNED VEHICLE MAINTENANCE AND MOTOR POOL RENTAL RATES

Maintenance Mileage

Fleet Services requests Maintenance Mileage rates for fiscal year 2016 remain unchanged from fiscal year 2015 rates. These rates are presented in Attachment A.

Maintenance Mileage rates have not changed since 2007 other than being reduced by 10% in FY 2010. With no rate increase, Fleet Services will not achieve full cost recovery. Fleet Services requests its unrestricted net assets be decreased by \$729,099 in FY 2016 to absorb increased maintenance costs rather than charge other County departments.

Fixed Monthly Maintenance Charge

Fleet Services requests the fixed monthly maintenance rate for fiscal year 2016 remain unchanged at \$30.60 per vehicle.

Motor Pool

We propose motor pool rates for fiscal year 2016 remain unchanged from fiscal year 2015. Total vehicle rental is based on daily rate plus maintenance per mile plus fuel at current market rate. With no rate increase, Motor Pool operations do not achieve full cost recovery. Fleet Services proposes to decrease its unrestricted net assets by \$357,855 in FY 2016 to absorb Motor Pool costs rather than charge other County departments.

OTHER SERVICES

Fuel – Fleet Services Sites

Fleet Services requests the rate for Fuel Delivery – Fleet Services Sites remain unchanged at \$0.11 per gallon. The requested rate will not cover the full cost of fuel delivery. Fleet Services requests a decrease to its unrestricted net assets by \$118,978 in FY 2016 to absorb increased fuel delivery costs rather than charge other County departments.

Fuel – Commercial

We propose the rate for Fuel Delivery – Commercial remain unchanged at \$0.05 per gallon.

Parts and Sublet Markup

We propose no change to Parts and Sublet markups of 20% and 10% respectively as these rates apply primarily to non-Fleet Services vehicles.

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Labor Rate

Fleet Services recovers the costs of maintaining fleet-owned vehicles through a fixed charge per unit and a charge per mile driven. Our mechanics also work on vehicles that are owned by other Departments and owned by tax-funded entities outside of the County. Fleet Services recovers these costs through charges for actual labor hours and charges for the parts and sublet work used plus a mark-up.

Therefore, we propose shop labor rates remain unchanged from FY 2015:

- The shop labor rate for Fleet Services-owned vehicles - \$41.85 per hour.
- The shop labor rate non Fleet Services vehicles - \$74.50 per hour.

Administrative Services

Fleet Services proposes the monthly Administrative Services rate for fiscal year 2016 remain unchanged at \$25.20. However, no portion of this charge will be waived as has been done over the past three fiscal years. With no rate increase, administrative services charges do not achieve full cost recovery. Fleet Services proposes to decrease its unrestricted net assets by \$82,893 in FY 2016 to absorb administrative costs rather than charge other County departments.

In fiscal years 2013 and 2014 100% of administrative charges were waived and in FY 2015 75% was waived. Fleet Services net asset position no longer exceeds a 60 day working capital plus equipment replacement reserve, and therefore cannot waive any portion of this charge.

Automated Car Wash

We propose the automated car wash rate for fiscal year 2016 remain unchanged at \$3 per wash. With no rate increase, rate calculations show the cost of car wash operations is not covered and the rate should be set higher. Fleet Services proposes to decrease its unrestricted net assets by \$1,651 in FY 2016 to absorb car wash costs rather than pass them to other County departments.

Attachment A
Fleet Services Rate Structure
As of July 1, 2015

Assigned Vehicle Maintenance and Motor Pool Rental Rates

Vehicle Type	Vehicle Description	Motor Pool Coding	FY 2015 Assigned Maint per Mile	FY 2016 Assigned Maint per Mile	Motor Pool Rental Rates*	
					Per Hour	Full Day
1	Sub Compact Sedan	Sedan 01	.10	.10	3.60	14.40
2	Compact Sedan	Sedan 02	.10	.10	6.30	25.20
3	Intermediate Sedan	Sedan 03	.11	.11	7.20	28.80
4	Mini Van	Van 01	.12	.12	10.35	41.40
5	Full Size Van	Van 02	.12	.12	13.05	52.20
8	Mini Pick Up	Truck 01	.11	.11	8.10	32.40
9	1/2 Ton Pick Up	Truck 02	.11	.11	10.80	43.20
10	3/4 Ton Pick Up	Truck 06	.14	.14	11.25	45.00
11	4x4 Mini Pick Up	Truck 08	.12	.12	8.55	34.20
12	4x4 1/2 Ton Pick Up	Truck 03	.13	.13	11.03	44.10
13	4x4 3/4 Ton Pick Up	Truck 04	.13	.13	13.28	53.10
14	4x4 Mini Utility	SUV 01	.13	.13	9.90	39.60
15	4x4 Utility	SUV 02	.14	.14	20.25	81.00
20	Patrol		.17	.17	N/A	N/A
21	4x2 Utility (SUV)	SUV 03	.14	.14	13.05	52.20
22	Full Size Sedan	Sedan 04	.11	.11	8.55	34.20
23	Patrol SUV		.17	.17	N/A	N/A
6	Diesel Bus		Actual WO	Actual WO	N/A	N/A
7	Mini Bus		Actual WO	Actual WO	N/A	N/A
16	Medium Truck	Truck 05	Actual WO	Actual WO	13.28	53.10
17	Heavy Truck	Truck 07	Actual WO	Actual WO	22.28	89.10
18	Motor Home		Actual WO	Actual WO	N/A	N/A
19	Special Purpose		Actual WO	Actual WO	N/A	N/A

*Motor Pool rate is based on daily rate plus maintenance per mile plus fuel at current market rate.

Other Services

Service	FY 2015 Rate	FY 2016 Rate	Unit
Fuel - Fleet Services Sites	.11	0.11	Per gallon markup
Fuel - Commercial	.05	.05	Per gallon markup
Parts	20%	20%	Mark up
Sublet	10%	10%	Mark up
Shop Labor Rate - Fleet Services Vehicles	41.85	41.85	Per hour
Shop Labor Rate - Non Fleet Services Vehicles	74.50	74.50	Per hour
Administrative Services Rate	25.20	25.20	Per month per vehicle
Administrative Services Rate N O	5.00	5.00	Per billing per unowned
Maintenance - Fixed Monthly Charge	30.60	30.60	Per month per vehicle
Automatic Car Wash	3.00	3.00	Per wash
Vehicle Service Life - Standard	115,000	115,000	
Vehicle Service Life - Patrol	100,000	100,000	