

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLE
BY *[Signature]* 1/26/16

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

533



FROM: Purchasing and Fleet Services Department

SUBMITTAL DATE:
December 7, 2015

SUBJECT: Approval of FY 2016/17 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 \$129,900.

BACKGROUND:

Summary

This Form 11 is for the purpose of establishing Fleet Services rates for fiscal year 2016/2017.

(Continued on Page 2)

[Signature]

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	\$ N/A	\$ N/A	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	

SOURCE OF FUNDS:

Budget Adjustment: No
For Fiscal Year: 2016/17

C.E.O. RECOMMENDATION:

APPROVE

[Signature]
BY: Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-25

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of FY 2016/17 Fleet Services ISF Rates

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Automotive Maintenance ISF Rates for FY 2016/17

BACKGROUND:

Summary (continued)

Fleet Services rates for fiscal year 2016/17 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 2016/17 be increased from fiscal year 2015/16 rates, which are presented in Attachment A.

Maintenance Mileage rates have not changed since 2007 other than being reduced by 10% in FY 2009/10.

Fixed Monthly Maintenance Charge

Fleet Services requests the fixed monthly maintenance rate for fiscal year 2016/17 be increased from \$30.60 to \$34.00 for fiscal year 2015/16. The increase restores the Monthly Maintenance charge to the rate set in FY 2007.

Motor Pool

Motor pool rates for fiscal year 2016/17 be increased from fiscal year 2015/16 rates, which are presented in Attachment A. Total vehicle rental is based on daily rate plus maintenance per mile plus fuel at current market rate.

OTHER SERVICES

Fuel – Fleet Services Sites

Fleet Services requests the rate for Fuel Delivery – Fleet Services Sites be increased by \$.09 to \$0.20 per gallon. The Fuel Delivery rate has not covered costs in recent years and Fleet Services has absorbed cost through reduction of unrestricted net assets. This is no longer a viable strategy. In addition, new software and fuel island controllers have been added over the past two years to maintain service levels and better integrate fuel sales with the fleet management system. With the cost increase, Fleet Services projects County fuel islands costs will continue to be lower than those at retail fuel stations.

Fuel – Commercial

We propose the rate for Fuel Delivery – Commercial be increased by \$.01 to \$0.06 per gallon.

Parts and Sublet Markup

There is 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 be increased.

- The shop labor rate for Fleet Services-owned vehicles – from \$41.85 per hour to \$49.88 per hour.
- The shop labor rate for non-Fleet Services vehicles - from \$74.50 per hour to \$79.92 per hour.

Administrative Services

Fleet Services proposes the monthly Administrative Services rate for fiscal year 2016/17 be increased from \$25.20 to \$28.00. The increase restores the Administrative Services charge to the rate set in FY 2007.

In fiscal years 12/13 and 13/14, 100% of administrative charges were waived and in FY 2014/15, 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 2016/17 remain unchanged at \$3 per wash.

Attachment: Attachment A – Proposed FY 2016/17 Rates for Fleet Services

Internal Audits Review Comments:

The Auditor-Controller approved the FY 2016-17 rate methodology with the understanding that a plan will be developed and operative by January 2017 to address concerns involving required reserves and working capital.

Attachment A
Fleet Services Rate Structure
As of July 1, 2016

Assigned Vehicle Maintenance and Motor Pool Rental Rates

Vehicle Type	Vehicle Description	Motor Pool Coding	FY 2016 Assigned Maint per Mile	FY 2017 Assigned Maint per Mile	Motor Pool Rental Rates*		Motor Pool Rental Rates*	
					FY 2016 Per Hour	FY 2016 Full Day	FY 2017 Per Hour	FY 2017 Full Day
1	Sub Compact Sedan	Sedan 01	.10	.13	3.60	14.40	4.20	16.80
2	Compact Sedan	Sedan 02	.10	.13	6.30	25.20	7.35	29.40
3	Intermediate Sedan	Sedan 03	.11	.14	7.20	28.80	8.40	33.60
4	Mini Van	Van 01	.10	.14	10.35	41.40	12.08	48.30
5	Full Size Van	Van 02	.12	.15	13.05	52.20	15.23	60.90
8	Mini Pick Up	Truck 01	.11	.14	8.10	32.40	9.45	37.80
9	1/2 Ton Pick Up	Truck 02	.11	.14	10.80	43.20	12.60	50.40
10	3/4 Ton Pick Up	Truck 06	.14	.16	11.25	45.00	13.13	52.50
11	4x4 Mini Pick Up	Truck 08	.12	.16	8.55	34.20	9.98	39.90
12	4x4 1/2 Ton Pick Up	Truck 03	.13	.16	11.03	44.10	12.86	51.45
13	4x4 3/4 Ton Pick Up	Truck 04	.13	.16	13.28	53.10	15.49	61.95
14	4x4 Mini Utility	SUV 01	.13	.15	9.90	39.60	11.55	46.20
15	4x4 Utility	SUV 02	.14	.15	20.25	81.00	23.63	94.50
20	Patrol		.17	.19	N/A	N/A		
21	4x2 Utility (SUV)	SUV 03	.14	.15	13.05	52.20	15.23	60.90
22	Full Size Sedan	Sedan 04	.11	.14	8.55	34.20	9.98	39.90
23	Patrol SUV		.17	.19	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	15.49	61.95
17	Heavy Truck	Truck 07	Actual WO	Actual WO	22.28	89.10	25.99	103.95
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 2016 Rate	FY 2017 Rate	Unit
Fuel - Fleet Services Sites	.11	.20	Per gallon markup
Fuel - Commercial	.05	.06	Per gallon markup
Parts	20%	20%	Mark up
Sublet	10%	10%	Mark up
Shop Labor Rate - Fleet Services Vehicles	41.85	49.88	Per hour
Shop Labor Rate - Non Fleet Services Vehicles	74.50	79.92	Per hour
Administrative Services Rate	25.20	28.00	Per month per vehicle
Maintenance - Fixed Monthly Charge	30.60	34.00	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	

Actual work order