

# What Does a Well Managed Fleet Look Like?

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# Background

- This presentation attempts to answer that question by providing an outline of some the key characteristics believed to be inherent in well managed fleets.
- Please keep in mind that this outline is not intended to be an exhaustive list, but rather provides series of factors that management can use to evaluate their own fleet operations and guide them toward improved operations.

# Business Operations

- Has centralized accountability regarding fleet specification, procurement, maintenance and disposal.
- Has a well-developed business plan.
- Has a well defined mission statement and scope of responsibilities regarding its fleet operations.
- Has accurate and readily accessible records.
- Complies with all local, state and federal laws and regulations.
- Has goals for continuous improvement, safety, quality and environmental performance.

# Policies and Procedures

- Has well documented policies and procedures that are effectively implemented in such areas as:
  - Fiscal management and budget.
  - Vehicle/equipment assignment.
  - Out-of-jurisdiction and personal use.
  - Driver training and behavior.
  - Accident and risk management procedures.
  - Fuel management.
  - Data management.
  - Preventive maintenance and repair procedures.

# Policies and Procedures, Cont'd

- Utilization.
- Vehicle/equipment specification, procurement, and replacement.
- Vehicle/equipment disposal.
- Vehicle registration, identification, and marking.
- Vehicle idling.
- Vehicle operations
- Rental and leasing of commercial vehicles.
- Sustainability/environmental issues, including energy and greenhouse gas emissions reductions.
- Personnel.

# Economic Stewardship

- Has a comprehensive asset management program in place.
- Knows the full costs of fleet ownership and usage.
- Charges back fleet customers for these costs.
- Periodically updates chargeback rates as needed.
- Knows how to compute the fully burdened labor rates of its staff.
- Compares its costs to other fleet organizations with similar operations.
- Tracks and monitors key fleet performance indicators.

# Information and Performance Management

- Has a Fleet Information System in place to produce:
  - Equipment Master List
  - Fleet Work Order Summary
  - Downtime Summary
  - Equipment History Cost and Quantity
  - Equipment Usage Report
  - Preventative Maintenance Due
  - PM Completion Summary Report
  - Parts Inventory Movement Report
  - Technician Productivity Report
  - Indirect Labor Summary

# Environmental Stewardship

- Has programs to reduce vehicle miles traveled.
- Right sizes the fleet in number and weight.
- Acquires fuel-efficient vehicles.
- Has anti-idling policies and procedures in place.
- Educates drivers in fuel efficient driving techniques.
- Has a program in place to reduce, reuse and recycle hazardous and nonhazardous waste and conserve air and water quality.
- Monitors waste streams through the shop.
- Trains employees in the proper handling of waste materials.

# Customer Service and Communications

- Has a fleet user committee to foster customer participation and feedback.
- Produces an annual “state of the fleet report”.
- Provides an internal Fleet Web page to foster better communication with fleet customers.
- Has active participation by fleet users in fleet program goals and outcomes.
- Periodically conducts customer satisfaction surveys.

# Vehicle and Equipment Specifications

- Centralizes and standardizes specifications.
- Actively involves fleet customers and maintenance personnel in the process.
- Takes into account life cycle costs when developing fleet specifications.
- Adds terms and conditions regarding:
  - Warranty
  - Latent defects
  - Liquidated damages
  - Standard equipment
  - Compliance with regulations and standards
  - Uniformity of multiple units pursuant to a single specification
  - In-service demonstrations and instruction
  - End product questionnaire

# Replacement

- Has replacement guidelines derived from analysis of the relationships among vehicle age, usage, ownership and operating costs.
- Has a well defined replacement plan that is sufficiently funded
- Has a well documented decision process for those instances when individual fleet units need to be replaced sooner than planned; and, conversely, those units can remain in service cost effectively beyond their normal replacement guideline.

# Vehicle Disposal

- Uses disposal methods that:
  - Maximize vehicle residual value,
  - Remove units that have officially been replaced from the fleet.
  - Remove spare parts no longer needed from inventory.

# Vehicle and Equipment Operators

- Has policies and procedures governing the use and inspection of vehicles and equipment and the reporting of defects.
- Trains drivers in safe and fuel efficient driving techniques.
- Insures that drivers and operators have up-to-date licenses and certificates.
- Reviews driving records periodically.

# Fuel Management

- Has a centralized data base of in-house and outside fuel transactions and vehicle usage.
- Reconciles the amounts of fuel purchased, dropped and dispensed.
- Monitors fuel tank levels.
- Obtains competitively priced fuel through fuel purchasing consortiums and/or other methods.
- Ensures that vehicles are consistently maintained on a scheduled basis.

# Utilization Management

- Develops vehicle and equipment utilization standards.
- Conducts an annual review of vehicle utilization.
- Reports information on the utilization of fleet assets to fleet users.
- Highlights potential sharing opportunities among users.
- Leases off-road and specialty equipment units where it is cost effective to do so.
- Uses GPS and telematics technology to monitor vehicle location, usage and performance.

# Motor Pools

- Has light-duty motor pools located at domiciles to serve users who have regular, but infrequent fleet needs.
- Enables reserving motor pool vehicles easily on line.
- Has well documented policies and procedures that address all facets of the reservation, use, care of and payment for pool vehicles.
- Pools large trucks and equipment units that are expensive but infrequently used to increase their utilization.

# Maintenance

- Has in place and fully utilizes computerized fleet maintenance and parts management systems
- Utilizes automated preventative maintenance scheduling.
- Uses work orders to document all maintenance and repair work.
- In-sources maintenance work from other fleet operations, where cost-effective.
- Fully accounts for mechanics' time.

# Maintenance, Cont'd

- Uses multiple shifts to maximize mechanic productivity
- Has sufficient shop space and diagnostic tools.
- Has a warranty administration program in place.
- Has proper safety procedures in maintenance work areas.
- Sets staffing levels consistent with work volume to produce results efficiently and effectively.
- Has a quality assurance processes in place.

# Use of Personally Owned Vehicles on Agency Business

- Analyzes the cost effectiveness of reimbursing employees for the use of personal vehicles on Agency business.
- Has policies and procedures regarding the reimbursement and safe use of such vehicles on Agency business.

# Take Home Vehicles

- Has clearly defined policies and procedures regarding the circumstances, use and tax liability of employees when they take-home Agency vehicles.