



Contra Costa County Public Works Department

Warren Lai, Director

Deputy Directors
Stephen Kowalewski, Chief
Allison Knapp
Carrie Ricci
Sarah Price
Joe Yee

Memo

March 10, 2025

TO: Internal Operations Committee
Supervisor Candace Andersen, District II, Chair
Supervisor Diane Burgis, District III, Vice Chair

FROM: Warren Lai, Public Works Director *wf*

SUBJECT: FLEET INTERNAL SERVICE FUND FY 2023-24 REPORT

Recommendation

Accept the Internal Service Fund (ISF) Fleet Services report for FY 2023-24.

Background

The Fleet Services Division has operated as an Internal Service Fund since 2008 to ensure stable and long-term vehicle replacement funding.

Fleet Services provides various services to County departments including the acquisition, preventative maintenance, repair, and disposal of fleet vehicles and equipment. The division services the County's fleet of 1722 vehicles/equipment/trailers, of which, 1031 vehicles are included in the ISF program.

ISF Rate Structure

There are three components to recover operational costs for vehicles in the ISF Fleet Services program which are charged to the departments. They are:

1. A fixed monthly cost to cover insurance, Fleet Services overhead, and vehicle depreciation / replacement
2. A variable cost based on miles driven to cover maintenance and repair costs
3. Direct costs for fuel

This rate structure enables the ISF to collect monthly payments from customer departments over the life-cycle of the units to fund operations and enable the systematic replacement of units at the end of a vehicle's useful life or when it becomes a cost-effective decision to do so.

The estimated fixed and variable rates are adjusted each year to develop ISF rates as close to actual costs as possible for each class of vehicle. Accordingly, the FY 2022-23 expenses were reviewed to develop new rates for FY 2023-24, which went into effect September 1, 2023. Please refer to Attachment A accompanying this report for the ISF Fleet Rates Schedule.

Fleet Services Goals and Objectives

- Continue to provide cost-effective services that meet or exceed our customers' needs and expectations by evaluating additional services and new technologies to increase efficiencies.
- Continue to evaluate and recommend for replacement all vehicles and fleet equipment that are due for replacement based on a predetermined schedule and/or a time when it is most cost-effective to do so and in accordance with Administrative Bulletin 508.6. This increases vehicle availability through reduced down time associated with an older fleet.
- Continue to maintain a newer fleet focusing on preventative maintenance thus reducing repair costs typically associated with an older fleet.
- Continue to purchase zero emission vehicles whenever feasible and to increase the number of electric vehicles in the fleet as existing equipment requires replacement.
- Continue to ensure that all County vehicles are maintained and repaired in a timely, safe, and cost effective manner in order to provide departments with safe, reliable vehicles and equipment.
- Continue to work with departments to identify vehicles and equipment that are underutilized in an effort to maximize fleet utilization, identify departmental actual needs, and reduce overall fleet costs.

Highlights

- In FY 2023-24, 102 vehicles were purchased, 6% less than FY 2022-23, and 42% more than were purchased in FY 2021-22. Of this amount, 24 are new additions to the fleet requested by departments for newly hired staff and new or expanded services.
- Fleet Services continually reviews vehicle usage to reduce underutilized vehicles according to Administrative Bulletin 508.6. A recent review of FY 2023-24 usage identified 40 units as being underutilized that required further analysis for possible reassignment or replacement. Fleet will continue to monitor vehicle usage post-pandemic to determine if there are longer lasting work patterns that reduces the need for vehicles.
- Fleet Services continues to promote building a Zero-Emission Fleet according to Administrative Bulletin 508.6 by purchasing 23 electric and 14 hybrid vehicles as replacement vehicles in FY 2023-24.
- Fleet Services continues to install telematics GPS devices, where appropriate, to help improve fleet utilization, identify vehicle locations in the event of an emergency, reduce costs by identifying and immediately reporting operational issues with the vehicle, and improve accuracy of odometer readings. Department users of vehicles equipped with the telematics GPS devices also have access to standard reports which they can use to review incidences of speeding, excessive idling, vehicle utilization, etc. to help reduce departmental fleet cost. 788 vehicles in the County fleet are equipped with these devices.

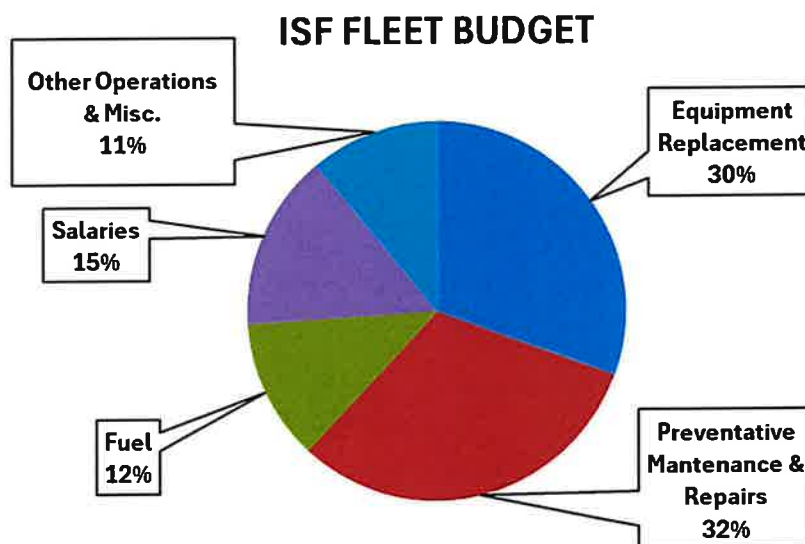
Internal combustion engine light vehicles equipped with the telematics GPS device are enrolled in the State Continuous Smog Testing Program excluding them from the mandatory biennial physical smog test, which reduces cost and vehicle downtime. The telematics device continuously monitors emissions performance and will send a notification immediately when a fault is detected so repairs can be made.

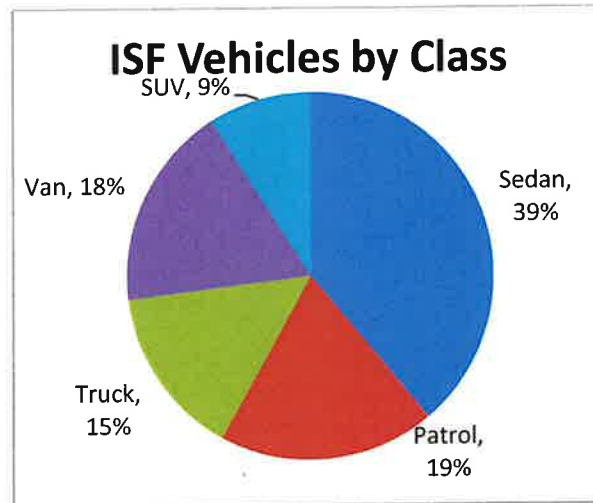
Summary

In FY 2023-24, Fleet Services had a staff of 21 Administration and Operations employees. The Administration section consists of one Fleet Manager, one Fleet Services Supervisor, one Lead Materials Technician, 3 Materials Technicians and one Clerk. The Operations section consists of 3 Equipment Services Workers, 9 Equipment Mechanics and 2 Equipment Service Writers.

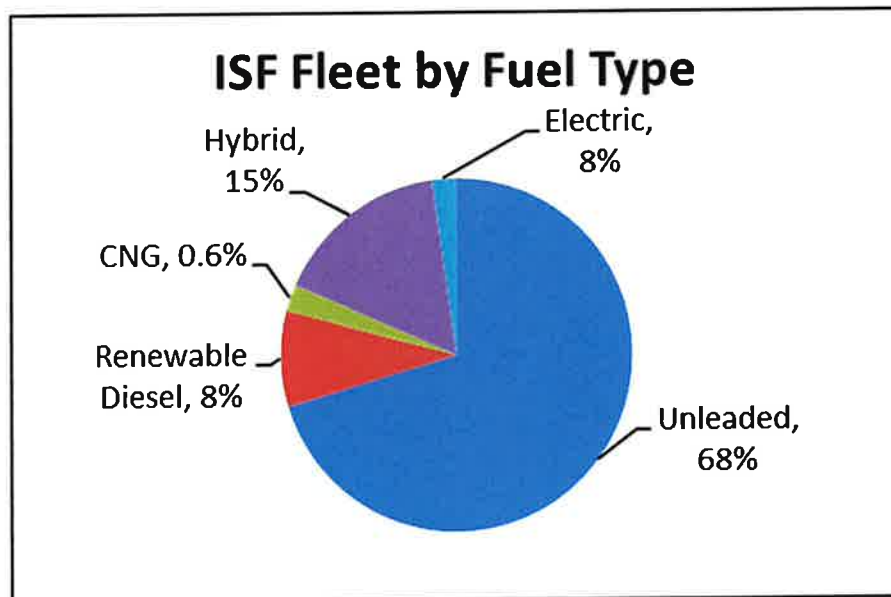
The FY 2023-24 budget of \$23,523,294 included: \$3,422,999 for salaries and benefits; \$7,491,300 for vehicle repairs; \$2,800,000 for fuel; and \$7,259,295 for the replacement of fleet vehicles and equipment.

The FY 2023-24 actual expenditure total was \$18,083,827. In addition, expenditures for the purchase of ISF equipment was \$4,900,848 and \$1,756,915 was on order at fiscal year-end. Included in the FY 2023-24 Total Revenue reported on Attachment B is \$1,778,905 of new revenue for the purchase of additional vehicles and equipment. The ending ISF Fund Balance for FY 2023-24 was \$21,384,074. This increase in fund balance is related to the increased value of equipment within the ISF.





Fleet Services continues to purchase zero emission vehicles whenever feasible and plans to grow the number of electric vehicles in the fleet as existing equipment requires replacement. All diesel vehicles can use renewable diesel fuel and all sedans must have a Zero Emissions Vehicle (ZEV) rating, unless otherwise approved by the County Administrator's Office.



Fleet Services continues to work to achieve the primary goals and objectives of providing County departments with vehicles and equipment that are safe, reliable, economically sustainable, and consistent with departmental needs and requirements at the lowest possible cost. The Division will continue to monitor vehicle use to optimize new vehicle acquisition and better utilize existing vehicle assets.

Attachments

- A ISF Rates Schedule
- B ISF Fund Balance
- C ISF Net Assets

https://cccpublicworks-my.sharepoint.com/personal/joe_yee_pw_cccounty_us/Documents/IOC Annual Fleet ISF Reports/IOC Fleet Report FY2023-24/IOC Fleet Report FY2023-24 Final 3-10-2025.docx

Internal Service Fund - Fleet Services
ISF Fleet Rates Schedule
FY 2022-23

Category	FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	Monthly Rate	Mileage Charge		Monthly Rate	Mileage Charge		Monthly Rate	Mileage Charge		Monthly Rate	Mileage Charge		Monthly Rate	Mileage Charge	
ISF-Sedan	\$378.00	\$0.24		\$388.17	\$0.30		\$397.08	\$0.30		\$460.42	\$0.29		\$461.00	\$0.29	
ISF-Cargo Van	334.5	0.33		326.67	0.47		369.25	0.36		414.58	0.34		431	0.465	
ISF-Passenger Van	327.92	0.45		360.5	0.46		381.83	0.35		433	0.43		433	0.628	
ISF-Patrol	794.25	0.58		905.42	0.61		905	0.56		1,015.92	0.564		1,020.00	0.771	
ISF-Sports Utility Vehicle	432.67	0.4		442.17	0.25		452.75	0.26		498.17	0.269		507	0.269	
ISF-Truck, Compact	258.5	0.32		283.5	0.38		368.42	0.4		469.5	0.343		505	0.701	
ISF-Truck, Fullsize	356.42	0.46		413.75	0.43		421.17	0.46		513.5	0.335		555	0.504	
ISF-Truck, Utility	507.92	0.4		567.67	0.34		624.58	0.33		707.08	0.27		708	0.326	

Internal Service Fund - Fleet Services
Fund Balance
For the Year Ended June 30, 2023

	FY 2022-23	FY 2023-24
Beginning Fund Balance	<u>\$17,664,948</u>	<u>\$19,074,473</u>
Expenses		
Salaries & Benefits	\$2,429,766	\$2,290,238
Services and Supplies, Other Charges	11,500,727	12,379,024
Depreciation	2,935,676	3,414,565
Total Expenses	<u>\$16,866,168</u>	<u>\$18,083,827</u>
Revenues		
Charges for services	\$17,862,317	\$19,897,450
Transfers In/(Out)	-	-
Sale of Surplus Vehicles	302,499	148,095
Indemnifying Proceeds (Accidents)	110,877	347,884
Total Revenue	<u>\$18,275,693</u>	<u>\$20,393,428</u>
Change in Fund Balance	<u>\$1,409,524</u>	<u>\$2,309,601</u>
FY Ending Fund Balance	<u><u>\$19,074,473</u></u>	<u><u>\$21,384,074</u></u>

Internal Service Fund - Fleet Services
Balance Sheet (Fund 150100)
As of June 30, 2023

	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Assets		
Current Assets:		
10 Cash	\$8,024,304	\$8,096,997
100 Accounts Receivable	-7,957	40,877
170 Inventories	145,424	133,573
180 Due From Other Funds	2,135,821	3,039,841
250 Prepaid Expense	7,986	57,662
Total Current Assets	<u>\$10,305,578</u>	<u>\$11,368,949</u>
Noncurrent Assets:		
340 Equipment	\$31,520,371	\$33,951,837
360 Construction In Progress	1,707,887	3,276,354
370 Reserve For Depreciation	-22,614,977	-25,175,743
Total Noncurrent Assets	<u>\$10,613,281</u>	<u>\$12,052,448</u>
Total Assets	<u>\$20,918,860</u>	<u>\$23,421,397</u>
Liabilities		
0500/0510 Accounts Payable	\$1,093,495	\$821,192
540 Due To Other Funds	643,612	1,135,342
640 Employee Fringe Benefit Pay	107,280	80,788
Total Liabilities	<u>\$1,844,386</u>	<u>\$2,037,322</u>
Net Position		
Net Capital Assets	\$10,613,281	\$12,052,448
Working Capital	8,461,192	9,331,626
Total Net Position	<u>\$19,074,473</u>	<u>\$21,384,074</u>