Contra Costa County
Public Works
Department

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Memo

March 23, 2026

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

FROM: Warren Lai, Public Works Director

SUBJECT: FLEET INTERNAL SERVICE FUND FY 2024-25 REPORT

Recommendation

Accept the Internal Service Fund (ISF) Fleet Services report for FY 2024-25.

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 1738 vehicles/equipment/trailers, of which, 1174 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 2023-24 expenses were reviewed to develop new rates for FY 2024-25, which went into effect September 1, 2024. 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 our customers' needs and expectations by evaluating additional services and new technologies to increase efficiency.
- 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 2024-25, 54 vehicles were purchased, 47% less than FY 2023-24, and 50% more than were purchased in FY 2022-23. Of this amount, 8 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 review of FY 2024-25 usage identified 36 units as being underutilized that required further analysis for possible reassignment or disposal. Fleet will continue to monitor vehicle usage and work with departments to determine if there are longer-lasting work patterns that eliminate the need for underutilized vehicles and reassign or dispose of those vehicles as appropriate.
- Fleet Services continues to promote building a Zero-Emission Fleet according to Administrative Bulletin 508.6 by purchasing 23 battery electric vehicles (BEV) and 6 plug-in electric hybrid vehicles (PHEV) as replacement vehicles in FY 2024-25.
- Fleet Services continue 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. 791 vehicles in the County fleet are equipped with these devices.

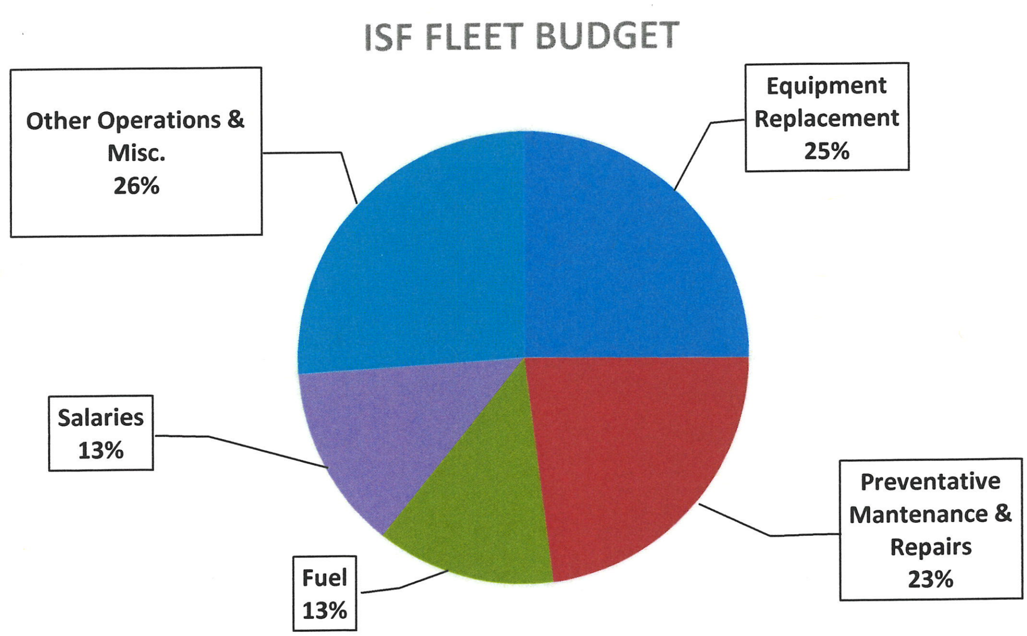
Internal combustion engine light vehicles equipped with the telematics GPS device are enrolled in the State Continuous Smog Testing Program excluding them from the mandatory biennial physical smog test, which reduces cost and vehicle downtime. The telematics device continuously monitors emissions performance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

Summary

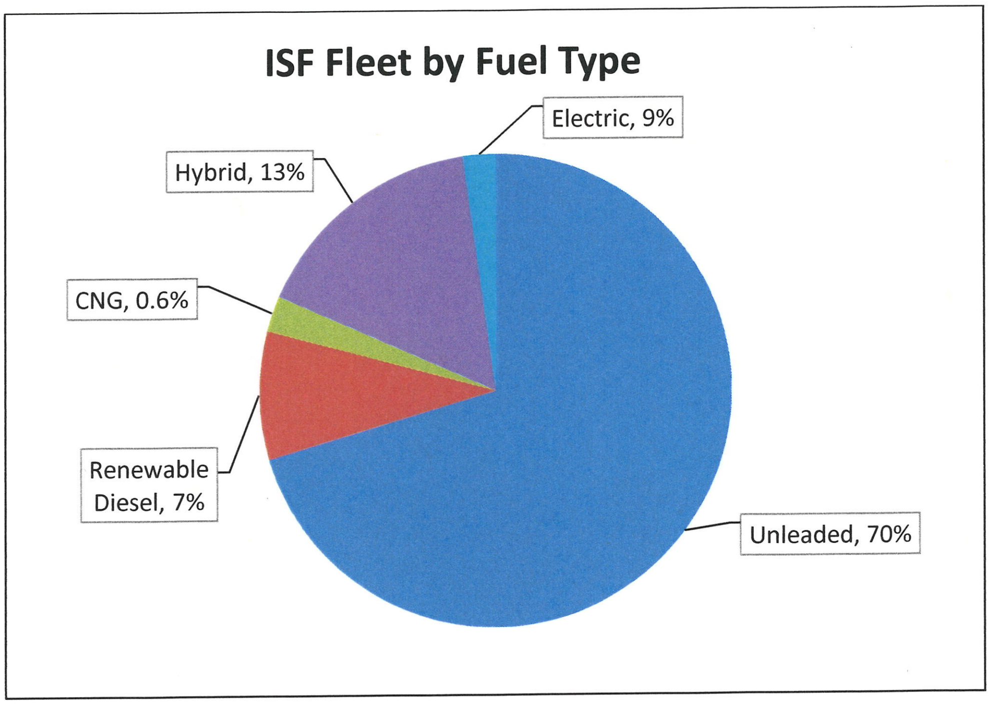
In FY 2024-25, Fleet Services had a staff of 16 Administration and Operations employees. The Administration section consists of one Fleet Manager, one Fleet Services Supervisor, one Lead Materials Technician, 3 Materials Technicians and one Clerk. The Operations section consists of 1 Shop Lead, 2 Equipment Services Workers, 4 Equipment Mechanics and 2 Equipment Service Writers.

The FY 2024-25 budget of $27,279,966 included: $3,600,733 for salaries and benefits; $6,236,309 for vehicle repairs; $3,500,000 for fuel; and $6,847,705 for the replacement of fleet vehicles and equipment.

The FY 2024-25 actual expenditure total was $18,837,911. In addition, expenditures for the purchase of ISF equipment was $3,149,979 and $2,558,321 was on order at fiscal year-end. Included in the FY 2024-25 Total Revenue reported on Attachment B is $3,501,790 of new revenue for the purchase of additional vehicles and equipment. The ending ISF Fund Balance for FY 2024-25 was $26,189,690. 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 increase the number of electric vehicles in the fleet as existing equipment requires replacement. All diesel vehicles can use renewable diesel fuel, and all light vehicles 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

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Internal Service Fund - Fleet Services
ISF Fleet Rates Schedule
FY 2024-25

Category	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25		% Change	
	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge	Monthly Rate	Mileage Charge
ISF-Sedan	$ 378.00	$ 0.240	$ 388.17	$ 0.300	$ 397.08	$ 0.300	$ 460.42	$ 0.294	$ 461.00	$ 0.294	$ 441.00	$ 0.325	-4.3%	10.5%
ISF-Cargo Van	334.50	0.330	326.67	0.470	369.25	0.360	414.58	0.340	431.00	0.465	494.00	0.546	14.6%	17.4%
ISF-Passenger Van	327.92	0.450	360.50	0.460	381.83	0.350	433.00	0.430	433.00	0.628	491.00	0.594	13.4%	-5.4%
ISF-Patrol	794.25	0.580	905.42	0.610	905.00	0.560	1,015.92	0.564	1,020.00	0.771	1,034.00	0.930	1.4%	20.6%
ISF-Sports Utility Vehicle	432.67	0.400	442.17	0.250	452.75	0.260	498.17	0.269	507.00	0.269	490.00	0.294	-3.4%	9.3%
ISF-Truck, Compact	258.50	0.320	283.50	0.380	368.42	0.400	469.50	0.343	505.00	0.701	575.00	0.353	13.9%	-49.6%
ISF-Truck, Fullsize	356.42	0.460	413.75	0.430	421.17	0.460	513.50	0.335	555.00	0.504	600.00	0.514	8.1%	2.0%
ISF-Truck, Utility	507.92	0.400	567.67	0.340	624.58	0.330	707.08	0.270	708.00	0.326	743.00	0.389	4.9%	19.3%

Attachment A

Internal Service Fund - Fleet Services
Fund Balance
For the Year Ended June 30, 2025

	FY 2023-24		FY 2024-25	
Beginning Fund Balance		**$ 19,074,473**		**$ 21,384,074**
Expenses				
Salaries & Benefits	$ 2,290,238		$ 2,306,366	
Services and Supplies, Other Charges	12,379,024		12,737,065	
Depreciation	3,414,565		3,794,480	
Total Expenses		**$ 18,083,827**		**$ 18,837,911**
Revenues				
Charges for services	$ 19,897,450		$ 23,105,866	
Transfers In/(Out)	-		27,258	
Sale of Surplus Vehicles	148,095		320,108	
Indemnifying Proceeds (Accidents)	347,884		190,295	
Total Revenue		**$ 20,393,428**		**$ 23,643,527**
Change in Fund Balance		**$ 2,309,601**		**$ 4,805,616**
FY Ending Fund Balance		**$ 21,384,074**		**$ 26,189,690**

Attachment B

Internal Service Fund - Fleet Services
Balance Sheet (Fund 150100)
As of June 30, 2025

			FY 2023-24		FY 2024-25
Assets					
Current Assets:					
0010	Cash	$	8,096,997	$	12,639,634
0100	Accounts Receivable		40,877		(14,766)
0170	Inventories		133,573		155,269
0180	Due From Other Funds		3,039,841		3,632,343
0250	Prepaid Expense		57,662		110,770
	Total Current Assets	$	11,368,949	$	16,523,249.78
Noncurrent Assets:					
0340	Equipment	$	33,951,837	$	37,442,227
0360	Construction In Progress		3,276,354		901,503
0370	Reserve For Depreciation		(25,175,743)		(26,887,781)
	Total Noncurrent Assets	$	12,052,448	$	11,455,950
	Total Assets	**$**	**23,421,397**	**$**	**27,979,199**
Liabilities					
0500/0510	Accounts Payable	$	821,192	$	620,955
0540	Due To Other Funds		1,135,342		1,062,948
0640	Employee Fringe Benefit Pay		80,788		105,607
	Total Liabilities	**$**	**2,037,322**	**$**	**1,789,510**
Net Position					
	Net Capital Assets	$	12,052,448	$	11,455,950
	Working Capital		9,331,626		14,733,740
	Total Net Position	**$**	**21,384,074**	**$**	**26,189,690**

Attachment C