City of Kyle Texas Fleet Assessment Study

October 2025

Alvarez & Marsal Public Sector Services

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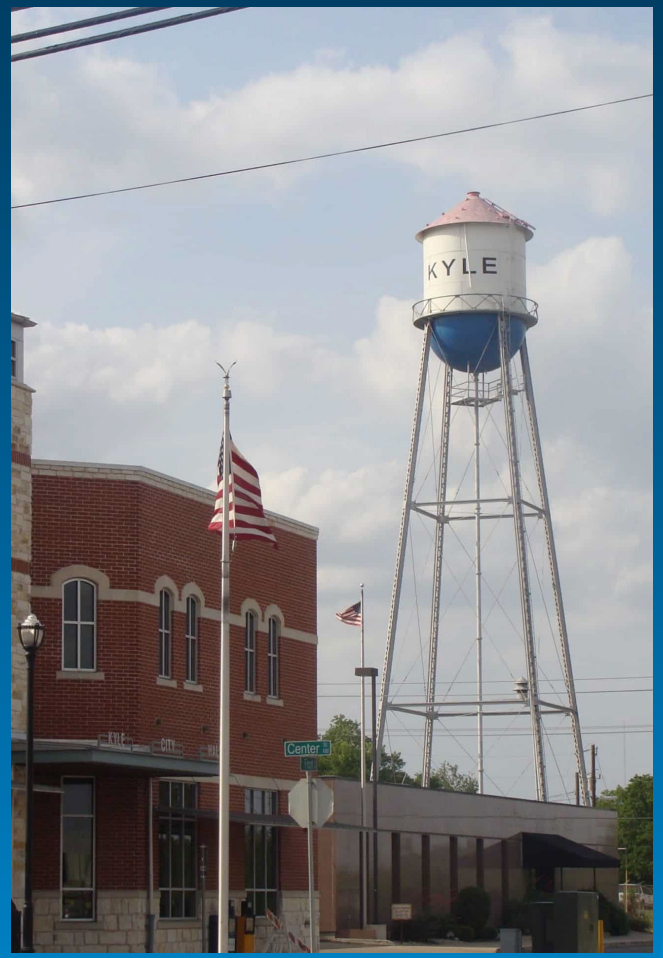


Fleet Management Challenges, Opportunities, Recommendations, and Future State

A&M's review of the City's decentralized fleet operations identified 25 recommendations to improve management, staffing, and finances, with strengthened governance, technology, and contract efficiencies enabling a shift to a centralized, data-driven program that supports sustainable growth and informed decision

Observations & Opportunities	A&M Recommendations
Inventory and Condition Assessment	
• Siloed systems limit visibility and efficiency • No centralized monitoring reduces awareness of fleet performance • Limited governance and ownership weakens consistency and compliance	• Create a unified asset system to eliminate silos and centralize fleet data • Standardize data tracking and reporting for usage and performance • Streamline maintenance and purchasing for consistency and cost control
Enterprise Contract Analysis & Cost Recovery	
• Enterprise lease costs exceed peers and reduce efficiency • Decentralized funding limits cost transparency and oversight • No renewal or replacement policy hinders long-term sustainability	• Restructure the Enterprise lease to reduce costs and align terms with performance goals • Centralize fleet funding with clear cost allocation and governance for better oversight • Adopt renewal and replacement policies with lifecycle analysis for sustainable investment.
Future Planning and Sustainability	
• Limited resources and oversight reduce coordination and efficiency • Poor data visibility hinders informed asset and replacement decisions • Disconnected systems restrict data sharing and fleet performance management	• Establish a structured fleet organization with clear leadership and standardized oversight • Implement formal policies and a Fleet Master Plan to guide maintenance, utilization, and asset management • Modernize fleet technology and integrations to improve data-driven decisions and efficiency

Future State

- ✓ **Centralized Fleet Management:** Unified systems provide real-time visibility, accountability, and control across all assets
- ✓ **Data-Driven Decisions:** Standardized metrics and lifecycle analysis enable smarter budgeting and replacement choices
- ✓ **Operational Efficiency:** Streamlined contracts and maintenance programs cut costs and boost performance
- ✓ **Sustainable Planning:** Renewal and replacement policies ensure predictable funding and long-term stability
- ✓ **Integrated Technology:** Connected systems and telematics enhance automation, analytics, and improvement

Scope of Work

A&M conducted a comprehensive Phase I Fleet Management Study over four weeks, assessing the City's fleet vehicles and equipment to define a future-state organizational model. The Study presents findings across the following areas and outlines the methodology below.

1. Fleet Assessment & Financial Analysis

Inventory and Condition Assessment: Reviewed existing fleet inventory records and identify gaps in fixed asset information

Enterprise Lease Contract Analysis & Cost Recovery: Developed methodology for examining the City's current fleet operations charge back model and provide recommendations for future cost recovery and funding models

2. Future Planning and Sustainability

Future State Organizational Structure and Efficiency: Created a future state staffing model for a consolidated fleet operations center. Identified staffing requirements, **technology needs and operational processes** to optimize the workforce and future state organization

3. Methodology

- **Data Collection**: Gathered fleet asset inventory data (e.g., assets by department, maintenance logs, financials) through document reviews and municipal service projected growth expansion including and interviews with key personnel
  - **Analysis**: Conducted quantitative (e.g., strategic growth studies, revenue recovery, cost benchmarking) and qualitative (e.g., organizational review) assessments
  - **Stakeholder Engagement**: Collaborated with the Key Department Stakeholders to incorporate future state growth operating vision
  - **Interviews**: Performed interviews to validate data, current fleet inventory, and future service demand needs

During the short scope Assessment, A&M analyzed broad and diverse data and information

12
Interviews with City of Kyle Texas Fleet Stakeholders

68+
Document Reviews

10+ Data Analyses Performed

Research & Fact Finding

Developed a comprehensive fact base including background information and data from fleet reports, draft policy documents, finance/budget documents, and technology overview.

Interviews & Stakeholder Engagement

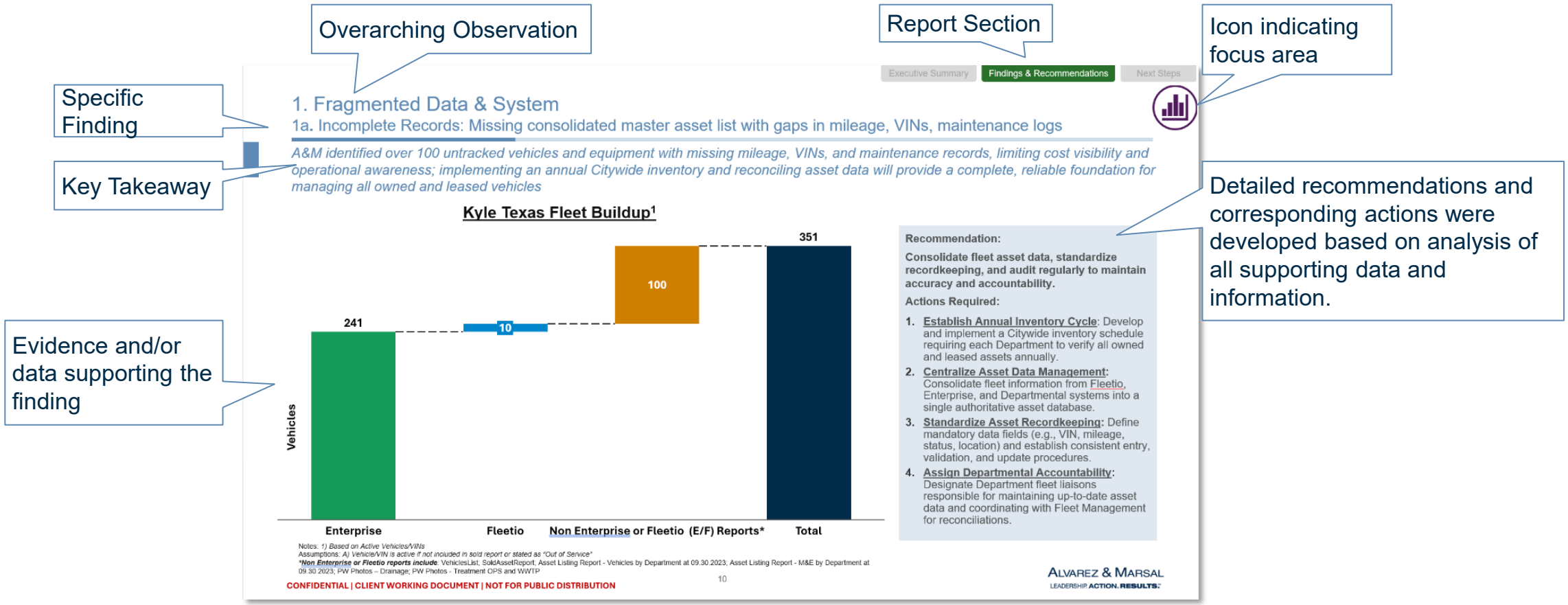
Interviewed Department leaders, fleet users, and Finance staff to identify operational challenges and opportunities to improve coordination, policies, and long-term fleet planning.

Recommendations

Initial findings are supported by 25 actionable recommendations organized by impact vs. level of effort

How to Navigate the Report

*The report is organized around the three themes the City asked A&M to evaluate (**[1]** Inventory and Condition Assessment **[2]** Enterprise Lease Contract Analysis & Cost Recovery **[3]** Future Planning and Sustainability). Each section begins with an overview of key observations and findings, followed by supporting slides that present evidence, data, and corresponding recommendations.*



Inventory & Condition

Fleet Inventory & Condition Challenges Facing the City of Kyle Texas

A review of the City's current fleet inventory and condition data highlighted challenges that limit accurate asset tracking, cost visibility, and impact the City's ability to effectively build a reliable and sustainable fleet management program

KEY OBSERVATIONS & FINDINGS

1. Fragmented Data & System

a. **Incomplete Records:** Missing consolidated master asset list with gaps in mileage, VINs, maintenance logs

b. **Phantom Vehicles:** VINs in fuel/insurance but not in other systems

c. **Conflicting Departments:** Assets are assigned differing Departments depending on the report/system

d. **Equipment Assets:** Data availability drastically reduces for other fleet assets

2. Absent Controls & Accountability

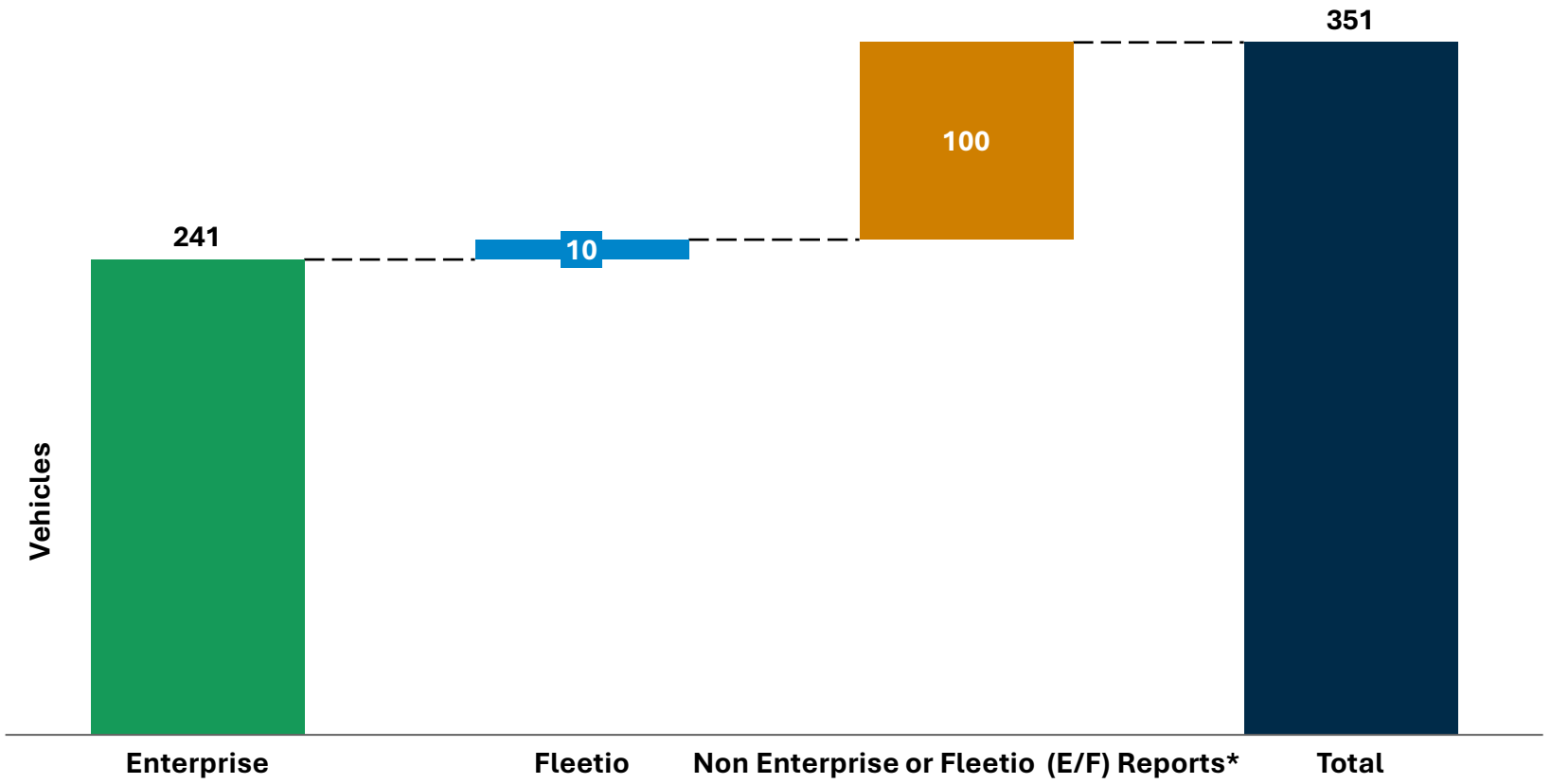
a. **Maintenance Tracking Gap:** Lack of maintenance tracking and decentralized purchasing prevents visibility into fleet condition, costs, and accountability

1. Fragmented Data & System

1a. Incomplete Records: Missing consolidated master asset list with gaps in mileage, VINs, maintenance logs

A&M identified over 100 untracked vehicles and equipment with missing mileage, VINs, and maintenance records, limiting cost visibility and operational awareness; implementing an annual Citywide inventory and reconciling asset data will provide a complete, reliable foundation for managing all owned and leased vehicles

Fleet Buildup[1]



Recommendation:

Consolidate fleet asset data, standardize recordkeeping, and audit regularly to maintain accuracy and accountability.

Actions Required:

1. **Establish Annual Inventory Cycle**: Develop and implement a Citywide inventory schedule requiring each Department to verify all owned and leased assets annually.
2. **Centralize Asset Data Management**: Consolidate fleet information from Fleetio, Enterprise, and Departmental systems into a single authoritative asset database.
3. **Standardize Asset Recordkeeping**: Define mandatory data fields (e.g., VIN, mileage, status, location) and establish consistent entry, validation, and update procedures.
4. **Assign Departmental Accountability**: Designate Department fleet liaisons responsible for maintaining up-to-date asset data and coordinating with Fleet Management for reconciliations.

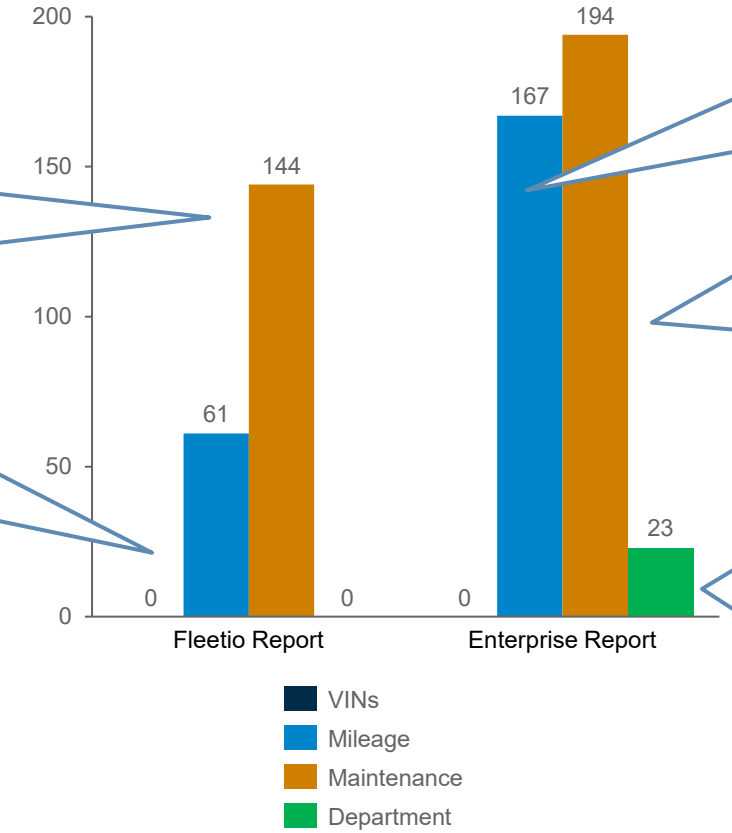
Notes: *1) Based on Active Vehicles/VINs*
Assumptions*: A) Vehicle/VIN is active if not included in sold report or stated as "Out of Service"*
***Non Enterprise or Fleetio reports include**:* VehiclesList; SoldAssetReport; Asset Listing Report - Vehicles by Department at 09.30.2023; Asset Listing Report - M&E by Department at 09.30.2023; PW Photos – Drainage; PW Photos - Treatment OPS and WWTP

1. Fragmented Data & System

1a. Incomplete Records: Missing consolidated master asset list with gaps in mileage, VINs, maintenance logs, Departments

Missing mileage, VIN, and maintenance data across all tracking systems creates a "data desert" that prevents the City from answering basic questions: Which vehicles cost the most to operate? When should assets be replaced? Are we compliant with warranty requirements?

Vehicles Missing Key Data by Report



100% of **vehicles** in Fleetio are **missing Maintenance Logs**

42% of **vehicles** in Fleetio **are missing Mileage**

86% of **vehicles** in Enterprise are **missing Mileage**

37% of **vehicles** in Enterprise are **missing Maintenance Logs**

12% of **vehicles** in Enterprise are **missing a Department**

Additional Report Findings

Asset Listing Reports: 41% missing VINs prevents the City from identifying VINs by Department

Sold Asset Report: 100% missing VINs and Departments prevents the City from identifying sold/disposed assets by Department

Actions Required (cont.)

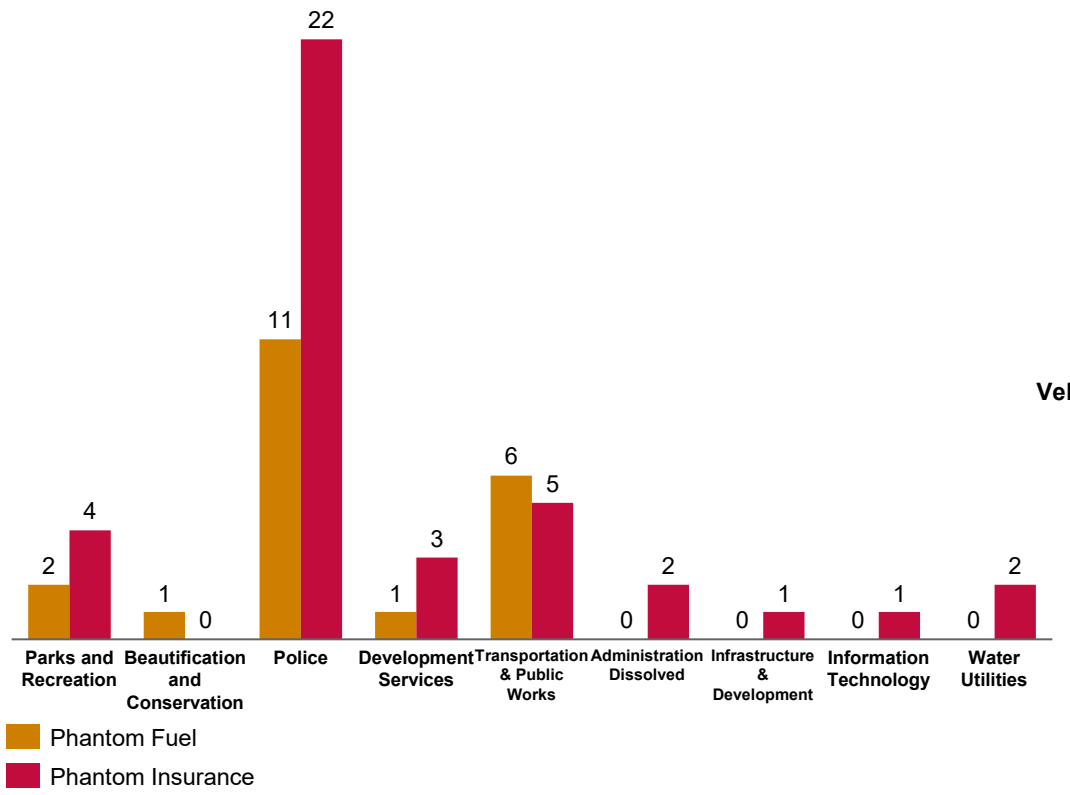
5. **Mandate Minimum Data Standards:** Require 100% completion of critical fields before vehicles enter service.
6. **Create Data Entry Protocols:** Develop SOPs with checklists for data entry timing and staff accountability.
7. **Establish Quarterly Data Audits:** Run completeness reports quarterly; resolve systematic gaps with Departments.

1. Fragmented Data & System

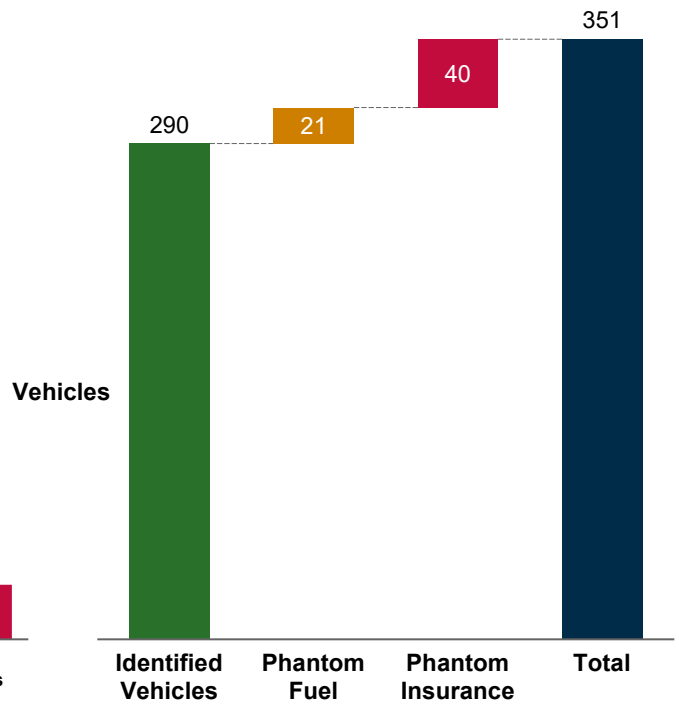
1b. Phantom Vehicles: VINs in fuel/insurance but not in other systems

61 active vehicles (17% of the fleet) are operating as "shadow assets" fueled and/or insured but absent from Fleetio tracking—leaving the City unable to schedule maintenance, track total cost of ownership, plan replacements, or ensure these assets receive proper oversight

Phantom Vehicles by Department



Phantom Vehicles



Recommendation:

Require Fleetio registration before service, integrate VIN validation, and train departments on compliance.

Actions Required:

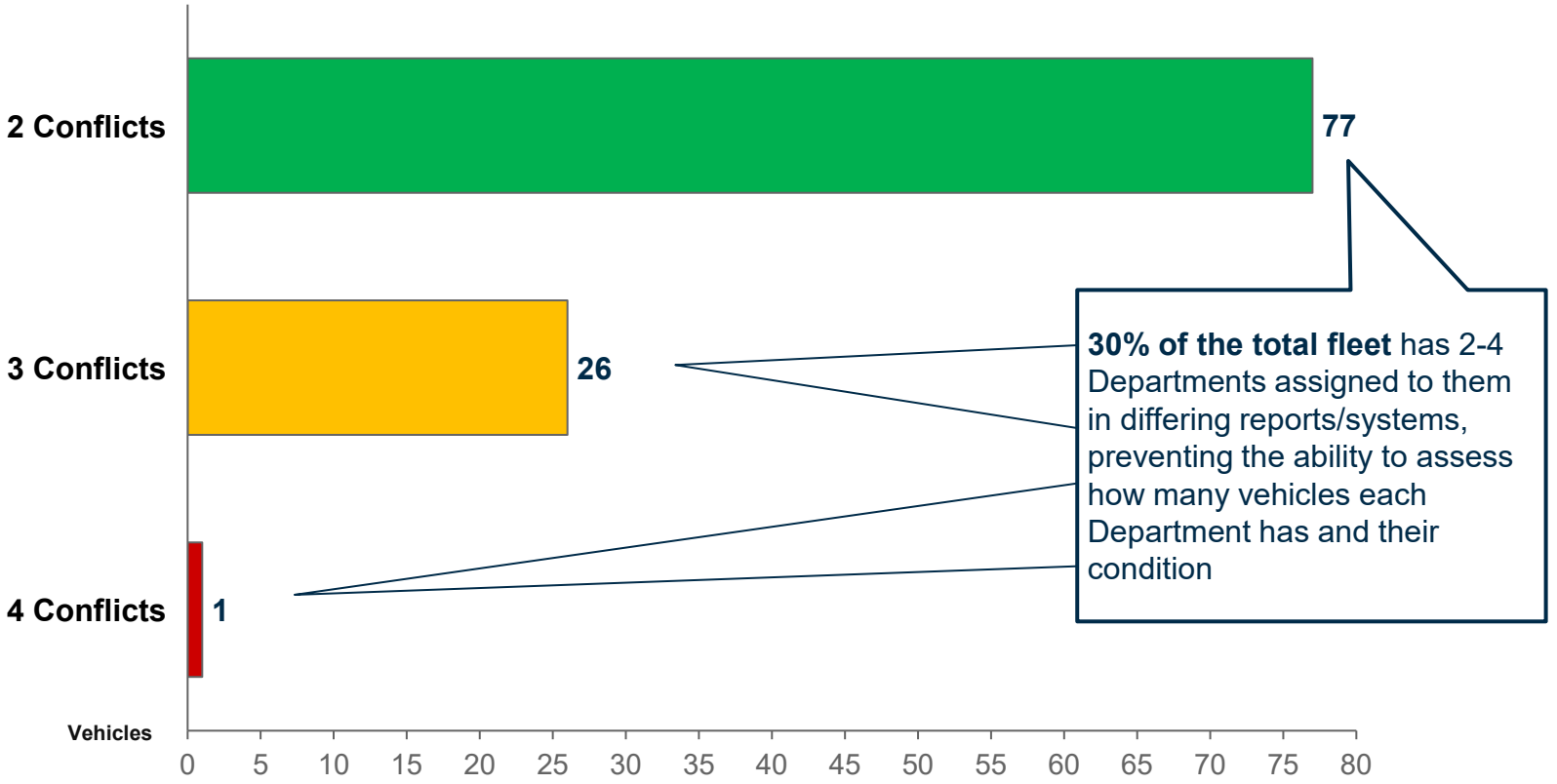
1. **Establish Mandatory Intake Protocol**: No vehicle enters service without Fleetio registration and fleet manager sign-off
2. **Implement System Integration Controls**: Configure fuel/insurance systems to reject VINs not in Fleetio
3. **Perform Monthly VIN Reconciliation**: Automate monthly VIN matching across systems; resolve variances within 15 days
4. **Educate Departmental Leadership**: Communicate intake requirements emphasizing liability and maintenance management risks

1. Fragmented Data & System

1c. Conflicting Departments: Assets are assigned differing Departments depending on the report/system

30% of the fleet (104 vehicles) shows conflicting Departmental assignments across systems—some with up to 4 different "owners"—eliminating the City's ability to accurately allocate annual fleet costs, hold Departments accountable for asset care, or make informed budget decisions without a complete physical inventory

Vehicles with Departmental Conflicts



Recommendations:

Reconcile data across systems, automate synchronization, and track temporary vehicle use under a loaner status.

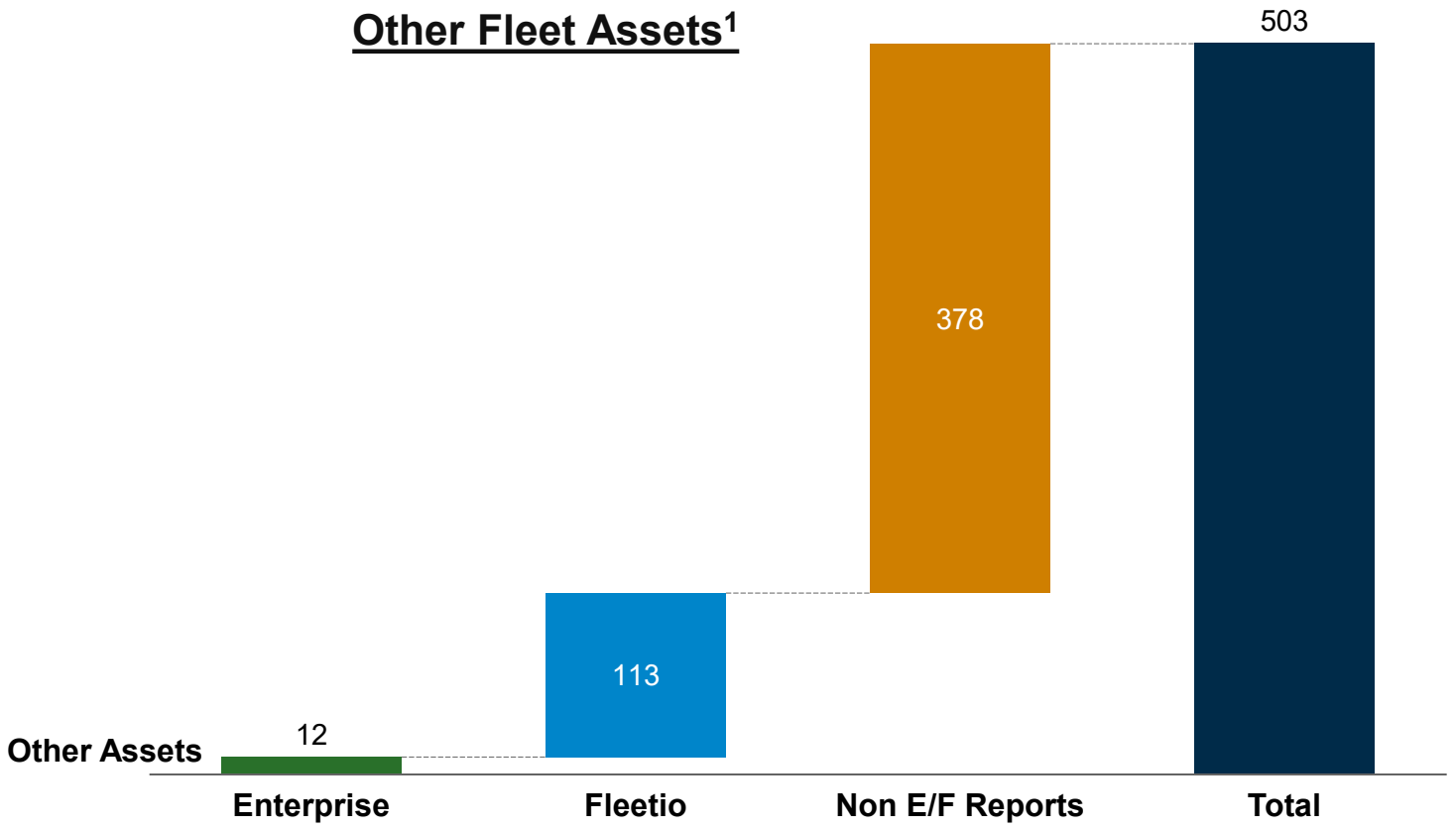
Actions Required:

1. **Resolve Conflicting Fleetio Records:** Update all 104 conflicting records within 45 days of audit completion.
2. **Establish Cross-System Data Sync:** Auto-sync Fleetio assignments to fuel, insurance, and financial systems.
3. **Prevent Future Interdepartmental Loans:** Create "loaner" status to track temporary usage without changing ownership.

1. Fragmented Data & System Chaos

1d. Equipment Assets: Data availability drastically reduces for other fleet assets

Equipment assets—including trailers, tractors, mowers, equipment, and generators —operate with zero maintenance records, zero utilization tracking, and even less system visibility than vehicles, creating a complete management void where condition, location, and replacement needs are entirely unknown



Notes: *1) Based on Active Other Assets*
Assumptions*: A) Other Asset is active if not included in sold report or stated as "Out of Service", B) Other Asset is defined as anything other than a Vehicle.*
***Non Enterprise or Fleetio reports include**:* VehiclesList; SoldAssetReport; Asset Listing Report - Vehicles by Department at 09.30.2023; Asset Listing Report - M&E by Department at 09.30.2023; PW Photos – Drainage; PW Photos - Treatment OPS and WWTP

Recommendation:

Inventory and tag all non-vehicle assets, define maintenance schedules, and assess condition annually.

Actions Required:

1. **Conduct Complete Non-Vehicle Asset Inventory**: Physical count all equipment; document condition, location, serial numbers, and custody
2. **Add All Assets to Fleet Management System**: Enter every non-vehicle asset into Fleetio establishing single source of truth and preventing future "ghost assets"
3. **Assign Physical Asset ID Tags**: Apply barcodes/RFID to all equipment enabling trackability and theft prevention
4. **Establish Equipment Maintenance Standards**: Define preventive maintenance schedules by asset type with compliance tracking
5. **Implement Usage Tracking for High-Value Equipment:** Require operators to log hours/usage on tractors, mowers, generators to inform replacement timing
6. **Create Annual Equipment Condition Assessment**: Inspect all non-vehicle assets documenting condition, needed repairs, and remaining useful life

2. Absent Controls and Accountability

2a. Maintenance Tracking Gap: Lack of maintenance tracking and decentralized purchasing prevents visibility into fleet condition, costs, and accountability

The City lacks visibility into fleet maintenance costs and vehicle condition—only 71 of 351 vehicles (20%) have any maintenance records, while $42,000 in documented parts purchases from 2022-2025 cannot be traced to specific vehicles, Departments, or operators, preventing lifecycle cost analysis and hiding duplicate purchases

- Cannot Calculate Total Cost of Ownership
- Cannot Assess Vehicle Condition or Safety
- Cannot Hold Departments Accountable
- Cannot Capture Bulk Purchase Savings
- Cannot Track Preventive Maintenance
- Cannot Budget for Future Needs

Recommendation:

Centralize parts purchasing, implement preventive maintenance, and standardize vendor contract

Actions Required:

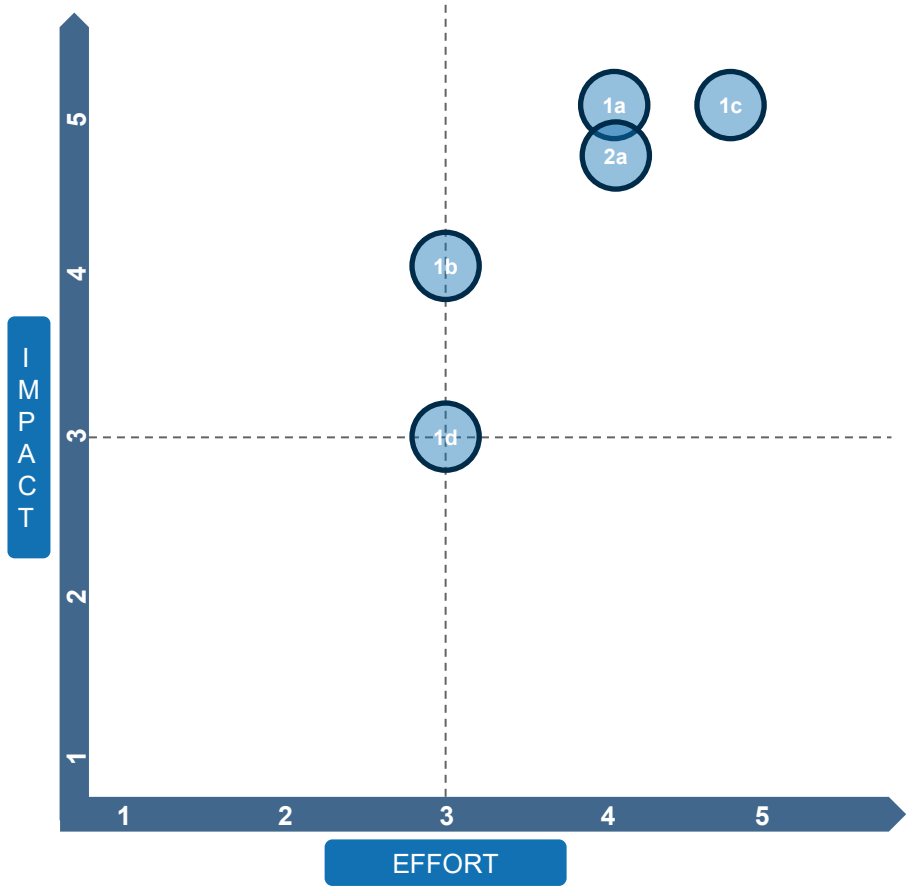
1. **Centralize All Parts Purchasing**: Eliminate operator retail purchases; establish fleet-managed procurement with bulk discounts
2. **Conduct Fleet-Wide Condition Assessment**: Perform safety inspections on all 351 vehicles; identify deferred maintenance risks
3. **Establish Preventive Maintenance Program**: Create automated schedules based on telematics with compliance tracking
4. **Negotiate Fleet Vendor Contracts:** Establish preferred vendors with negotiated rates requiring VIN data for payment

Inventory & Condition Recommendations

A&M identified five inventory and condition opportunities; two are moderate effort win opportunities that when implemented can help the City develop a comprehensive understanding of their fleet status and condition

	#	Recommendation	Impact	Effort
Inventory and Condition	1a	Consolidate fleet asset data, standardize recordkeeping, and audit regularly to maintain accuracy and accountability.	5	4
	1b	Require Fleetio registration before service, integrate VIN validation, and train departments on compliance.	4	3
	1c	Reconcile data across systems, automate synchronization, and track temporary vehicle use under a loaner status.	5	5
	1d	Inventory and tag all non-vehicle assets, define maintenance schedules, and assess condition annually.	3	3
	2a	Centralize parts purchasing, implement preventive maintenance, and standardize vendor contract	5	4

Fleet Optimization Initiatives: Impact vs. Effort Matrix



Enterprise Lease Contract Analysis & Cost Recovery

Enterprise Contract Analysis & Cost Recovery Challenges Facing the City of Kyle Texas

An analysis of the City's Enterprise contract and fleet funding approach reveals key financial and operational challenges that limit cost recovery, transparency, and long-term planning. The following issues highlight inefficiencies in the City's leasing strategy, funding structure, and capital planning practices that must be addressed to improve fiscal sustainability and overall fleet performance.

KEY OBSERVATIONS & FINDINGS

1. High-Cost Enterprise Lease Structure

a. The Enterprise contract terms create cost and efficiency challenges

2. Lack of Consolidated Fleet Funding Operating Model

a. Fragmented funding model limits cost transparency and centralized oversight.

b. No defined cost allocation framework

c. No defined total cost of ownership (TOC) pricing model

3. Limited Fleet Financial Asset Management and Long Term Planning

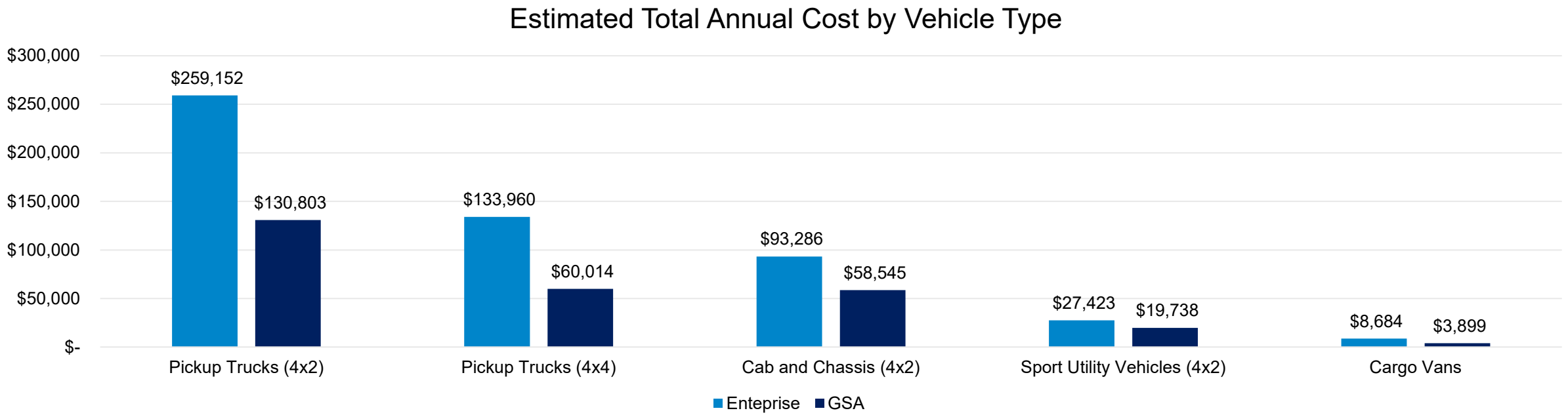
a. The City does not current utilize capital asset renewal and replacement reserve policies.

1. High-Cost Enterprise Lease Structure

1a. The Enterprise contract and terms create cost and efficiency challenges

An analysis of FY2025–2026 leases shows Enterprise's costs are higher than General Services Administration (GSA) leasing program, with Year 1 lease expenses significantly exceeding GSA despite lower maintenance costs which highlights inefficiencies and the need to explore cost-effective alternatives or renegotiate the Enterprise contract

	Enterprise Rates	GSA Rates
Lease Cost Year 1	$483,114.24	$158,532.00
Maintenance Cost Year 1	$39,390.43	$114,466.60
Total Year 1 Cost	$522,504.67	$272,998.60
Total Year 1 Qty	**57**	**57**



1. High-Cost Enterprise Lease Structure

1a. The Enterprise contract terms create cost and efficiency challenges.

*An analysis of the existing Enterprise Fleet contract shows it aligns with industry standards in many areas but **has notable weaknesses, such as costly early termination penalties, limited warranties, and administrative burdens.** Competitors offering closed-end leases, bundled services, and fixed rates may provide additional options for improving financial predictability and operational efficiency.*

Internal

External

Positive

Negative

Strengths

- **Flexibility in Termination**: The "non-appropriation" clause allows the City to terminate the lease if funds are not appropriated, reducing long-term financial risk
- **Maintenance Coverage**: Enterprise offers
- maintenance services, reducing the City's administrative burden for vehicle upkeep 5
- **Predictable Costs**: Leasing provides fixed monthly payments, aiding in budget management compared to unpredictable ownership costs.

Weaknesses

- **Costly Early Termination**: If the City of Kyle ends the lease early, fees are recalculated using the "rule of 78's," which front-loads costs and can result in significant financial penalties.
- ***High lease costs**: In comparison to government vehicle leasing programs, the Enterprise contract costs are high*

Opportunities

- **Fleet Modernization:** Leasing enables the City to maintain a modern fleet without upfront purchase costs, improving efficiency and public perception.
- **Negotiation Potential:** *Dissatisfaction with the current contract could be leveraged to secure better terms*, such as changes in leases or maintenance fees.
- **Budget Management:** Predictable monthly costs help the City manage its budget more effectively compared to owning vehicles.

Threats

- **Non-Appropriation Risk**: Failure to appropriate funds could lead to financial penalties and early lease termination costs.
- **Enterprise Dependency**: Reliance on Enterprise for maintenance and services risks operational disruptions if services are delayed or fail.
- **Market Risks:** The City may owe depreciation adjustments if vehicle resale values drop below book value.

Recommendation:

Evaluate the City's existing Enterprise Fleet Lease contract against competitive municipal lease models to improve flexibility, reduce penalties, and enhance financial predictability through fixed-rate, performance-based agreements.

Actions Required:

1. **Conduct a Comprehensive Benchmark Competitors**: Compare Enterprise's pricing and service model against other municipal lease providers offering closed-end leases and bundled services.
2. **Negotiate Flexibility**: Pursue revised contract terms that allow for vehicle returns, replacements, or volume adjustments without penalty.
3. **Prioritize Predictability**: Consider fixed-rate, all-inclusive lease structures that provide stable costs over the vehicle lifecycle.
4. **Enhance Oversight**: Establish clear performance and cost reporting standards for any leasing provider to support data-driven fleet management.

2. Lack of Consolidated Fleet Funding Operating Model

2a. Fragmented funding model limits cost transparency and centralized oversight.

The City currently funds fleet operations through the General Fund, creating limited cost visibility and inconsistent replacement funding. Transitioning to an Internal Service Fund model would align fleet operations with industry leading practices—providing cost transparency, predictable funding, and improved accountability

Category	Current Model: General Fund and Wastewater and Water Utility Funds	Proposed Model: Internal Service Fund (ISF)
Funding Source	Fleet costs are funded directly from the General Fund and Department budgets.	**Departments pay for fleet services through chargebacks** (rates for maintenance, fuel, replacement).
Cost Visibility	**Limited visibility** — fleet costs are mixed with Departmental budgets, making it difficult to see total operating costs.	**Transparent** — all costs (labor, parts, fuel, overhead) are captured and billed to users, showing true cost of service.
Accountability	Departments have **little financial accountability** for how vehicles are used or maintained.	Departments are responsible for managing their usage and budgets, encouraging efficient fleet utilization.
Budget Predictability	**Annual costs fluctuate**; replacement and maintenance funding often deferred due to general fund constraints.	Predictable — stable chargeback rates allow for consistent cost recovery and long-term planning.
Fleet Replacement	**Replacement funds often delayed** or inconsistent due to competing general fund priorities.	Dedicated **Replacement Reserve Fund** is established and replenished annually through chargebacks.
Operational Management	**Fragmented** — fleet costs, repairs, and replacements are tracked inconsistently across Departments.	**Centralized** — fleet operations are managed holistically, improving coordination and standardization.

Recommendation:

Shift fleet operations from the General Fund to an Internal Service Fund to improve cost transparency, establish predictable replacement funding, and align financial management with best municipal practices.

Actions Required:

1. **Develop Transition Framework**: Establish a phased plan to shift fleet-related costs from the General Fund to a centralized Internal Service Fund over multiple fiscal years.
2. **Define Cost Allocation Model**: Identify appropriate chargeback rates based on vehicle usage, Department demand, and total cost of ownership.
3. **Integrate Enterprise and General Funds**: Align Water and Wastewater enterprise fleet costs under the same ISF to promote unified budgeting and management.
4. **Establish Start-Up Reserve**: Create a beginning balance within the ISF to fund initial maintenance, fuel, and replacement costs before chargebacks are fully implemented.

2. Lack of Consolidated Fleet Funding Operating Model

2b. No defined cost allocation framework.

The City lacks a structured framework to allocate fleet costs fairly, limiting transparency into real operating expenses and vehicle use. A clear, consistent model would strengthen accountability, drive smarter decisions, and align fleet operations with best-in-class municipal standards

Establish Cost Categories

Break down fleet expenses into major cost pools:

- **Operating Costs**: labor and personnel costs, fuel, maintenance, repairs, and parts.
- **Replacement Costs**: vehicle depreciation, reserve contributions for future purchases.
- **Overhead Costs**: fleet administration, software, utilities, facility expenses and Citywide administrative overhead (e.g., IT, City Adminisrtation, Public Works, Finance, etc.)

Assign Cost Drivers

Determine how each cost category should be allocated:

- **Usage-Based**: mileage, engine hours, or fuel consumption.
- **Asset-Based**: vehicle type, class, or acquisition cost.
- **Proportional Allocation**: distribute administrative overhead equally across Departments or per vehicle.

Calculate the Full Cost of Ownership

For each vehicle or class of vehicles, calculate:

- Acquisition cost / expected life (depreciation).
- Annual maintenance and repair history.
- Fuel consumption and insurance.
- Administrative overhead allocation.

This results in a total cost per vehicle per year, forming the baseline for chargeback rates.

Design Department Chargeback Rates

Develop rate structures that reflect usage and cost recovery goals:

- **Fixed Rate**: covers replacement and overhead costs.
- **Variable Rate**: covers usage-based operating expenses (fuel, maintenance, etc.).
- **Hybrid Model**: combines both — offering predictability while linking charges to actual usage.

Example: $450/month fixed + $0.22/mile variable)

Integrate with Internal Service Fund

- Deposit all chargeback revenue into the Fleet Internal Service Fund.
- Use the fund for maintenance, fuel, replacements, and technology investments.
- Publish quarterly reports showing fund balance, expenditures, and service levels.

Recommendation:

Develop and phase in a consistent, data-driven chargeback system that aligns fleet expenses with departmental usage. This approach will promote accountability, improve budget predictability, and ensure fair cost distribution across all City operations.

Actions Required:

1. **Build Complete Fleet Cost Baseline:** Consolidate fuel, maintenance, lease, and replacement data to capture the full cost of fleet operations.
2. **Start with a Pilot Group:** Test the cost model with high-usage Departments (e.g., Public Works, Police) to validate rate assumptions and refine data inputs.
3. **Establish Rate Review Process:** Create an annual review with Finance and Department Heads to evaluate chargeback performance and adjust rates as needed.
4. **Build Stakeholder Buy-In:** Communicate the purpose and benefits of the model, predictable budgeting, cost transparency, and fairness, to gain Department support.
5. **Integrate Systems and Reporting:** Align the fleet management system, financial software, and internal service fund reporting to streamline billing and tracking.

2. Lack of Consolidated Fleet Funding Operating Model

2c. No defined charge back or cost recovery model

A TCO model captures all vehicle-related expenses, providing a full view of fleet costs over time. It supports smarter replacement planning and long-term cost control

Effective Fleet Cost Management through TOC

Managing fleet costs requires a clear understanding of both direct and indirect expenses, paired with strategic planning to drive efficiency and savings.

Key Strategies:

- Analyze fleet costs to uncover hidden expenses
- Use analytics to track cost per vehicle and utilization
- Leverage TCO for smarter asset planning and decision making

Operating & Maintenance Costs

- ✓ **Labor**: Internal/external mechanic wages, benefits, and related personnel costs
- ✓ **Routine Maintenance**: Preventive services like oil changes and inspections
- ✓ **Repairs**: Unplanned breakdown costs, which rise with vehicle age
- ✓ **Tires**: Replacement costs over the vehicle's life
- ✓ **Fuel/Energy**: Gas, diesel, or electricity—impacted by efficiency and driving habits
- ✓ **Insurance**: Vehicle and driver coverage premiums
- ✓ **Licensing & Permits**: Registration and annual operating fees

Capital Acquisition Costs

- ✓ **Purchase Price**: Upfront cost of vehicles or equipment
- ✓ **Financing/Leasing**: Interest or lease payments
- ✓ **Depreciation**: Value loss over time, often a major cost
- ✓ **Capital Reserve Fund**: Monies for future CIP equipment purchases

Administrative Overhead

- ✓ **Fleet Admin**: Costs for operations, compliance, and training
- ✓ **Citywide Overhead**: Allocated costs from city departments (e.g., HR, IT, Legal)

Indirect Costs

- ✓ **Idle Time**: Fuel and productivity loss from unnecessary idling
- ✓ **Downtime**: Lost productivity and rental costs during repairs
- ✓ **Accidents**: Legal, repair, and related expenses

Recommendation:

Transition to an Internal Service Fund that allocates full lifecycle costs—including acquisition, maintenance, fuel, and disposal—to improve budgeting accuracy, ensure cost recovery, and support data-driven replacement planning.

Action Required:

1. **Move to an Internal Service Fund based on a Total Cost of Ownership (TCO) costing model:** An Internal Service Fund policy will need to be established including budgeting practices and annual true-up reconciliation process to account to actual costs in any future year TOC estimates.

3. Limited Fleet Financial Asset Management and Long Term Planning

3a. The City lacks multi year Capital Improvement Plan (CIP) for major equipment and fleet needs

The City replaces vehicles and equipment reactively, hindering forecasting and funding alignment. A multi-year Fleet CIP would create a data-driven roadmap for timely replacements and stronger long-term financial planning

Currently between stage 1 & 2

Stage 1

Ad Hoc

- Departments purchase or lease vehicles independently.
- Replacement decisions driven by breakdowns, not lifecycle data.
- No centralized inventory or cost tracking.
- Funding requests handled annually and reactively.
- Limited ability to forecast needs or demonstrate funding impact.

Stage 2

Annual Planning

- Some coordination through the budget office or Public Works.
- Fleet list compiled annually, but not linked to lifecycle or cost models.
- Basic age/mileage thresholds used for replacement decisions.
- Competing priorities across Departments; funding inconsistent year-to-year.

Stage 3

Coordinated Fleet Planning

- Centralized fleet oversight staffing model established
- Fleet inventory maintained in a single system.
- Replacement schedule drafted but not yet tied to capital forecasts.
- Vehicle condition and usage data inform replacement priorities.
- Early alignment with sustainability and right-sizing goals.

Stage 4

Capital Improvement Planning

- Five- to ten-year replacement forecast based on lifecycle costs.
- Clear replacement criteria and funding policies across Departments.
- Visibility into total cost of ownership (purchase, lease, maintenance, disposal).
- CIP aligns fleet planning with fiscal, sustainability, and service goals.
- Leaders can model scenarios to balance cost and operations.

Recommendation:

Develop a structured, multi-year replacement strategy based on asset condition, lifecycle thresholds, and cost analysis to improve forecasting, optimize funding, and ensure timely vehicle renewals.

Actions Required:

1. **Develop Fleet Inventory Baseline**: Compile vehicle data, including age, mileage, condition, and replacement cost, to establish a clear starting point.
2. **Define Replacement Criteria**: Create consistent, measurable standards (e.g., lifecycle thresholds, maintenance costs) to prioritize renewals.
3. **Build Preliminary Replacement Forecast**: Develop a 5-year replacement schedule using current inventory and replacement costs.
4. **Integrate Fleet into Budget Cycle**: Link the replacement schedule to annual budget planning to anticipate funding needs.
5. **Pilot Fleet CIP Template**: Test a draft CIP format with one Department to refine data structure, cost categories, and review cadence.

3. Limited Fleet Financial Asset Management and Long Term Planning

3a. The City lacks multi year Capital Improvement Plan (CIP) for major equipment and fleet needs

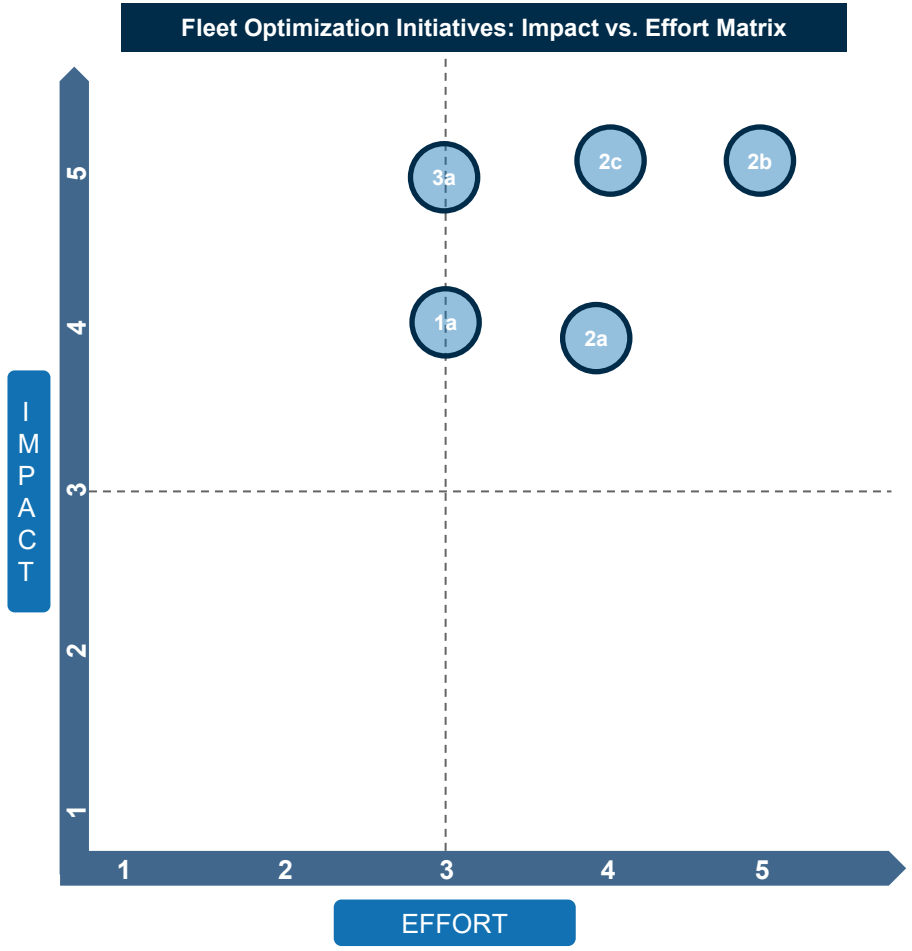
A comprehensive Fleet Capital Improvement Plan will create a strong financial and operational framework that strengthens decision-making, enhances safety, stabilizes costs, and supports sustainable, strategic operations

	Fragmented Approach	Capital Improvement Plan for Equipment
Organization Structure	**Unclear accountability** with undefined roles, inefficiency and isolated decision making	Clear roles ad reporting lines to improve coordination and accountability leading to **defined governance**
Mission & Purpose	Independent departments operating without alignment leading to **no unified direction**	Fleet goals connect directly to the City's mission and performance targets **creating an aligned strategy**
Fleet Overview & Current Asset Inventory	**Limited visibility** into asset data and maintenance costs	**Full fleet insight and visibility** to enable accurate budgeting and replacement planning
Up Coming Initiatives	Uncoordinated planning and **missed opportunities**	**Prioritized initiatives** ensures consistent progress and investment focus
Driver Management & Safety	Limited oversight and **inconsistent safety culture** increasing risks of accidents and liability	**Proactive safety management** and standardized policies to reduce the risk and improve driver behavior
Maintenance & Repairs	Breakdowns drive downtown and increase unpredictable costs for **reactive maintenance**	**Preventative maintenance** like scheduled services extend vehicles lifecycles and stabilize budgets
Sustainability & Environmental Management	**Lack of oversight** increases emissions and compliance exposure	Efficiency and cleaner technology support their City climate goals and **sustainable operations**
Policies & Procedures	**Unclear guidelines and expectations** lead to inefficiency's including misuse of assets, safety concerns, etc.	**Consistent and standardized policies** ensures fairness, compliance, transparency and safety.

Enterprise Contract Analysis & Cost Recovery Recommendations

A&M identified five cost recovery opportunities; two are quick win opportunities that when implemented can help the City improve their financial reporting and monitoring across Departments

	#	Recommendation	Impact	Effort
Enterprise Contract Analysis & Cost Recovery	1a	Evaluate the City's existing Enterprise contract against competitive municipal lease models to improve flexibility, reduce penalties, and enhance financial predictability through fixed-rate, performance-based agreements.	4	3
	2a	Shift fleet operations from the General Fund to an Internal Service Fund to improve cost transparency, establish predictable replacement funding, and align financial management with best municipal practices.	5	5
	2b	Develop and phase in a consistent, data-driven chargeback system that aligns fleet expenses with departmental usage. This approach will promote accountability, improve budget predictability, and ensure fair cost distribution across all City operations.	5	4
	2c	Transition to an Internal Service Fund that allocates full lifecycle costs—including acquisition, maintenance, fuel, and disposal—to improve budgeting accuracy, ensure cost recovery, and support data-driven replacement planning.	5	5
	3a	Develop a structured, multi-year replacement strategy based on asset condition, lifecycle thresholds, and cost analysis to improve forecasting, optimize funding, and ensure timely vehicle renewals.	5	3



*Full scoring methodology can be found in the appendix

Future Planning & Sustainability

Future Planning & Sustainability Challenges Facing the City of Kyle Texas

An assessment of the City's future planning and sustainability efforts reveals key people, process, and technology challenges that limit the City's ability to centralize operations, optimize resources, and prepare for long-term growth

KEY OBSERVATIONS & FINDINGS

1. Lack of fleet management capacity

a. Fleet Manager operates without the organizational structure needed to build and sustain a centralized fleet program.

b. Inconsistent fleet maintenance, repair, and operations expertise

2. Fragmented Fleet Processes and Governance

a. Lack of standardized preventative maintenance program

b. Unclear vehicle and equipment replacement criteria

c. Inconsistent vehicle and equipment utilization practices

d. Vehicle requests are not always aligned to operational-based needs

e. No sale and disposal of assets policy

f. No driver/operator conduct, operation and ethics policy

g. No take-home vehicle policy

h. Policy on noise and alternative fuel vehicles does not exist

i. Standard Requirements for Policy Development

3. Gaps in Fleet Technology and Systems Integration

a. Limited use of fleet performance reporting to inform decisions.

b. Lack of telematics limits insight into driver behavior and asset use.

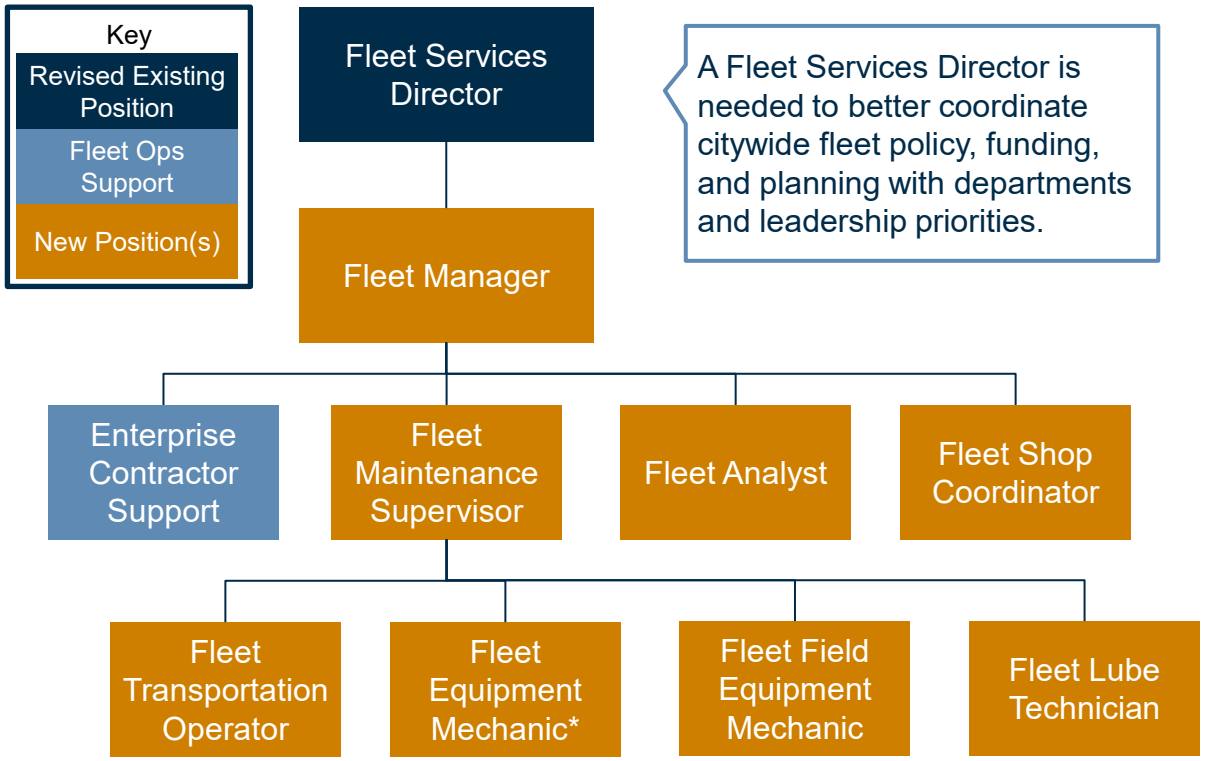
c. The City lacks integration between financial, procurement, and fleet inventory systems.

d. Current fleet management system may not meet operational needs

1. Lack of Fleet Management Capacity

1a. Fleet Manager operates without the organizational structure needed to build and sustain a centralized fleet program.

While the City has taken an initial first step by recruiting a Division Manager of Fleet and Fuel to begin centralizing fleet operations, the function lacks the supporting organizational structure needed to develop, implement, and sustain a full operating model



A Fleet Services Director is needed to better coordinate citywide fleet policy, funding, and planning with departments and leadership priorities.

A lack of sufficient support for fiscal oversight, analysis, and operations leads to weak cost control, limited accountability, and underperforming fleet services.

Without dedicated, trained, and certified fleet technicians, the City faces higher downtime, inconsistent maintenance quality, safety risks, and increased long-term costs as it transitions away from lease to owned vehicles.

***Includes 2 additional positions to support the 2 bays Parks Maintenance Shop**

Recommendations:

Build and fund core fleet positions aligned with facility expansion, using clear role definitions, performance metrics, and a sustainable internal funding model.

Actions Required:

1. **Develop Phased Hiring Plan**: Focus first on core roles (Fleet Manager, Technicians, Analyst) and expand with facility growth
2. **Secure Funding Mechanism**: Use an internal service fund or charge-back model to support new positions.
3. **Create/Finalize Clear Job Descriptions**: Define duties, required certifications, and performance metrics for each role.
4. **Align with Facility Growth Timeline**: Scale staffing as new garage bays open in 2028.
5. **Introduce Performance Metrics:** Track staffing efficiency, service turnaround times, and cost recovery to demonstrate program value.

1. Lack of Fleet Management Capacity

1a. Fleet Manager operates without the organizational structure needed to build and sustain a centralized fleet program.

The following are proposed positions and their staffing requirements (position descriptions) and the benefits they provide to the City's centralized fleet operations

Fleet Services Director

Position Descriptions

The **Fleet Services Director** provides strategic oversight for the City's fleet and equipment operations. This position is responsible for developing and managing policies, funding models, and technology solutions that support the City's mobility, maintenance, and lifecycle asset management needs. The Director serves as the central authority for coordinating with all departments to align vehicle and equipment planning, operations, and fiscal management with City-wide goals.

Responsibilities/Essential Functions

- Develop/implement fleet management strategies, policies & procedures
- Direct vehicle & equipment acquisition, disposal/replacement programs
- Prepare/manage annual fleet operating budget
- Ensure regulatory compliance (FED, State, TxDOT, EPA, OSHA etc.)

Benefits to the City

Provides leadership to centralize fleet, enhance safety, improve efficiency, and reduce lifecycle costs.

Fleet Manager

Position Descriptions

The **Fleet Manager** is responsible for providing oversight of the Maintenance facilities and Fleet Services, including leadership and direction to the Maintenance Supervisors. This position will provide analysis and recommendations for determining the acquiring, monitoring, maintenance, and retirement of company assets.

Responsibilities/Essential Functions

- Provide leadership and oversight of fleet operations, maintenance facilities, and staff.
- Develop and implement preventive maintenance policies, safety programs, and compliance practices.
- Manage staff recruitment, training, performance, and professional development.
- Monitor fleet performance through KPIs, data systems, and lifecycle planning.
- Oversee equipment maintenance, quality assurance, and accurate fleet records.

Benefits to the City

Provides leadership to centralize fleet, enhance safety, improve efficiency, and reduce lifecycle costs.

Fleet Maintenance Supervisor

Position Descriptions

The **Fleet Supervisor** manages and coordinates daily shop activities, directing technicians and support staff in the maintenance and repair of City vehicles and equipment. This position ensures shop efficiency, safety compliance, and the delivery of reliable fleet services to Departments.

Responsibilities/Essential Functions

- Supervise technicians and manage daily shop operations.
- Oversee preventive maintenance schedules and quality assurance.
- Ensure compliance with safety standards and train staff.
- Manage work orders, vendors, and parts procurement.
- Track shop performance, prepare reports, and support lifecycle planning support lifecycle planning.

Benefits to the City

Strengthens fleet reliability through effective supervision and maintenance quality

Fleet Analyst

Position Descriptions

The **Fleet Analyst** supports centralized fleet operations through data analysis, financial planning, and performance reporting. This position strengthens cost visibility, supports budget and rate model development, and ensures accurate tracking of fleet utilization, maintenance, and lifecycle costs.

Responsibilities/Essential Functions

- Analyze fleet and financial data to identify trends and cost drivers.
- Support budgeting, chargeback rate development, and capital replacement planning.
- Reconcile fleet, finance, and procurement system data for reporting accuracy.
- Prepare performance dashboards and lifecycle cost analyses for leadership.
- Collaborate with Departments to improve data quality, policies, and planning.

Benefits to the City

Improves cost transparency, strengthens financial planning, and drives data-informed fleet decisions.

1. Lack of Fleet Management Capacity

1a. Fleet Manager operates without the organizational structure needed to build and sustain a centralized fleet program.

The following are the staffing requirements (position descriptions) and the benefits they provide to the City's centralized fleet operations

Position Descriptions

Fleet Shop Coordinator

The **Fleet Shop Coordinator** serves as liaison to other Departments. Inspects, tests, and road tests equipment to determine the nature of defects and failures. Responsible for scheduling all warranty repairs and claims. Initiate research regarding costs and make recommendations regarding supplies and equipment repairs. Assist in overall operation and functions in the maintenance shop.

Responsibilities/Essential

- Support the supervisor in coordinating mechanics, work orders, and preventive maintenance schedules.
- Inspect equipment after repairs and recommend repairs or replacements.
- Manage vendor relationships and coordinate with Departments.
- Review work orders, track repair progress, and respond to Department inquiries.
- Ensure safety compliance, maintain clean work areas, and assist with vehicle intake.

Fleet Transportation Operator

The **Fleet Transportation Operator** operates and maintains City haul trucks and heavy equipment to transport materials, debris, and supplies in support of maintenance and public works operations. This position plays a key role in supporting fleet operations, ensuring materials and equipment are safely and efficiently moved to project sites.

Responsibilities/Essential

- Operate haul trucks and related equipment to transport materials and debris.
- Perform daily inspections and basic maintenance on assigned vehicles.
- Assist with loading and unloading materials at job and storage sites.
- Maintain accurate trip logs, mileage, and fuel usage records.
- Follow safety procedures and report equipment or roadway hazards

Fleet Equipment Mechanic

The **Fleet Equipment Mechanic** maintains the safety, efficiency, and reliability of City vehicles and equipment. The role performs preventive maintenance, diagnostics, and repairs on mechanical, electrical, fuel, and hydraulic systems, while working with the Fleet Manager and Supervisor to keep vehicles safe, compliant, and available for City Departments.

Responsibilities/Essential

- Perform preventive maintenance, inspections, and repairs on vehicles and equipment.
- Diagnose and resolve mechanical, electrical, fuel, and hydraulic issues.
- Maintain accurate repair and maintenance records in the work order system.
- Ensure fleet assets meet safety and regulatory standards.
- Support parts acquisition, shop organization, and recommendations for major repairs or replacements.

Fleet Field Equipment Mechanic

The **Field Fleet Mechanic** maintains and repairs City vehicles and equipment in a field environment. Operating from a service truck, this role performs preventive maintenance, diagnostics, and repairs on mechanical, electrical, fuel, and hydraulic systems to keep vehicles safe, reliable, and compliant while minimizing downtime for City Departments..

Responsibilities/Essential Functions

- Perform preventive maintenance, inspections, and field-based repairs on fleet assets.
- Diagnose and resolve mechanical, electrical, and hydraulic issues using diagnostic tools.
- Maintain repair records and communicate field activities through the work order system.
- Coordinate with supervisors and vendors on parts, repairs, and service needs.
- Keep the service truck safe, organized, and ready for mobile operations.

Benefits to the City

Improves shop efficiency and communication by coordinating workflow, scheduling repairs, and managing parts and service logistics.

Supports operational efficiency and safety through skilled equipment operation and reliable material transport.

Maintains vehicle safety and reliability through skilled diagnostics, repairs, and preventive maintenance across the City's fleet

Delivers timely field repairs and maintenance to minimize equipment downtime and keep City operations running efficiently.

1. Lack of Fleet Management Capacity

1a. Fleet Manager operates without the organizational structure needed to build and sustain a centralized fleet program.

The following are the staffing requirements (position descriptions) and the benefits they provide to the City's centralized fleet operations

Fleet Lube Technician

Position Descriptions

The **Lube Technician** is responsible for vehicle and equipment maintenance and minor repairs in addition to oil changes. Facilitating maintenance and minor repairs on vehicles and equipment for the City that come into the shop and in a field environment.

Responsibilities/Essential Functions

- Perform preventive maintenance, including oil changes, fluid checks, filters, and tire service.
- Complete minor repairs and refer serious issues to the supervisor.
- Maintain accurate service and parts records in the work order system.
- Keep service areas clean, organized, and safe.
- Communicate with Departments on services performed and follow all safety protocols.

Benefits to the City

Extends fleet longevity and performance by performing routine oil services, fluid checks, and preventive maintenance.

1. Lack of Fleet Management Capacity

1b. Inconsistent fleet maintenance, repair, and operations expertise.

While staff provide support with varying levels of maintenance capability, the City lacks dedicated, specialized fleet mechanics focused solely on inspections, repairs, and preventive maintenance. This creates uneven performance, divided responsibilities, and limits the development of a consistent, professionalized fleet maintenance program.

Fleet Management Maintenance Practices
Current State vs. Leading Practices

Area	Current State	Recommended Leading Practices
Required Certifications ASE / Industry Standards	✕	Meet ASE certification standards
Fully dedicated roles to fleet and equipment management	−	Assign full-time fleet manager
Adequate resources to support efficient, safe maintenance	−	

Recommendation:

Recruit experienced technicians, standardize training, certification, and maintenance practices, and promote knowledge sharing and mentorship to strengthen expertise, consistency, and long-term operational performance.

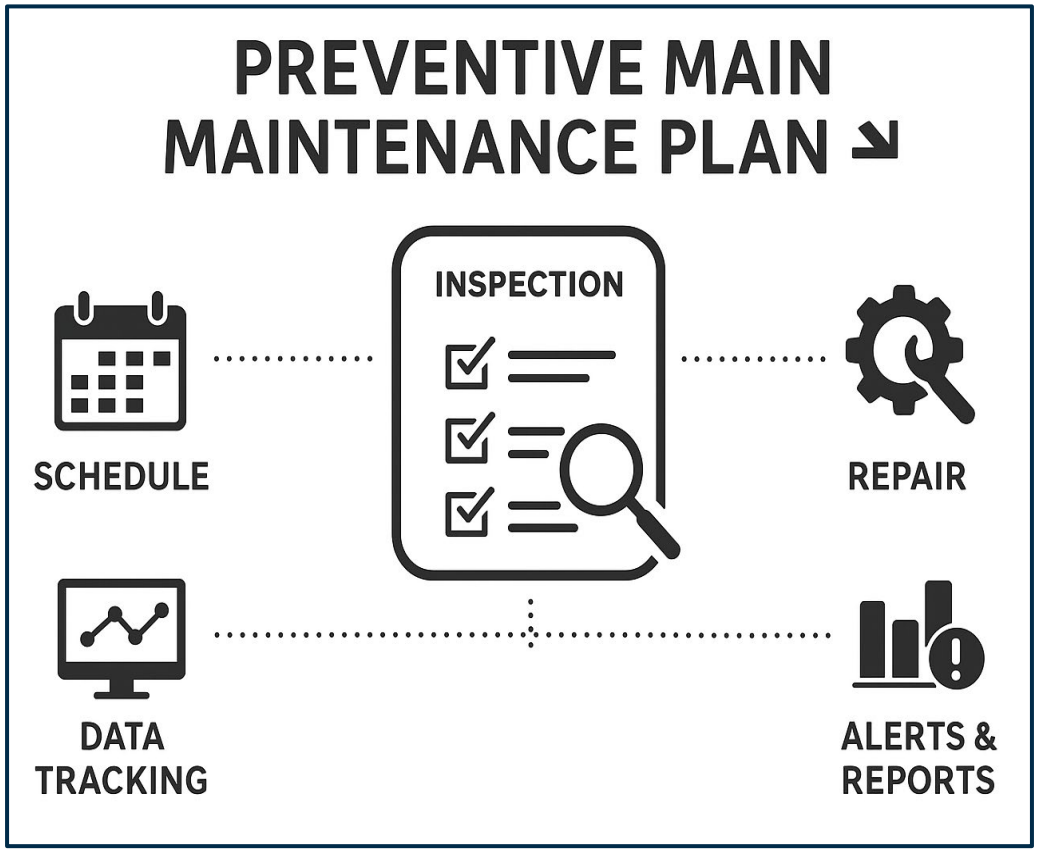
Actions Required:

1. **Recruit Strategically**: Target candidates with municipal fleet experience and partner with trade schools
2. **Invest in Training & Certification**: Provide Automotive Service Excellence (ASE), (Occupational Safety and Health Administration / Department of Transportation) OSHA/DOT, and fleet software training such as Fleetio to build expertise.
3. **Establish Technician Qualification Policy**: Require defined certification levels and continuing education for mechanics and support staff
4. **Create Knowledge-Sharing Systems:** Use fleet software and work order history to standardize documentation and promote consistency
5. **Implement Mentorship/Apprenticeship Programs**: Pair senior staff with newer technicians to build long-term expertise

2. Fragmented Fleet Processes and Governance

2a. Lack of standardized preventive maintenance program

While Operators may complete preventative maintenance work on their vehicles, the varying levels of preventative maintenance creates uneven performance, divided responsibilities, and limits the development of a consistent, professionalized fleet maintenance program. Standardization within maintenance for capital assets is crucial for the delivery of public sector services throughout the City.



Recommendation:

Develop consistent preventive maintenance policies, inspection and repair procedures, and technician qualification standards to improve reliability, accountability, and long-term asset performance.

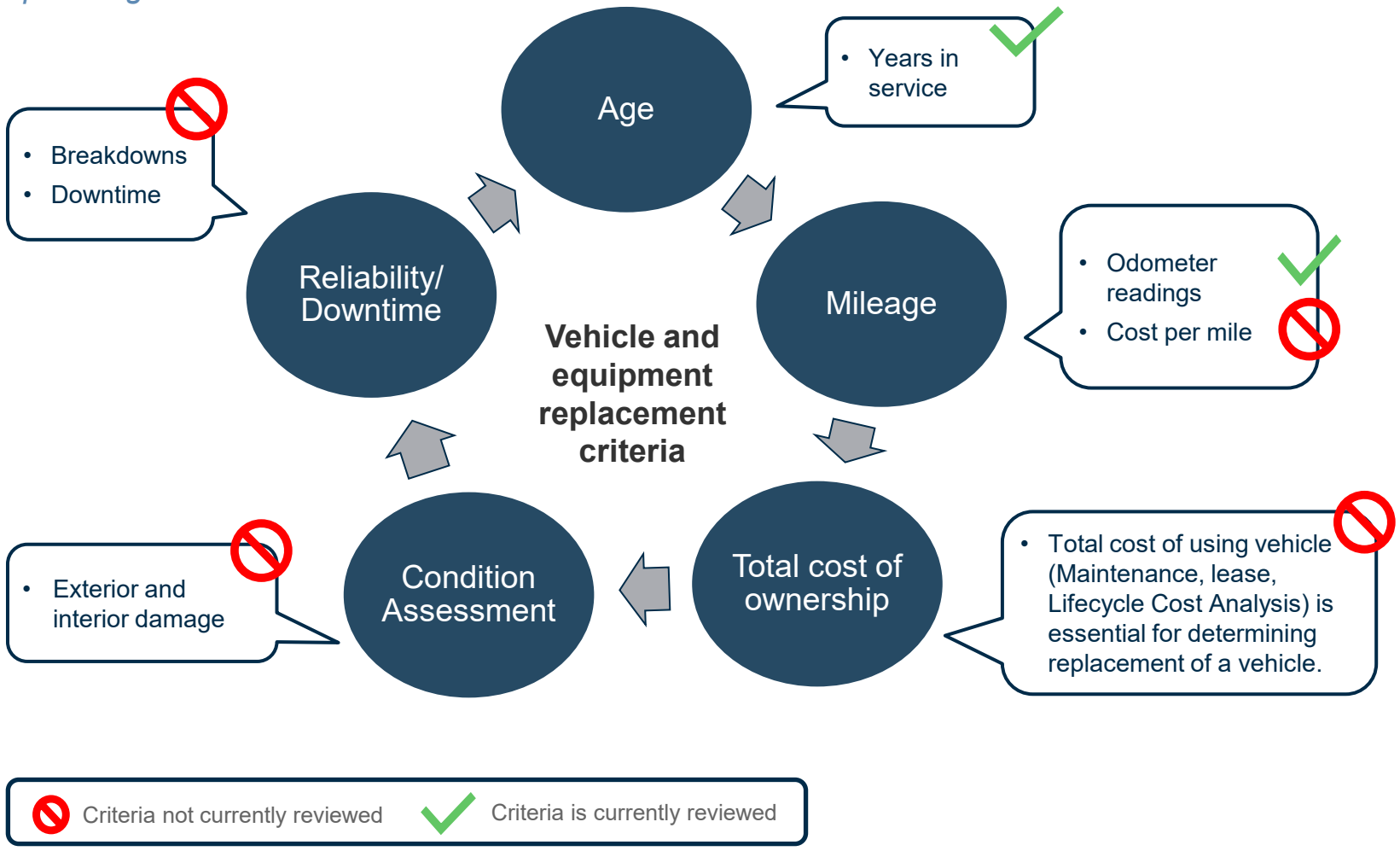
Actions Required:

1. **Policy Development**: Program is developed for all equipment and includes scheduling preventive maintenance, recording performance, and monitoring the preventive maintenance program
2. **Standardize Maintenance Practices**: Develop uniform inspection, repair, and PM procedures based on APWA/Public Works leading practices
3. **Establish Technician Qualification Policy**: Require defined certification levels and continuing education for mechanics and support staff

2. Fragmented Fleet Processes and Governance

2b. Unclear vehicle and equipment replacement criteria

Fleet replacements should be guided by standardized metrics—such as asset condition, lifecycle cost, and performance—to ensure consistency, transparency, and cost-effectiveness. This data-driven approach enables efficient, sustainable fleet management and long-term planning.



Recommendation:

Establish clear vehicle evaluation policies, enforce governance and accountability, and leverage technology to guide replacement timing based on asset condition, lifecycle cost, and performance. This ensures consistency, transparency, and long-term fleet sustainability.

Actions Required:

1. **Establish a Formal Vehicle Evaluation Policy**: Require operators to complete a standardized evaluation form in a timely manner and multiple times per year.
2. **Enforce Policy**: Develop guidelines to enforce policy and ensure criteria is being met.
3. **Leverage Technology**: Develop a system to alert operators when a vehicle is about to reach replacement threshold.
4. **Intake Vehicle Procedure**: Create process for intake of new vehicles.
5. **Replacement Timing and Lead Time Management**: Implement Proactive procurement horizon planning.
6. **Governance**: Assign who owns the replacement process and approves, monitors and handles replacements.

2. Fragmented Fleet Processes and Governance

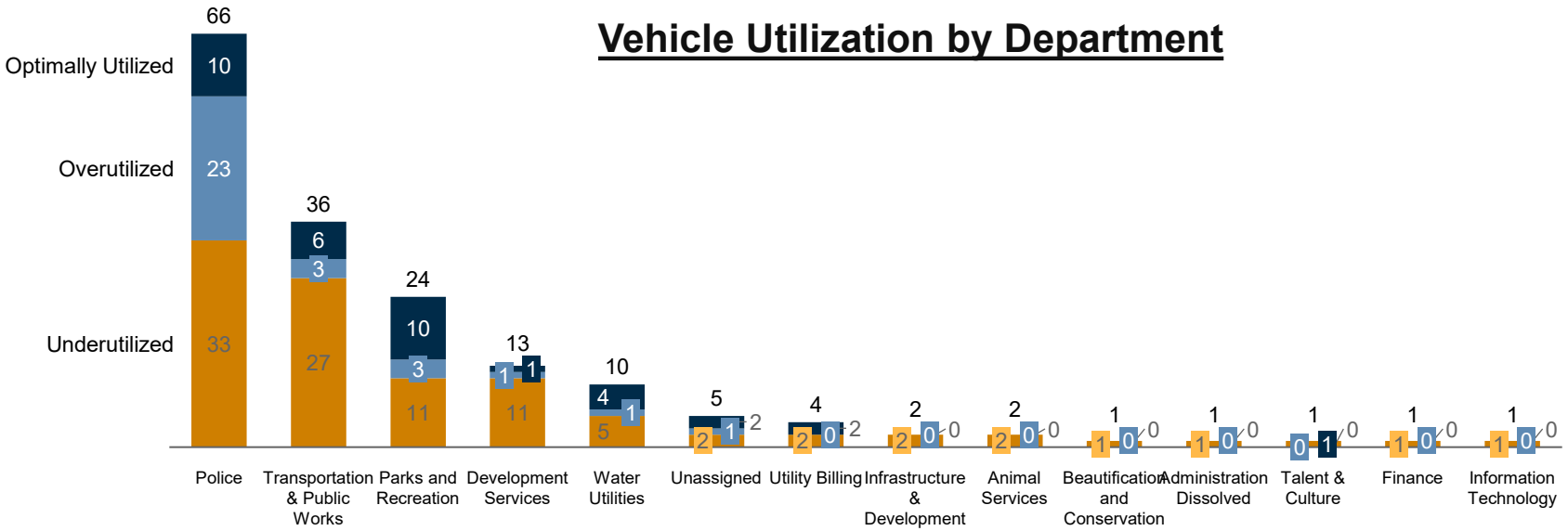
2c. Inconsistent vehicle and equipment utilization practices

Poorly tracked or underutilized vehicles increase costs, reduce efficiency, and hinder replacement planning prompting a need for careful reassessment to optimize fleet use

Underutilized (99)
59% of your leased fleet fall below a benchmark utilization rate 80% of their expected monthly miles

Overutilized (32)
19% of your vehicles exceed a benchmark utilization rate of 110% of their expected monthly miles

Optimally Utilized (36)
22% of the leased fleet falls within optimal benchmarks of 80-100% of their expected monthly miles



Recommendation:

Establish reliable baseline data, monitor actual vehicle usage, and implement an ongoing performance dashboard to identify underutilized assets, reduce costs, and improve replacement and redeployment decisions.

Actions Required:

1. **Establish Baseline Through Manual Audit**: Record current odometer readings to validate leased estimates.
2. **Collect 6 Months of Actual Data Before Major Decisions**: Delay fleet changes until reliable utilization patterns emerge.
3. **Run Complete Fleet Analysis with Actuals**: Assess all 351 vehicles to determine true optimization opportunity.
4. **Create Ongoing Monitoring & Optimization Process**: Build dashboard with quarterly reviews for redeployment/disposal decisions.

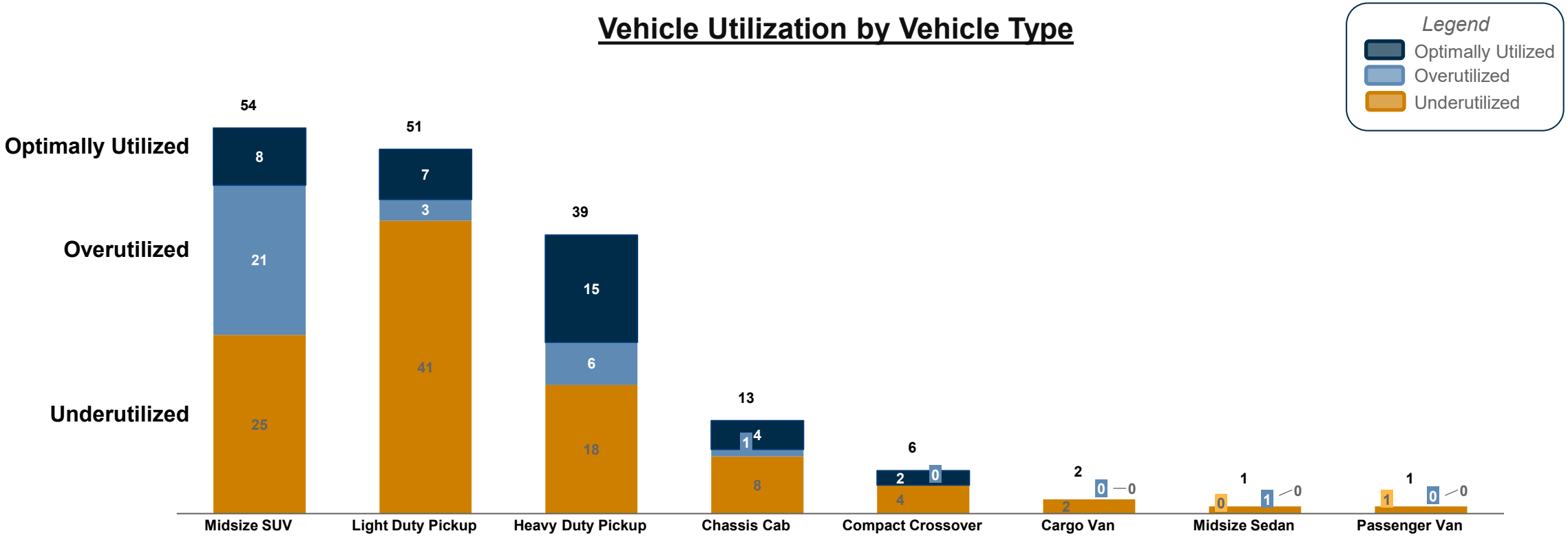
Notes:
1) Leased Vehicles: 48% of Fleet (167) Enterprise estimated mileage only, Not actual odometer data, ~$266K estimated potential savings, Generic thresholds (may not fit the City)
2) Owned Vehicles: 52% of Fleet (184) Extremely limited mileage data, Cannot assess utilization, Unknown optimization opportunity, Unable to Prioritize disposal/replacement

2. Fragmented Fleet Processes and Governance

2c. Inconsistent vehicle and equipment utilization practices contd.

Poorly tracked or underutilized vehicles increase costs, reduce efficiency, and hinder replacement planning prompting a need for careful reassessment to optimize fleet use

Vehicle Utilization by Vehicle Type



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2. Fragmented Fleet Processes and Governance

2c. Inconsistent vehicle and equipment utilization practices contd.

A fleet sizing exercise ensures assets are sufficiently utilized and that Kyle has the appropriate types of vehicles, at the right locations, at the right time

Step 1

Internal Utilization Threshold

✓ Establish utilization thresholds (minimum miles or hours per period) to determine whether each vehicle or vehicle group is justified

✓ Adjust measurement methods based on operations

✓ Utilization can be influenced by season or time of year

Step 2

Determine the Utilization of Vehicles

✓ Segment vehicles by purpose and usage to align tasks with the right assets and improve ROI (Return on Investment); regularly assess how and how often each vehicle is used

✓ Develop asset utilization reports to easily identify high- and low-use vehicles, tailoring metrics by type, location, time, or utilization percentage

Step 3

Determine Over and Under-utilized Vehicles

✓ Compare each vehicle's utilization against city thresholds to identify over- and under-utilized assets, segmenting data by location or time (e.g., shifts) to spot usage patterns

✓ Use this as an audit to optimize fleet size and status, while recognizing that some low-use vehicles may still be essential to operations

Step 4

Ask the Simple Questions

✓ Regularly review vehicle assignments, sizes, and routes to ensure each task uses the most efficient vehicle possible — reducing costs & downtime, while improving overall fleet utilization.

These few basic questions should be asked regularly:
✓ What is the vehicle's assignment (vocation)?
✓ Is the vehicle the right size for the job?
✓ How many vehicles are out of rotation for maintenance?
✓ Are there any vehicles that have experienced a lot of downtime?

Step 5

Implement Changes

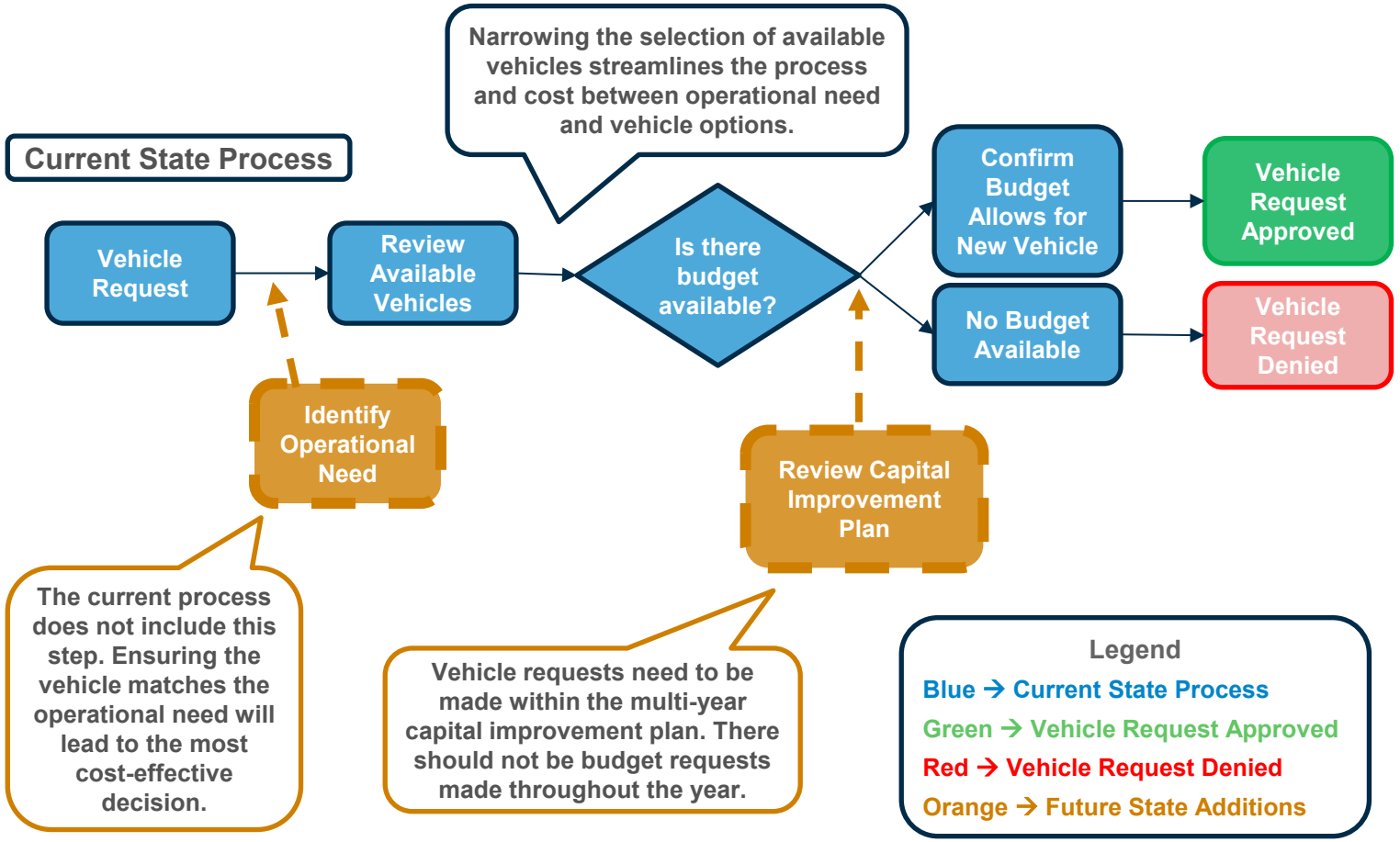
✓ Use utilization insights to make data-driven fleet adjustments — redistributing, sharing, or reducing vehicles based on demand, location, and time-of-day usage patterns

✓ Continuously monitor internal and external trends to anticipate future demand, ensuring the fleet remains optimally sized and cost-efficient over time

2. Fragmented Fleet Processes and Governance

2d. Vehicle requests are not always aligned to operational-based needs

Departments request specific vehicle makes or models rather than defining the operational need, such as hauling capacity, passenger requirements, or equipment storage. This leads to higher costs and missed opportunities to reassign underutilized vehicles that meet the same needs. An operational-based request process would better align vehicles with operational requirements and optimize fleet use.



Recommendation:

Adopt a data-driven, purpose-based vehicle request process that standardizes specifications, integrates with capital planning, and reinforces accountability. This ensures vehicles match operational requirements, reduce costs, and support cultural buy-in for smarter fleet use.

Actions Required:

1. **Capital Improvement Plan:** Plan should include vehicle requests and appropriate budget for all vehicle replacement in the new fleet management budget
2. **Clear Operational Purpose:** Define and document vehicle classes by operation (inspection, emergency response, field maintenance, transport, etc.)
3. **Use Data to Guide Vehicle Requests:** Maintain telematics or usage reports to identify under utilized assets.
4. **Standardize Vehicle Inspection Practices:** Develop standardized vehicle specs clearly defining base features that meet operational requirements.
5. **Communicate the "Why":** Reinforce cultural change and buy in.

2. Fragmented Fleet Processes and Governance

2e. No sale and disposal of assets policy

The current fragmented approach limits visibility, accountability, and efficiency across fleet operations. Transitioning to the future state through these key recommendations ensures standardized processes, transparent governance, and integrated data management for sustainable improvement.

Current State

- **Methods and Procedures**
  - RFP process occurs each time there is a need to sell vehicles
  - No procedure or documentation on how this should take place
- **Governance and Accountability**
  - Currently little visibility into what happens with funds recovered from sale of vehicles
  - Titles are not managed and tracked appropriately
  - Process does not exist to prepare vehicles for sale or disposal
  - Lack of controls related to sale of vehicles
  - No standing relationship with auction house for manage and sale of vehicles
- **Data Management**
  - No data tracking of fleet status
  - Vehicle sales are tracked by vehicle type only

Future State

- **Methods and Procedures:**
  - One RFP released to develop contract with auction house.
  - Thorough procedure and documentation on process
- **Governance and Accountability**:
  - Proceeds credited to dedicated fleet internal service fund
  - Implement tracking and organized approach to managing titles of vehicles owned
  - Established policy and checklist to prepare vehicles for sale or disposal
  - Controls and checkpoints related to sale of vehicles
- **Data Management:**
  - Fleet information management system to track all data related to fleet status, age, maintenance history, etc.
  - Track vehicles sales by VIN and unique identifiers

Recommendation:

Establish consistent policies, centralized financial management, and integrated fleet tracking systems to improve transparency, accountability, and efficiency across the full vehicle lifecycle—from acquisition to sale.

Actions Required:

1. **Establish a standardized vehicle disposal policy**: Create a consistent, documented process for preparing, approving, and selling vehicles to ensure efficiency and transparency.
2. **Centralize Financial Oversight:** Route all proceeds from vehicle sales into a dedicated fleet internal service fund to improve transparency and reinvest in fleet assets.
3. **Implement a Comprehensive Fleet Information Management System:** Track vehicle status, maintenance history, and sales by VIN to enable full lifecycle visibility and data-driven decisions.
4. **Tracking**: Track vehicle sales by VIN and unique identifiers to ensure up to date documentation of vehicle inventory.

2. Fragmented Fleet Processes and Governance

2f. No driver/operator conduct, operation and ethics policy

Without an established Driver Conduct Policy, there are no consistent standards for behavior or accountability leading to increased safety risks, liability and vehicle misuse. Implementing a formal policy establishes clear expectations, improves safety and strengthens accountability across all fleet operations

Current State

- Inconsistent driver behavior and operational practices
- Limited accountability or documentation of conduct expectations
- Reactive approach to incidents, accidents or complaints
- No unified standard for ethics, use of City equipment, or representation of the organization
- Misuse of fleet cards to pay for non-fuel items; no audits to review charges

Future State

- Safer fleet operations and reduced exposure risk
- Consistent standards across all Departments
- Enhanced driver accountability and performance culture
- Improved public image and community trust
- Fleet cards with increased controls; audits should be preformed regularly to review charges

Key Policy Components

- **Code of Conduct:** Defines professional standards, ethics, and behavior expectations
- **Vehicle Use Policy:** Outlines permitted uses, personal use restrictions, and documentation requirements
- **Safety & Compliance Standards:** Pre trip inspections, adherence to traffic laws, etc.
- **Incident & Certification Requirements:** Clear process for reporting accidents, damage, or violations
- **Training**: Regular training on safety, ethics, and operational leading practices

Why It Matters

- **Safety**: Reduces accidents, liability and insurance costs
- **Reputation**: Reinforces public trust and professionalism
- **Accountability:** Sets clear expectations for behaviors, vehicle use and reporting
- **Efficiency**: Improve operational consistency and reduces downtime caused by misuse or negligence

Recommendation:

Implement consistent policies, training, and accountability measures to improve safety, reduce liability, and promote a culture of professionalism and responsibility across all fleet operations.

Actions Required:

1. **Develop a Comprehensive Driver Conduct and Ethics Policy:** Establish clear standards for professionalism, ethical behavior, and safe operation to ensure consistency and accountability across all Departments
2. **Implement Standardized Safety, Training and Compliance Programs**: Provide ongoing driver education, certification, and compliance checks to reduce accidents, liability and operational risk
3. **Enforce Clear Reporting and Accountability Procedures**: Define structured processes for incident reporting, vehicle use, and disciplinary actions to strengthen oversight and build a culture or responsibility

2. Fragmented Fleet Processes and Governance

2g. No take-home vehicle policy

Without a take-home vehicle policy, the City risks higher costs and misuse, while a formal policy ensures fairness, transparency, and accountability

Benefits of a Take-Home Vehicle Policy

- Risk Exposure: Ensures liability coverage only extends to authorized use
- Budget Forecasting: Accurate forecasting on fuel, maintenance, insurance costs, etc.
- Auditing and Compliance: Provides a basis ensuring vehicles aren't used for unauthorized personal purposes

Recommendation:

Define clear eligibility, oversight, and monitoring standards to ensure fairness, transparency, and fiscal responsibility while supporting operational readiness and accountability.

Actions Required:

1. **Develop Clear Eligibility Criteria and Justification Requirements**: Establish who qualifies for a take-home vehicle and why – such as emergency response needs, on-call duties, or specialized equipment transport – to ensure consistency, fairness and operational necessity.
2. **Create Transparent Oversight and Approval Processes:** Require written justification and fleet manager approval, annual review of all assignment and documentation of all information to maintain accountability and audit readiness.
3. **Implement Monitoring and Reporting Systems**: Use mileage logs, telematics, or GPS data to track vehicle use, enforce compliance, and provide regular reports to leadership to ensure the policy remains effective and fiscally responsible.
4. **Operational Necessity**: Confirm roles that justify take-home use (on-call, critical response, safety officers)

2. Fragmented Fleet Processes and Governance

2h. Standard requirements for policy development

Effective policies require structured design to ensure consistency, enforceability, and alignment with regulatory standards through standardized formatting, ownership, version control, and enforcement logic

Standardized Structure and Formatting	• All policies should follow a similar structure and be on organization letter head • Use consistent numbering, headings and terminology
Defined Roles and Responsibilities	• Explicitly identify who owns the policy and who must comply with the policy
Versioning and Traceability	• Each policy should include a version number, change log or unique identifier • Track reference to other related documents or standards
Control Mapping and Referential Integrity	• Policy should be mapped to applicable standards, frameworks or regulations • References to other internal policies should be validated periodically
Enforcement and Exception Handling Logic	• Define how the policy is going to be implemented, monitored and enforced • Include information on exceptions (who an approve deviations, how long they are valid how they are tracked)

Recommendations

Create a cohesive policy structure with clear ownership, version control, and enforcement mechanisms to ensure consistency, accountability, and regulatory compliance across all fleet operations.

Actions Required:

1. **Standardization**: Standardize format of policies so they are cohesive. Review that only one topic is covered per policy
2. **Define Roles**: Confirm roles and responsibilities are outlines clearly to eliminate role applicability confusion
3. **Updating**: Ensure updates are done periodically and tracked with a version mark, date of update, etc.
4. **Guidelines**: All applicable sections of a policy should reference the appropriate codes or legal framework
5. **Enforce**: A policy is only useful when it is enforced and maintained properly

2. Fragmented Fleet Processes and Governance

2i. Policy on noise and alternative fuel vehicles does not exist

Reduce fleet noise and transition to low-emission vehicles to ensure safety, compliance, and community well-being while advancing sustainability and building public trust

Key Policy Elements

Noise Control
- Meet/exceed federal & local sound standards (e.g., NHTSA EV minimum-sound rule).
- Monitor and manage vehicle noise, especially in residential or sensitive zones.

Alternative Fuel Vehicles (AFVs)
- Integrate acoustic performance into AFV procurement specs.
- Maintain Acoustic Vehicle Alerting Systems (AVAS) where required.

Operations & Maintenance
- Limit idling and loud maintenance during off-hours.
- Schedule noise-intensive activities to minimize community disturbance.

Performance & Accountability
- Track decibel levels and community complaints.
- Assign a Noise/AFV Compliance Officer for monitoring and reporting.

Why does it matter?

- Reduces **community noise impacts**—supporting public health, quality of life, and reputation.
- Aligns with **sustainability and climate goals** through lower emissions and cleaner technologies.
- Enhances **public trust** and demonstrates proactive environmental leadership.
- Prepares the organization for **evolving regulations** and funding tied to clean fleet initiatives.

Recommendation:

Integrate noise and emission standards into procurement, training, and monitoring to enhance safety, community trust, and environmental responsibility.

Actions Required:

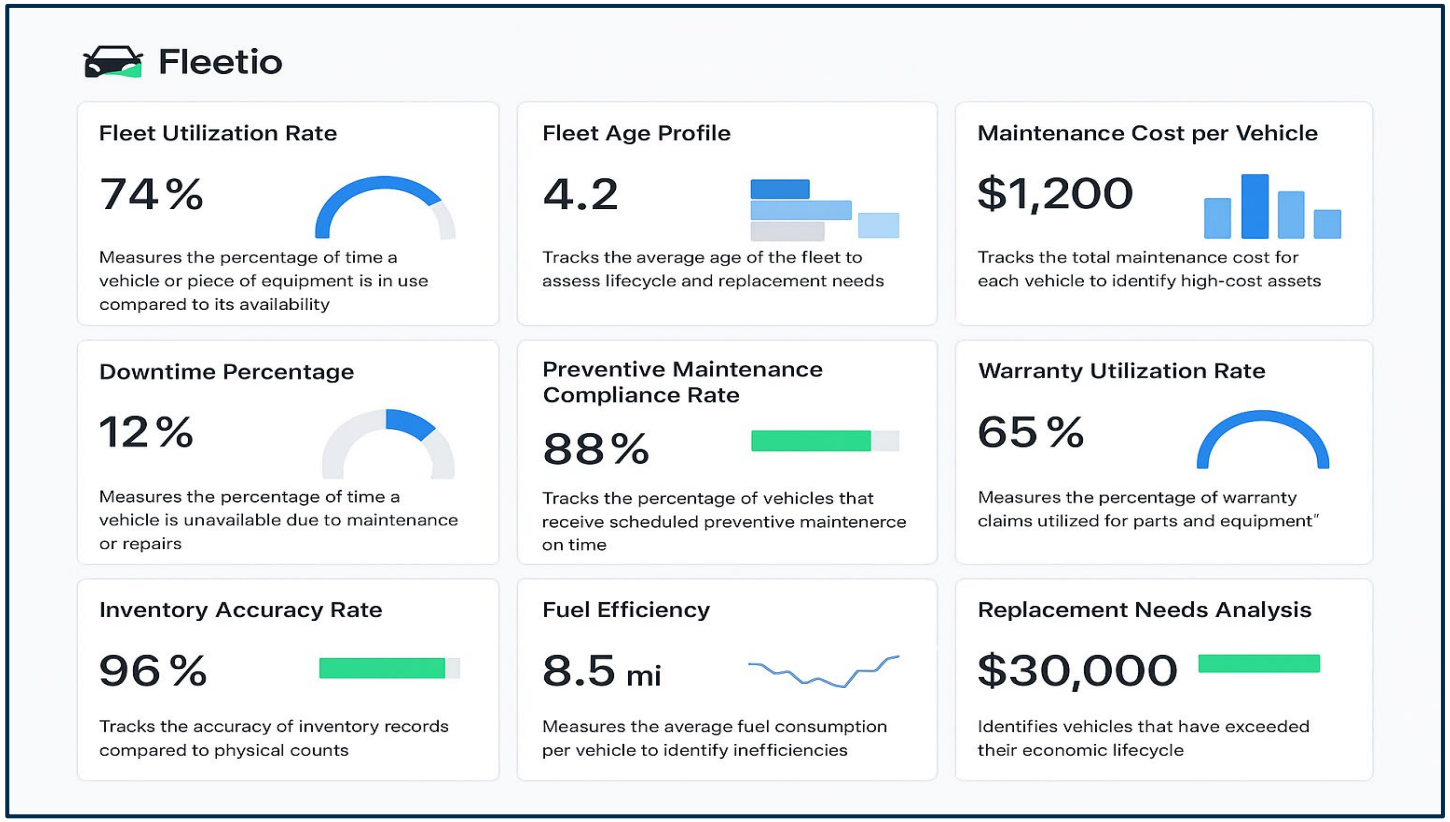
1. **Integrate early:** Embed noise and AFV criteria in all new vehicle procurements.
2. **Baseline now:** Audit current fleet for noise emissions and AVAS compliance.
3. **Train staff:** Educate operators on quiet-operation practices and AFV awareness.
4. **Engage community:** Establish feedback channels for noise and performance concerns.
5. **Monitor results:** Collect data on decibel levels, complaints, and AFV adoption progress.

3. Gaps in Fleet Technology and Systems Integration

3a. Limited use of fleet performance reporting to inform decisions

The City cannot track key performance indicators, such as utilization rate, fleet age profile, maintenance cost per vehicle, and downtime percentage because telematics, a complete asset inventory, and centralized maintenance tracking are not yet in place

Example KPI Dashboard[1]



Recommendation:

Establish telematics, complete asset records, and integrated maintenance tracking to enable real-time performance monitoring, data-driven decision-making, and proactive fleet optimization.

Actions Required:

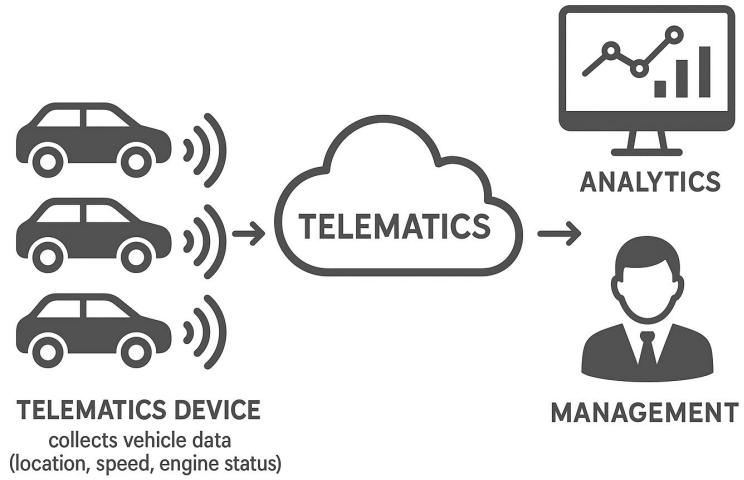
1. **Deploy Telematics Fleet-Wide:** Install GPS on all 351 vehicles to enable utilization rate and downtime tracking
2. **Complete Asset Data in System:** Finalize all vehicle acquisition dates, VINs, and assignments to enable age profiling and cost analysis
3. **Centralize Maintenance Data:** Implement work order system capturing all maintenance costs, labor hours, and downtime by VIN
4. **Configure Automated Dashboard:** Build real-time KPI dashboard in fleet management software showing utilization, age, costs, and downtime
5. **Establish KPI Targets & Protocols:** Set performance benchmarks and define trigger points requiring management intervention
6. **Conduct Monthly Performance Reviews:** Hold recurring meetings analyzing KPI trends and adjusting operations based on data insights

1) Example Dashboard: includes 9 of the APWA PWM KPIs that an accredited City should be tracking and monitoring

3. Gaps in Fleet Technology and Systems Integration

3b. Lack of telematics limits insight into driver behavior and asset use

Without telematics technology, the City cannot monitor driver behavior, track vehicle use, or capture real-time asset data, limiting visibility, safety, efficiency, and informed fleet planning



Benefits of Telematics

- ✓ Real-time GPS location
- ✓ Mileage and trip logs
- ✓ Idle Time
- ✓ Speed and Harsh Events
- ✓ After-hours usage reports
- ✓ Fuel consumption data
- ✓ Accident and Impact Detection
- ✓ Maintenance Alerts
- ✓ Geofencing and Route Adherence

Recommendation:

Deploy telematics across all fleet vehicles to enhance operational visibility, improve safety, and enable data-driven fleet management through real-time tracking, performance analytics, and cross-system integration.

Actions Required:

1. **Confirm Funding Scope:** Clarify whether approval covers full implementation (all vehicles) or phased deployment
2. **Prioritize Vehicle Groups:** Identify high-value fleets for early adoption (e.g., Police, Utilities, Solid Waste) where safety, utilization, and cost data yield the greatest impact
3. **Integrate with Fleet Systems:** Plan for telematics data to flow into the City's fleet management system (e.g., Fleetio or replacement platform) to avoid siloed information
4. **Pilot & Refine:** Start with a limited rollout, evaluate system performance and staff feedback, then scale
5. **Train Staff & Operators:** Provide training for fleet staff on interpreting data and for drivers on expectations related to safe driving and accountability

3. Gaps in Fleet Technology and Systems Integration

3c. No Integration between fleet, finance and procurement systems

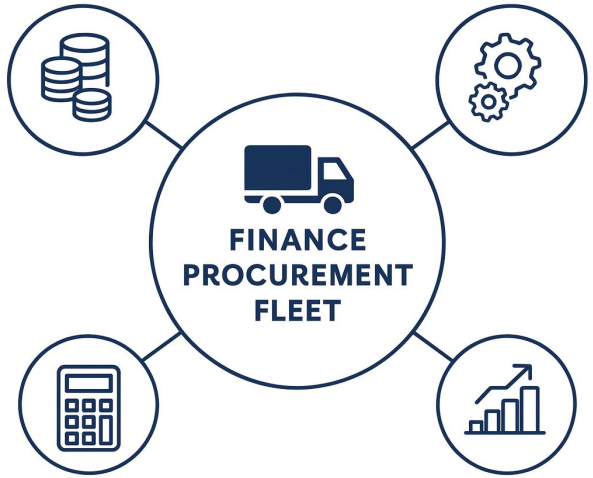
The City's financial system tracks assets for accounting but isn't reconciled with Departmental inventories, creating gaps in verification, reducing transparency, and weakening controls

Current State

- Lack of integration between Departments; each Department functions as a stand-alone unit
- No annual inventory of equipment

Future State

- Integration between Departments; increased communication and transparency across organization
- Annual inventory performed of rolling stock and equipment



Recommendation:

Connect fleet, finance, and procurement platforms to ensure consistent asset tracking, improve data accuracy, and strengthen financial and operational accountability across departments.

Actions Required:

1. **Integrate Core Systems**: Connect Fleetio, financial, and procurement platforms to align asset tracking, budgeting, and lifecycle management
2. **Reconcile Financial and Operational Data**: Conduct a cross-system data review to validate asset ownership, location, and condition across Departments
3. **Establish Shared Data Governance**: Define roles, standards, and approval processes for maintaining consistent asset and financial records
4. **Implement Automated Data Syncs**: Use APIs or scheduled data imports to reduce manual entry errors and keep asset and cost data current
5. **Create Unified Reporting Dashboards:** Develop cross-system reporting tools for visibility into fleet costs, utilization, and capital planning
6. **Train Staff on Integrated Workflows**: Ensure Finance, Procurement, and Fleet staff understand shared data processes and accountability

3. Gaps in Fleet Technology and Systems Integration

3d. Current Fleet Management System May Not Meet Operational Needs

Without a unified fleet framework, data silos and inconsistent tracking hinder efficiency and cost control. An integrated system with telematics and lifecycle management enhances accountability, decision-making, and alignment with the City's operational priorities

Top Five Capabilities a Fleet Management System Should Have

- Real Time Visibility and Telematics
- Maintenance & Lifecycle Management
- Fuel & Energy Management
- Data Integration w/ Finance & Procurement Systems
- Compliance – Safety & Reporting

Current System Major Pain Points (Fleetio)

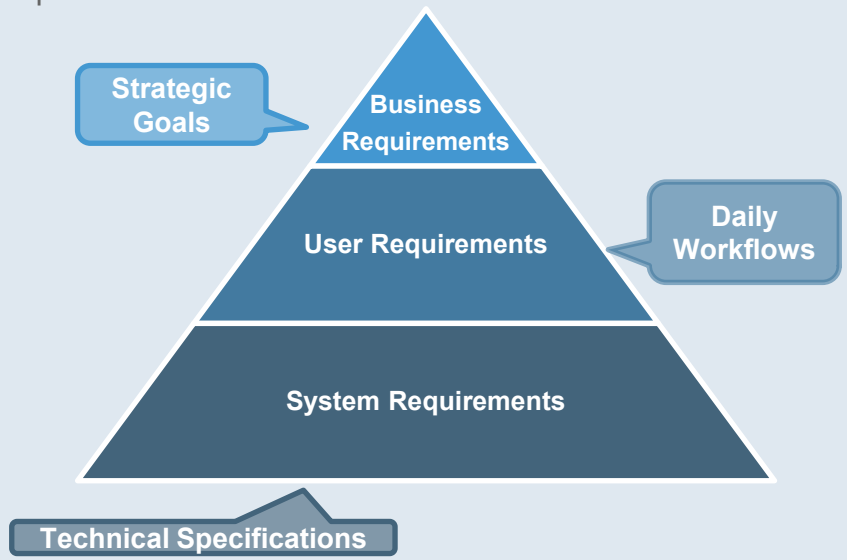
Mobile Accessibility	Tracking Mechanisms	System Integration and Communication
• Not mobile-friendly. • Requires internet access to function • Causes disconnects across Departments	• Does not track maintenance time • No tracking information on mechanics time on work orders for cost and production.	• System does not currently connect to the Tyler IN code ERP Pro 10 System

Recommendation:

Develop a unified system that consolidates telematics, asset, and lifecycle data to improve efficiency, enhance accountability, and enable strategic decision-making across all fleet operations.

Action Required:

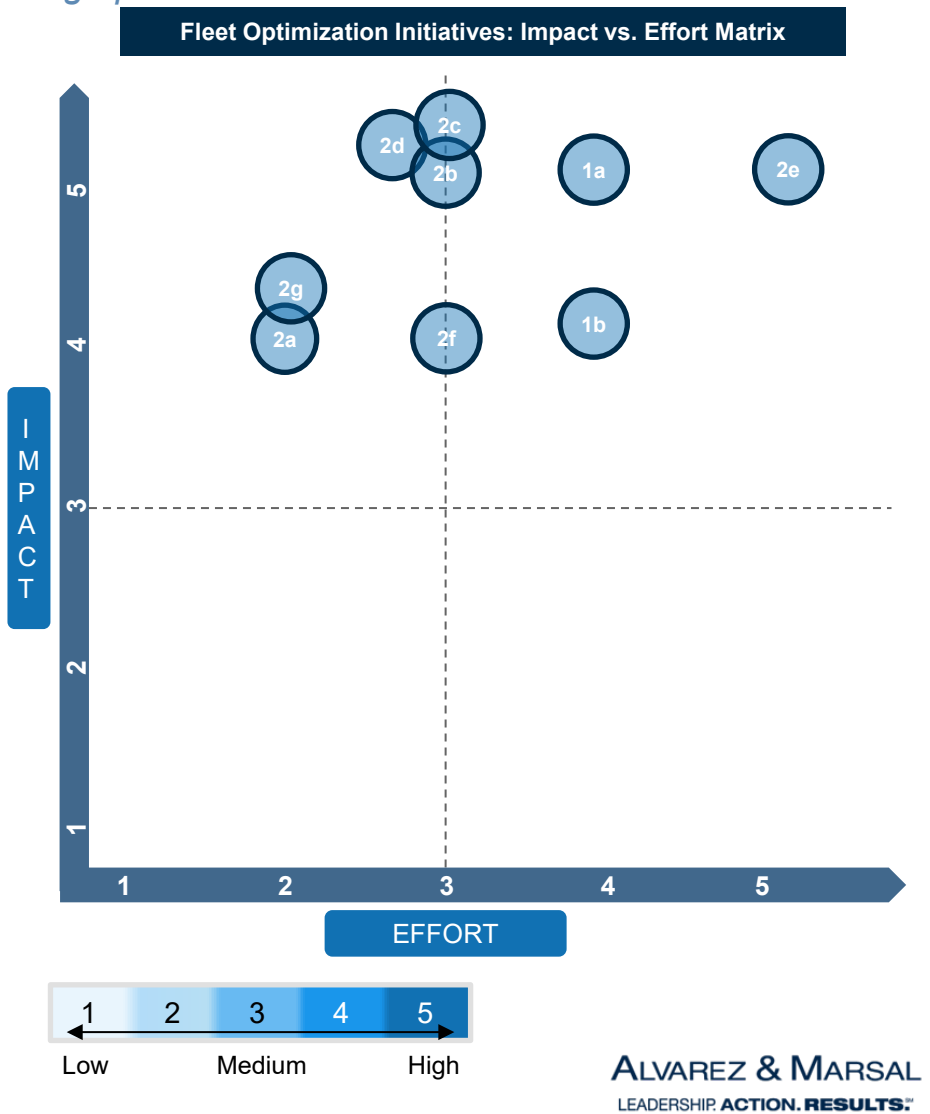
1. **System Requirements Assessment:** Conduct a systems requirements review to understand business, user and system requirements



Future Planning and Sustainability Recommendations

A&M identified 15 future planning and sustainability opportunities; two are quick win opportunities that when implemented can help the City establish an appropriate disposal policy and implement policies to encourage safety among operators

	#	Recommendation	Impact	Effort
Future State Improvements	1a	Build and fund core fleet positions aligned with facility expansion, using clear role definitions, performance metrics, and a sustainable internal funding model.	5	4
	1b	Recruit experienced technicians, standardize training, certification, and maintenance practices, and promote knowledge sharing and mentorship to strengthen expertise, consistency, and long-term operational performance.	4	4
	2a	Develop consistent preventive maintenance policies, inspection and repair procedures, and technician qualification standards to improve reliability, accountability, and long-term asset performance.	4	2
	2b	Establish clear vehicle evaluation policies, enforce governance and accountability, and leverage technology to guide replacement timing based on asset condition, lifecycle cost, and performance. This ensures consistency, transparency, and long-term fleet sustainability.	5	3
	2c	Establish reliable baseline data, monitor actual vehicle usage, and implement an ongoing performance dashboard to identify underutilized assets, reduce costs, and improve replacement and redeployment decisions.	5	3
	2d	Adopt a data-driven, purpose-based vehicle request process that standardizes specifications, integrates with capital planning, and reinforces accountability. This ensures vehicles match operational requirements, reduce costs, and support cultural buy-in for smarter fleet use.	5	3
	2e	Establish consistent policies, centralized financial management, and integrated fleet tracking systems to improve transparency, accountability, and efficiency across the full vehicle lifecycle—from acquisition to sale.	5	5
	2f	Implement consistent policies, training, and accountability measures to improve safety, reduce liability, and promote a culture of professionalism and responsibility across all fleet operations.	4	3
	2g	Define clear eligibility, oversight, and monitoring standards to ensure fairness, transparency, and fiscal responsibility while supporting operational readiness and accountability.	4	2

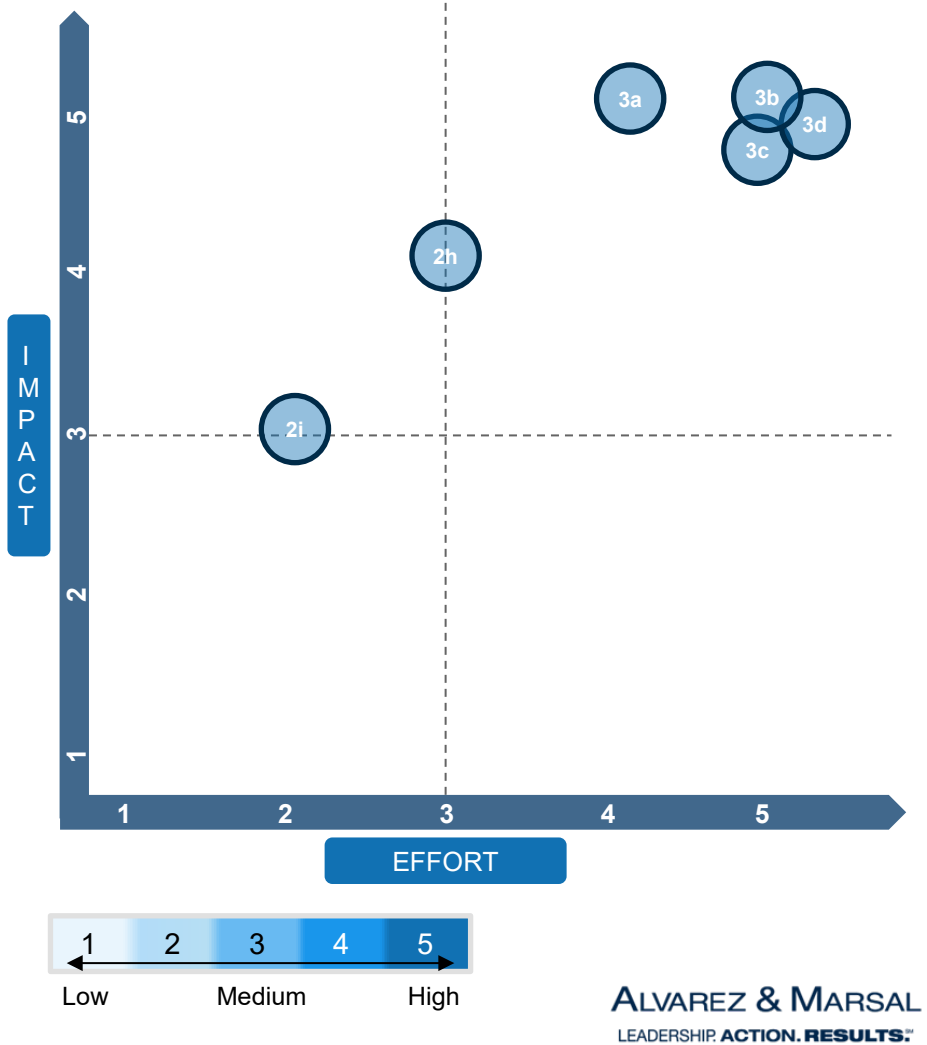


Future Planning and Sustainability Recommendations

A&M identified 15 future planning and sustainability opportunities; two are quick win opportunities that when implemented can help the City establish an appropriate disposal policy and implement policies to encourage safety among operators

	#	Recommendation	Impact	Effort
Future State Improvements	2h	Create a cohesive policy structure with clear ownership, version control, and enforcement mechanisms to ensure consistency, accountability, and regulatory compliance across all fleet operations.	4	3
	2i	Integrate noise and emission standards into procurement, training, and monitoring to enhance safety, community trust, and environmental responsibility.	3	2
	3a	Establish telematics, complete asset records, and integrated maintenance tracking to enable real-time performance monitoring, data-driven decision-making, and proactive fleet optimization.	5	4
	3b	Deploy telematics across all fleet vehicles to enhance operational visibility, improve safety, and enable data-driven fleet management through real-time tracking, performance analytics, and cross-system integration.	5	5
	3c	Connect fleet, finance, and procurement platforms to ensure consistent asset tracking, improve data accuracy, and strengthen financial and operational accountability across departments.	5	5
	3d	Develop a unified system that consolidates telematics, asset, and lifecycle data to improve efficiency, enhance accountability, and enable strategic decision-making across all fleet operations.	5	5

Fleet Optimization Initiatives: Impact vs. Effort Matrix



Next Steps

Recommended Next Steps and Future Considerations

Key steps for the City to drive meaningful change within the organization

1. **Review Assessment Findings with City Leadership and Department Heads**: Present key findings and recommendations from the Fleet Management Study to gather input on priorities and areas of focus for implementation
2. **Complete Citywide Fleet Asset Inventory:** Reconcile all owned and leased vehicles and equipment across departments to establish a single, accurate inventory as the foundation for centralized fleet management**.**
3. **Establish Centralized Fleet Operations Program:** Create the organizational framework, operating policies, and financial procedures needed to transition to a centralized fleet management model—defining roles, governance, chargeback methods, and lifecycle planning standards to guide consistent citywide operations.
4. **Develop Future Position Requests and Funding Priorities**: Collaborate with the Finance Department and City Manager's Office to identify staffing and funding needs that align with the transition to a centralized fleet model
5. **Develop Fleet Modernization and Implementation Plan**: Outline an actionable roadmap for implementing recommended policy, process, and technology improvements. Include milestones, responsible parties, and metrics to track progress toward a sustainable fleet operation

Notable Change Management Initiatives to Consider

- **Develop a Training and Transition Plan** for staff assuming new or expanded roles within Fleet Operations
- **Establish a Project Management Framework** to guide implementation and maintain accountability
- **Monitor and Evaluate Progress** regularly against established milestones and key performance indicators
- **Create Communications Plan** to coordinate key communications for impact City Departments
- **Recognize and Share Successes** as early improvements are achieved to build long-term momentum and buy-in

APPENDIX

Recommendations Impact and Effort Evaluation Measurements

A&M's consistent method for ranking recommendations based on their organizational impact and implementation effort, resulting in clear prioritization for execution planning

Recommendations Table

Score	Impact (Benefit)	Effort (Implementation)
1	Minimal improvement	Minimal effort; quick administrative task
2	Incremental/local benefit	Low effort; easily implemented change
3	Moderate operational improvement	Medium effort; procedural or training updates
4	Significant, measurable improvement	High complexity; cross-functional alignment required
5	Transformational; long-term organizational value	Major initiative; multi-department coordination, high cost

Fleet Optimization Initiatives: Impact vs. Effort Matrix

Quadrant	Focus Area	Example Actions
High Impact / Low Effort	Quick Wins	Define roles, job descriptions, performance reviews
High Impact / High Effort	High Impact / High Effort	High Impact / High Effort
Moderate Impact / Moderate Effort	Moderate Impact / Moderate Effort	Moderate Impact / Moderate Effort
Low Impact / High Effort	Low Impact / High Effort	Low Impact / High Effort