

Contra Costa County Grand Jury Report 1103

County and City Vehicle Maintenance and Usage

Do you know where your vehicles are?

**TO: Contra Costa County Board of Supervisors
Cities in Contra Costa County**

SUMMARY

Contra Costa County and the nineteen cities located within the County have sizeable investments in vehicles, but exhibit a varied ability to professionally manage vehicle maintenance to contain costs. Some agencies, when compared to their counterparts, maintain a larger than average inventory of spare parts which commits and idles capital. A sizeable number of government vehicles are used in day-to-day activities and are then being taken home after work by various County and city employees creating additional expense and reducing vehicle life-expectancy.

BACKGROUND

Contra Costa County (as an individual governmental entity) and the nineteen cities located within the County have a significant number of vehicles used in day-to-day activities. A survey was utilized to gather information. The County, as well as six of its cities (Concord, Walnut Creek, Antioch, Brentwood, Pleasant Hill and Richmond), own their dedicated maintenance facilities and have professional maintenance personnel supervising or managing the maintenance of their vehicles. Martinez leases its maintenance facility and the city's Public Works Superintendent supervises vehicle maintenance. Pittsburg leases its facility and employs a supervisor to oversee maintenance. All government entities listed above utilize a fleet maintenance management system to track costs, except for Martinez.

Of cities that do not have their own maintenance facilities, Clayton and Lafayette reported that they use Concord's maintenance facility for service and minor repairs of patrol vehicles. Orinda provides its own maintenance for public works vehicles only. The remaining eight cities outsource vehicle maintenance to local commercial enterprises with oversight of the maintenance program generally provided by city employees.

It should be noted here that the County-owned maintenance facility, located in Martinez and run by a fleet services manager who effectively uses a maintenance management system, is only

about six miles from the Martinez City maintenance facility which is leased and does not utilize a maintenance management system.

Maintaining an inventory of spare parts to reduce vehicle down-time is an accepted practice within maintenance facilities. Examining only the total value of the spare parts inventory can be misleading due to fleet size variances. However, by examining the value of the inventory on a “per vehicle” basis, four government entities reported spare parts inventories well above the \$206 per vehicle average of the other eleven entities reporting such inventories in response to the survey: Richmond reported inventories valued at \$470,000 (\$1,049 per vehicle), Contra Costa County reported inventories valued at \$304,229 (\$262 per vehicle), Brentwood reported inventories valued at \$111,000 (\$745 per vehicle), and Martinez reported inventories valued at \$20,000 (\$465 per vehicle). Four cities, Hercules, Moraga, Pinole, and San Pablo reported no spare parts inventories. Walnut Creek did not provide inventory value information.

The survey also disclosed that there are 315 vehicles that are allowed to be taken home after work by employees of the County and sixteen (of the nineteen) cities, more often than twice weekly and routinely up to five days per week. This is fully 13% of the reported total number of automobiles, vans, SUVs and pickup trucks owned by the County and the nineteen cities within the county. Walnut Creek, Clayton, and San Pablo reported that they do not allow any passenger vehicles to be taken home. The chart below contains the responses to the survey.

Government entities	Number of autos, vans, SUVs and pickups	Number taken home	Percent taken home
Contra Costa County	803	131	16%
Antioch	131	11	8%
Brentwood	119	9	8%
Clayton	11	0	0%
Concord	202	27	13%
Danville	62	12	19%
El Cerrito	62	13	21%
Hercules	46	7	15%
Lafayette	27	1	4%
Martinez	64	9	14%
Moraga	23	3	13%
Oakley	32	3	9%
Orinda	22	4	18%
Pinole	54	5	9%
Pittsburg	115	31	27%
Pleasant Hill	63	12	19%
Richmond	355	24	7%
San Pablo	26	0	0%
San Ramon	115	13	11%
Walnut Creek	140	0	0%
Totals	2,472	315	13%

While the Grand Jury did not inquire into the justification behind these vehicles being taken home, it believes that this practice places additional costs on the taxpayers within the individual jurisdictions and subjects the entities to increased public liability risks. Factoring in a 44-mile round-trip per take-home vehicle per day (Contra Costa County Commute Profile 2005)¹, a frequency of between two to five days per week, and using the cost per mile figures provided by the reporting entities (or substituting an IRS reimbursement rate in cases where costs were not provided or could not be determined), the County (as an individual entity) is incurring additional costs of between \$10,604 - \$26,514 per week, Pittsburg is incurring between \$2,728 - \$6,820 per week, Concord is incurring between \$2,018 - \$5,049 per week, and Richmond is incurring between \$1,452 - \$3,643 per week (the lower number in the range represents two trips per week, and the higher number represents five trips per week). Adding in the other thirteen cities that allow take-home vehicles, the aggregate cost for take-home vehicles used by the County and the cities can add from \$1,103,336 to \$2,758,413 in total additional annual operating cost to the seventeen entities allowing this practice.

The survey did not inquire into any personal use restrictions in place for those employees taking county and city-owned vehicles home. Nor did it inquire into any controls in place to calculate and report to the IRS the imputed income for any personal use of an employer-provided car.

FINDINGS AND RECOMMENDATIONS

Finding #1. The City of Richmond fully utilizes their maintenance management system which the Grand Jury identifies as a best practice for the County and all of the cities located within the County.

Recommendation #1. Available maintenance management software should be fully utilized.

Finding #2. Exiting the leased Martinez maintenance facility and consolidating maintenance operations with the County facility could result in cost savings to Martinez.

Recommendation #2. That the County Board of Supervisors and the Martinez City Council consider identifying representatives to explore the feasibility of consolidating their maintenance facilities and maintenance management systems.

Finding #3. Spare parts inventories in Contra Costa County, Richmond, Brentwood, and Martinez are much higher than the \$206 average of all agencies reporting such inventories.

Recommendation #3. That Contra Costa County, Richmond, Brentwood, and Martinez should review their spare parts purchasing practices and determine what steps can be taken to permanently reduce on-hand inventories.

¹ www.mtc.ca.gov/library/commute_profile

Finding #4. The number of city and county vehicles being taken home after work results in significant taxpayer expense.

Recommendation #4. That Contra Costa County and cities which allow take-home vehicles (Antioch, Brentwood, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, and San Ramon) should review this practice and determine what steps can be taken to reduce the number of take-home vehicles and specify the circumstances when take-home vehicles may be used.

REQUIRED RESPONSES

Finding #2 and Recommendation #2:

Contra Costa County Board of Supervisors
Martinez City Council

Finding #3 and Recommendation #3:

Contra Costa County Board of Supervisors
The Cities of:
Brentwood
Martinez
Richmond

Finding #4 and Recommendation #4:

Contra Costa County Board of Supervisors
The Cities of:
Antioch
Brentwood
Concord
Danville
El Cerrito
Hercules
Lafayette
Martinez
Moraga
Oakley
Orinda
Pinole
Pittsburg
Pleasant Hill
Richmond
San Ramon