

## Fleet Management Consulting Services

### SCOPE OF SERVICES

#### ATTACHMENT

The following general Scope of Services shall be made a part of the Agreement dated February 14, 2013 and shall supplement Exhibit A, Scope of Work, of the original document.

#### A. Task 1 - Conduct Fleet Rightsizing Study

The goal of this task is to determine if there is an opportunity to decrease the number of vehicles and pieces of equipment in the City's fleet and subsequently lower the City's overall fleet costs.

##### Step 1.1: Update Fleet Inventory

In order to initiate this fleet rightsizing task, we will work with the City to update the fleet inventory data that was provided for the recently completed fleet management study. We will provide the Microsoft Excel inventory to the Fleet Management Division (FMD) and ask that any changes in fleet size or composition be made to the inventory.

We will also ask FMD to update utilization statistics such as providing current odometer and/or hour readings and the date of the meter reading. We will also request fuel consumption data for each unit for the past year or two if available. If a current backup of the *FASTER* database is made available, Mercury may be able to extract utilization statistics for the current and previous years for each asset, to the extent that the data is accessible.

##### Step 1.2: Develop Detailed Fleet Profile

In this task, we will analyze utilization levels by type of asset and by City agency in order to identify those assets in the City's fleet whose usage is such that they should be further investigated for possible reassignment to a shared-use pool or removal from the fleet either immediately or at the end of the service life of the current asset. We will segment and analyze the assets in the fleet by user agency, asset class or type, and, data availability permitting, asset domicile or regular parking/storage location. We will calculate statistics on recent usage levels by asset class and, based on the findings of these analyses, we will recommend the annual usage level for each group which should serve as a threshold for separating assets that clearly should be retained in the fleet from those that require more detailed investigation.

For unique vehicles (e.g., fire apparatus, police patrol units, etc.) and pieces of equipment in the City-wide fleet, we will confer with appropriate City officials to ascertain whether they should be included at all in the fleet rightsizing study.

### Step 1.3: Survey Users of Potentially Under-Utilized Assets

Utilization statistics alone, of course, can be misleading indicators of the need for a vehicle or piece of equipment. A common definition of a vehicle being in use is when it is not available for use by another organization. In many such situations, a vehicle that is in use may or may not be accumulating many (or any) miles or engine hours. For example, a cargo van assigned to a carpenter may function as a tool box on wheels and carry materials to a job site where the vehicle sits for extended periods of time. Analysis of historical miles driven will indicate that it is not used very much, but this clearly does not mean that the unit is underutilized or not needed.

Consequently, we will analyze fleet utilization from a number of perspectives in addition to meter readings for low-mileage units and will also tailor our analysis to the different types of equipment and conditions in which user organizations operate. In order to decide whether individual assets whose usage falls below the pertinent threshold should be retained as is, reassigned to a shared pool, or removed from the fleet, we will develop additional information on their use and the business need for them using a Web-based questionnaire. The types of information we will request for each asset in this survey group may include the following.

#### Frequency and timing of the asset's use

- Typical times of use, including evening and weekend hours
- Seasonality of use
- Ability to predict and manage when the asset is used

#### General requirements for the asset's use

- Typical number of passengers
- Types of passengers (e.g., City employees, VIPs, arrestees/inmates, etc.)

#### Special characteristics of the asset's usage requirements

- Need to respond to emergency calls and frequency and timing of such calls
- Need for auxiliary equipment (e.g., light bar, radio, mobile data terminal, tool box, security cage, etc.)
- Need to transport materials, tools, and/or equipment that are not easily removed from the asset so that someone else can use it

#### Location of the asset's use

- Proximity of the asset user to other City employees with whom the asset might be shared
- Variability in the user's work place locations and travel destinations (i.e., predictability as to where and when the asset will be available for use by others)

#### User's rating of the asset's importance to his/her/the organization's job performance

- Criticality of the asset to the user's mission

We will draft the questionnaire and submit it to appropriate City officials for review and approval and make changes where necessary based on feedback received. We will post the survey on-line for approximately two weeks and provide periodic updates on its status so that

follow-up calls can be made to agencies whose completion of questionnaires for their particular assets is lagging. In order to ensure a high response rate, we will ask the City to send out a notice to complete the survey with the appropriate link.

#### Step 1.4: Earmark Assets for Reassignment or Removal from the Fleet

Once user agencies have completed the on-line survey, we will review the data for each surveyed asset for completeness (following up where necessary with agency points of contact to obtain missing data) and then analyze the data in order to identify specific assets that we believe should be reassigned to one or more shared pools or removed from the fleet.

Upon completing these analyses, we may meet with each major City agency if necessary to review and solicit feedback on our findings and recommendations regarding the disposition of specific fleet assets in their possession. The objective of these discussions will be to review and discuss the reasonableness and acceptability of our survey findings and recommendations in light of considerations such as the following:

- Any special operating practices or circumstances that account for the low usage of the assets earmarked for reassignment or disposal; and
- Recent and/or anticipated changes in the organization's size, mission, work methods, staffing levels, or other operating needs and parameters that might mitigate some of recommended reductions to their fleet.

On the basis of these discussions we will finalize our recommendations regarding changes in asset assignments that will adjust the size and composition of the fleet to a more cost-effective configuration.

#### Step 1.5: Quantify Cost Savings

To the extent that available data permit, we will quantify the immediate and recurring cost savings associated with implementing our recommended changes to current vehicle and equipment assignments and overall fleet size and composition. This will include replacement cost avoidance, estimated proceeds from the sale of units identified for removal from the fleet, and estimated vehicle operating cost savings.

#### Step 1.6: Identify Candidates for Shared Use Motor Pool

As part of this fleet rightsizing task we will identify other vehicles and pieces of equipment that are candidates to be included in a shared use motor pool. To the extent that data and utilization trends are available, we will recommend possible motor pool locations and initial vehicle and equipment composition for the motor pool(s).

#### Step 1.7: Document Findings, Conclusions, and Recommendations

We will document our findings, conclusions, and recommendations in a Task Summary document. This document will describe our project methodology, analysis results, and recommended steps going forward. A list of vehicles and equipment and their recommended disposition (e.g., retain, reassign, remove from the fleet, or include in a motor pool) will be provided. We have not included in our project budget a presentation at the conclusion of the fleet rightsizing study.

## **LUMP SUM COMEPENSATION**

### **SUMMARY OF TASKS:**

Task 1 – Conduct Fleet Rightsizing Study	\$30,780
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<b>TOTAL AMENDMENT No. 1 COMPENSTAION:</b>	<b>\$30,780</b>
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The Services provided for in this Agreement are for the sole use and benefit of OWNER and CONSULTANT. Nothing in the Agreement shall be construed to give any rights or benefits to anyone other than OWNER and CONSULTANT.

IN WITNESS WHEREOF, OWNER AND Mercury Associates, Inc. have executed this Agreement.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

The City of Norman  
(OWNER)

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk

Mercury Associates, Inc.  
(CONSULTANT)

Signature Paul T. Lauria

Name Paul T. Lauria

Title President

Date 12/23/13

Attest:

Diane M. Thomas

Approved as to form and legality this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

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City Attorney