

OFFICE OF THE CITY CONTROLLER



**CITY-WIDE MOTOR VEHICLE
FOLLOW-UP REVIEW**

Sylvia R. Garcia, City Controller

Judy Gray Johnson, Chief Deputy City Controller

Steve Schoonover, City Auditor



OFFICE OF THE CONTROLLER
CITY OF HOUSTON
TEXAS

SYLVIA R. GARCIA

September 5, 2002

The Honorable Lee P. Brown, Mayor
City of Houston, Texas

SUBJECT: City-Wide Motor Vehicle Follow-Up Review (Report No. 01-11)

Dear Mayor Brown:

In accordance with the City's contract with Deloitte & Touche LLP (Deloitte), Deloitte has completed a City-Wide Motor Vehicle Follow-Up Review. The primary objectives of the review were to assess the City's progress in implementing recommendations from previous motor vehicle reviews and determine departmental compliance with Administrative Procedure (A.P.) 2-2, Motor Vehicle Assignment and Use.

The report, attached for your review, notes that the City has taken appropriate action in certain areas to improve the management of the City's fleet. Deloitte noted significant improvement in the compliance rates for all three departments (Municipal Courts Administration, Human Resources, and Solid Waste Management) when compared to previous compliance testing in 1997. Further, recommendations were also identified to improve the effectiveness and efficiency of the Administration of A.P. 2-2 and overall fleet management in the City. Draft copies of the matters contained in the report were provided to Department officials. The views of the responsible Department officials as to action taken or being taken are appended to the report as Exhibits 1 through 4.

We appreciate the cooperation extended to the Deloitte auditors by department personnel during the course of the review.

Respectfully submitted,


Sylvia R. Garcia,
City Controller

xc: City Council Members
Albert Haines, Chief Administrative Officer
Oliver Spellman, Jr., Chief of Staff, Mayor's Office
Philip Scheps, Director, Finance and Administration Department
Barbara Sudhoff, Director and Chief Clerk, Municipal Courts Administration Department
Lonnie Vara, Director, Human Resources Department
Thomas Buchanan, Director, Solid Waste Management Department

Deloitte & Touche LLP
333 Clay Street
Suite 2300
Houston, TX 77002

Tel: 713-982-2000
Fax: 713-982-2315
www.us.deloitte.com

**Deloitte
& Touche**

August 28, 2002

Ms. Sylvia Garcia
City Controller
City of Houston
900 Bagby
Houston, Texas 77002

Dear Controller Garcia:

Deloitte & Touche LLP is pleased to present the results of our Follow-Up Review of City Vehicle Programs to the City of Houston. The objectives for this review were to assess the City's progress in implementing recommendations from previous vehicle program studies and update prior tests pertaining to departmental compliance with AP 2-2.

This report includes an update on the implementation status of recommendations from the following reports:

- City of Houston Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review, Report No. 97-143 issued in November 1997, and
- Finance and Administration Department, City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review, Report No. 99-17 issued in April 2000.

Our report includes commendations where the City has taken appropriate action to improve the management of the City's fleet. Recommendations are also identified to further improve the effectiveness and efficiency of the administration of AP 2-2 and overall fleet management in the City.

This Follow-Up Review also includes Administrative Procedure 2-2 compliance test results for the Human Resources, Municipal Courts Administration, and Solid Waste Management Departments. We noted a significant improvement in the compliance rates for all three departments from previous compliance testing, summarized in Report No. 97-86, 97-95, and 97-87, issued in June 1997 and July 1997.

The Finance and Administration, Human Resources, Municipal Courts Administration, and Solid Waste Departments submitted management responses to this report. Municipal Courts Administration has taken exception to our finding that they were not in compliance with AP 2-2 Section 5.4.2, which states that supervisors are responsible for "obtaining annual authorizations

for motor vehicle checks executed by employees who drive City vehicles or drive on City business.”

While Municipal Courts Administration obtains an annual “acknowledgement” form from each employee, we do not believe that this form adequately fulfills the requirement to obtain an employee’s authorization for a motor vehicle record check. By signing the acknowledgement form, an employee has simply indicated their receipt of the 2/1/99 revision of AP 2-2 and their responsibility to review and comply with the requirements listed within the policy. AP 2-2 does not prescribe an annual completion of the acknowledgement form and does not designate this form as a means to obtain annual authorization for performing motor vehicle record checks.

We appreciate the opportunity to conduct this review and look forward to working with the City of Houston on future projects.

Sincerely,

Deloitte & Touche LLP

Deloitte & Touche LLP

Follow-Up Review of City Vehicle Programs

The City of Houston Controller engaged Deloitte & Touche LLP to conduct a Follow-Up Review of the following reports previously issued by the City Controller's Office:

- City of Houston Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review, Report No. 97-143 issued in November 1997
- Finance and Administration Department, City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review, Report No. 99-17 issued in April 2000
- Compliance Review of Administrative Procedure 2-2 – Motor Vehicle Assignment and Use for the Human Resources, Municipal Courts Administration, and Solid Waste Management Departments, Report No. 97-86, 97-95, and 97-87 respectively, issued in 1997

This Follow-Up Review includes an update on the implementation status of recommendations made in these prior reports and includes compliance test results of the Human Resources, Municipal Courts Administration, and Solid Waste Management Departments, comparing vehicle and employee files to the revised Administrative Procedure 2-2.

Background

Administrative Procedure 2-2 – Motor Vehicle Assignment and Use (AP 2-2), originally issued in November 1994 and most recently revised in February 1999, governs the use of the City's vehicle programs. The City's policies provide for the use of take-home/home storage vehicles, mileage reimbursement and vehicle allowance. AP 2-2 defines the criteria by which an employee becomes eligible to participate in the take-home/home storage program and dictates the requirements for continued participation. AP 2-2 also provides the guidelines for motor vehicle assignment and use in City departments.

Deloitte & Touche conducted a performance review of AP 2-2 administration in 1997. In addition, we tested the City's compliance with AP 2-2 and issued individual departmental reports. As a follow-up to the performance review and compliance tests in 1997, we also conducted a city-wide cost-benefit analysis using City vehicle documentation maintained in the Finance and Administration Department. This report was issued in April 2000.

The objectives of this current review include:

- Reviewing the status of recommendations made in the City of Houston Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review, Report No. 97-143 issued in November 1997
- Reviewing the status of recommendations made in the City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review, Report No. 99-17 issued in April 2000

- Conducting compliance testing of AP 2-2 for vehicles in departments who had greater than 20 percent non-compliance as summarized in Report No. 97-86, 97-95, and 97-87, issued in June 1997 and July 1997

Administrative Procedures – AP 2-2

AP 2-2 was designed to govern the assignment of and use of all City pool and home storage vehicles. AP 2-2 was originally approved in 1994 and later revised in 1997 and 1999. The 1999 revision became effective in February 1999.

The purpose of AP 2-2 is:

“To provide uniform operating rules and procedures to insure driver and passenger safety, protection of the public, disciplinary equity, and efficient use and maintenance of vehicles.”

The objectives of AP 2-2 are as follows:

- To ensure that assignment, storage, use and operation practices are consistently applied in City departments
- To establish criteria for assignment and home storage of City vehicles
- To establish criteria for vehicle allowances for employees who use privately owned vehicles for City business
- To establish reimbursement procedures for employees who use privately owned vehicles for business

The policy also defines the criteria by which an employee becomes eligible to participate in the take home program and dictates the requirements for participation.

Specifically, AP 2-2, section 15.1 states:

“Employees, including those set forth in Executive Order 1-41, who by nature of job assignments and/or responsibilities including but not limited to reporting directly to various field worksites, being placed ‘on call’ or providing special repair or emergency services after normal working hours, may be assigned a city vehicle for home storage at the discretion of the Department head or the Mayor in instances where it is beneficial to the City to do so.”

Our Approach

The Human Resources, Municipal Courts Administration, and Solid Waste Management Departments each had greater than 20 percent non-compliance in the 1997 compliance reports. As a result, these departments were reviewed for compliance with AP 2-2. We performed the following activities and work steps in order to follow-up on the previously completed reports.

1. *Requested documentation on selected department's vehicles.* Criteria for selection were as follows: All vehicles were reviewed for compliance with AP 2-2 in departments having 10 or fewer vehicles. In departments having greater than 10 vehicles, 10% or a minimum of 10 vehicles were reviewed for compliance with AP 2-2.
2. *Interviewed key individuals in the Finance and Administration, Human Resources, Municipal Courts Administration and Solid Waste Management Departments.* We interviewed City personnel in each identified department to discuss key business processes and procedures for the administration of AP 2-2 in each department.
3. *Reviewed and verified documentation associated with AP 2-2 for accuracy and timeliness of completion.* We reviewed departmental vehicle and employee driving files to verify documentation associated with AP 2-2.
4. *Reviewed recommendations made in Report No. 97-143 – City of Houston Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review and Report No. 99-17 – Finance and Administration Department City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review.* We identified recommendations that should have been implemented within the time frame between the issuance of those reports and this review.
5. *Reviewed recommendations and validated the extent to which the recommendations were implemented.* We interviewed key individuals in the Finance and Administration Department, and other departments to determine if the recommendations had been implemented.
6. *Identified recommendations that have not been implemented and determined whether they may be implemented in the future.* In this process, we also identified other practices that should be considered for review.

The General Equipment Maintenance System (GEMS) maintained by the Finance and Administration Department provides some data about vehicles and their usage. In 1999, when the Cost-Benefit Analysis Follow-up Review, Report No. 99-17 was conducted, GEMS indicated that the City of Houston owned 7,760 light vehicles. As of May 1, 2001, GEMS shows that the City owns 7,750 light vehicles. During that time period the light vehicle fleet was reduced by 10 vehicles. **Exhibit 1** shows the number of vehicles owned by City departments in 1999 and compares it to 2001.

**Exhibit 1
Number of Vehicles by Department
Comparing 1999 & 2001**

Department	Number of Vehicles 1999	Number of Vehicles 2001	Addition/ (Reduction)
Affirmative Action	6	6	0
Aviation	283	300	17
Building Services	N/A	93	93
City Council	1	1	0
City Controller	2	2	0
Convention and Entertainment Facilities	5	7	2
Finance and Administration	63	64	1
Fire	476	478	2
Health and Human Services	287	321	34
Housing and Community Development	28	29	1
Human Resources	11	12	1
Legal	6	8	2
Library	26	32	6
Mayor	N/A	4	4
Municipal Courts Administration	27	30	3
Parks and Recreation	403	379	(24)
Planning and Development	208	230	22
Police	3,634	3,468	(166)
Public Works and Engineering	2,163	2,146	(17)
Solid Waste Management	131	140	9
Total	7,760	7,750	(10)

As part of our review, we conducted AP 2-2 compliance testing in the Human Resources, Municipal Courts Administration, and Solid Waste Management Departments. Each vehicle was tested against 29 AP 2-2 compliance requirements and compliance rates were calculated based on the number of “Vehicle in Compliance” occurrences across all requirements. The rate of non-compliance in the 1997 and 2001 reports indicates improvement has been made with compliance of AP 2-2. **Exhibit 2** identifies the compliance rates for the departments in 1997 and 2001.

**Exhibit 2
Summary of Compliance for the
Human Resources, Municipal Courts Administration, and
Solid Waste Management Departments
1997 and 2001**

Compliance	Human Resources 1997	Human Resources 2001	Municipal Courts 1997	Municipal Courts 2001	Solid Waste 1997	Solid Waste 2001
“Vehicle in Compliance” occurrences	23%	70%	14%	46%	15%	56.6%
“Vehicle Not in Compliance” occurrences	21%	8%	32%	7%	21%	7.8%
“Compliance Not Applicable” occurrences	56%	22%	54%	47%	64%	35.6%

Based on our review of the data provided by the City through documentation and interviews, we offer the following recommendations for improved city-wide administration of AP 2-2.

Finding

AP 2-2 data collection, forms usage and reporting are applied inconsistently throughout the City. AP 2-2 requires the collection of data about employee driving histories and vehicle usage information, but does not provide standard forms to document all requirements contained within the policy (e.g., motor vehicle record check authorizations and quarterly reports). Therefore, the Human Resources, Municipal Courts Administration and Solid Waste Management Departments have designed departmental forms to facilitate the reporting processes.

- Human Resources issued “Department Responsibilities Under Administration Procedure 2-2, Motor Vehicle Assignment and Use Policy” to further define responsibilities within the Human Resources Department in accordance with AP 2-2. HR also has developed its own Motor Vehicle Record Check Request form and Vehicle Pre-Trip Inspection form.
- Municipal Courts Administration has developed a Disclosure Form, Municipal Courts Supervisor Vehicle Accident Follow-Up Checklist, Drug Test form, and Injury Checklist.
- Solid Waste Management has developed a Letter of Notification for employees disclosing incidents which violate AP 2-2 policy.

Although these departments have identified ways to improve the internal reporting process for AP 2-2, best practices have not been shared with other departments and methods used to comply with AP 2-2 are not applied consistently throughout the City.

Recommendation

AP 2-2 should prescribe standard forms to document all policy requirements, thereby providing a uniform method for all departments to document AP 2-2 compliance. The City should review the various methods, forms and practices being deployed in connection with AP 2-2 and create a “best practice” standard to be implemented city-wide.

A best practice standard should include criteria such as:

- Efficient
- Simple
- Automated
- Auditable
- Understandable

Finding

Business cases for using, assigning or acquiring City vehicles are not documented. Neither individual departments nor a centralized vehicle control center analyze and evaluate the City’s investment in vehicles. AP 2-2 requires that each vehicle have a clearly defined purpose and implies that justification for the acquisition of that vehicle has been conducted. There is an annual review of each take-home vehicle to determine whether or not to continue that home storage assignment. This review is documented on the ES-1 form by the appropriate department. However, there is no annual review of assigned and pool vehicles being conducted by City departments.

Recommendation

Absent a centralized vehicle control function in the City, each department should be required to justify the current vehicle fleet, their usage, assignment and cost. The analysis should assume that no City vehicles are assigned until cost justification and usage has been evaluated and approved. For example, City services requiring delivery and pick-up vehicles should be clearly documented and cost justified. Where individual vehicles can be used, our cost-benefit analysis indicated that mileage reimbursement or vehicle allowance programs are much more cost effective solutions for the City than buying, fueling and maintaining new vehicles.

With a properly staffed and equipped vehicle monitoring function within Finance and Administration, the City should be able to better manage the deployment of vehicles in the City. This function should be equipped with new fleet management software. All City departments should justify their vehicle needs through the budget process on an annual basis. The overall maintenance and daily management of vehicles would continue

at the departmental level. The fleet management office in Finance and Administration would oversee the recording of vehicle acquisition, maintenance, use, and disposition data. This oversight function should include cost-benefit analysis of the fleet from an organizational view.

* * * * *

The following sections include:

- Review of implementation status of findings and recommendations of the City of Houston Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review, Report No. 97-143
- Review of implementation status of findings and recommendations of the City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review, Report No. 99-17
- AP 2-2 compliance audits for the Human Resources, Municipal Courts Administration and Solid Waste Management Departments

Review of City of Houston Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review Report No. 97-143 Implementation

The objective of Report 97-143 was to conduct a performance review of the administration of AP 2-2. The report identified areas of improvement around the processes associated with AP 2-2.

In June 2001, Deloitte & Touche reviewed documentation and conducted interviews with key individuals in the Finance and Administration, Human Resources, Municipal Courts Administration and Solid Waste Management Departments. As a result of the review, the following recommendations were developed based on the implementation status of the initial findings and recommendations in Report No. 97-143.

Finding

The City made limited progress on the implementation of recommendations made in Report No. 97-143.

- Although the City revised Administrative Procedure 2-2 in February 1999, no change was made to address the recommendation to clarify the term “assigned vehicle” to indicate whether it referred to pool vehicles assigned to an employee for a specific trip, vehicles assigned to employees the majority of the time, or home storage vehicles. The City recently indicated that pool vehicles are not generally “assigned” vehicles and “assigned” vehicles generally refer to take home vehicles. In our opinion, this does not adequately clarify the term “assigned” and the City should review AP 2-2 and revise unclear terminology.

Additionally, the recommended matrix of requirements to effectively convey AP 2-2 compliance requirements was not added to the policy.

- After AP 2-2 was revised in 1999, the Legal and Human Resources Departments held a city-wide training for department liaisons responsible for monitoring AP 2-2 compliance. There is no regular training plan to disseminate new information to liaisons or train new liaisons. Instead, the City offers training at the request of individual departments on an ongoing basis. Individual departments determine the need for training and the appropriate staff members to attend, including liaisons, managers, supervisors and eligible drivers.
- The City has not implemented the recommendation to develop and implement a common methodology city-wide for storing required documentation associated with AP 2-2. For example, we noted that the ES-1 forms, defensive driving certificates, motor vehicle records, and other documents were stored differently in each of the departments reviewed. Records storage variances between departments included file location, security, access, content and form. This lack of consistency and standardization decreases the City’s ability to audit records

and reduces management's ability to monitor and track personnel and vehicle information related to vehicle usage.

- During this review, the Solid Waste Management, Human Resources, and Municipal Courts Administration Departments utilized different means to obtain Motor Vehicle Records (MVRs). A city-wide policy does not exist regarding the most cost effective and efficient way to obtain MVRs, resulting in inconsistent practices and potentially increased costs to the City.

Recommendation

The City should revisit and formally implement the recommendations from Report No. 97-143. Specifically, the City should:

- Clarify the term “assigned vehicles” in AP 2-2 and provide a “user-friendly” matrix to define compliance requirements.
- Establish a formal, regular training program regarding communication with personnel assigned to monitor AP 2-2 compliance within each department.
- Develop and implement a standardized practice for storing required documentation associated with AP 2-2 city-wide. The methodology should include:
 - Consolidation of information
 - Minimization of required forms
 - Standardization of filing tools/methods (paper vs. automated/imaged)
 - Assignment of responsibility
- Arrange for a cost effective and timely method for all City departments to obtain MVRs and issue a city-wide policy regarding the preferred method.

Exhibit 3 identifies a summary of the recommendations made in Report No. 97-143. It identifies the recommendation, probable responsibility for implementation and status of implementation.

**Exhibit 3
Implementation Status of Recommendations Made in Report No. 97-143**

1997 Recommendation	Probable Responsibility	Status of Implementation
Expand definition of terms to specifically include the term “assigned vehicles” and modify AP 2-2 to be more “user friendly” by including a matrix of compliance requirements	Legal or Finance and Administration	AP 2-2 was most recently revised in February 1999 to update certain provisions and provide clarification to the policy. The most recent revision made no change in the definition of “assigned vehicle” and did not address the matrix of compliance requirements as recommended.
Proactively communicate all AP 2-2 compliance requirements with the personnel assigned to monitor compliance within each department	Legal or Finance and Administration	After the AP 2-2 revision in 1999, there was a city-wide training for liaisons. There is no regular training plan, however, to disseminate new information to liaisons or train new liaisons. Instead, the City offers training at the request of individual departments.
Develop and implement common methodology city-wide for storing required documentation associated with AP 2-2	Finance and Administration	The City’s position is that departments have the option to store records centrally or have managers maintain their documentation based on the department’s needs. No progress was made in developing a common methodology for storing AP 2-2 documentation as recommended.
Consider cost effective and timely alternatives to the current method of obtaining motor vehicle records (MVRs)	Finance and Administration	The City’s position is that departments have the option to obtain MVRs as deemed appropriate to meet their individual operational needs. No progress was made at the city-wide level to consider alternatives to obtaining MVRs.

Review of City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review Report No. 99-17 Implementation

The objectives of Report 99-17 were to evaluate vehicle cost data and vehicle usage data to determine whether current policies resulted in the best financial outcome for the City. The City's light vehicles were classified into three different use categories, as follows:

- Take home/home storage vehicles
- Daily operational uses
- Emergency uses

Based on the review of the 1999 vehicle data provided by the Finance and Administration Department, the following conclusions were reached:

- The vehicle data had at least a seven percent error rate and was determined to be unreliable for management decision purposes.
- Limited fleet management review processes existed within City departments and no centralized function evaluated the overall cost-benefit of vehicles city-wide.
- In certain situations, the City was not deploying the most cost-beneficial solution for the use of City vehicles and corresponding policies.
- The policies and procedures of AP 2-2 required revision to more precisely define vehicle use and take home criteria.

In June 2001, Deloitte & Touche reviewed documentation and conducted interviews with key individuals in the Finance and Administration, Human Resources, Municipal Courts Administration and Solid Waste Management Departments. As a result of the review, the following recommendation was developed based on the implementation status of the initial findings and recommendations in Report No. 99-17.

Finding

In connection with the City's Continuous Management Improvement Plan (CMIP), the City has made limited progress towards implementing the recommendations made in Finance and Administration Department City-Wide Motor Vehicle Cost-Benefit Analysis Follow-Up Review, Report No. 99-17. This report disclosed that:

- Vehicle allowances in lieu of providing non-emergency sedans to employees would save the City \$463,482 annually.
- Eliminating take home vehicles for employees driving less than 300 miles a month and replacing them with a \$0.31 mileage reimbursement program would save \$36,762 annually.
- Eliminating take home vehicles driven less than 750 miles a month and replacing them with a \$0.31 reimbursement program would save \$210,338 annually.
- \$1.1 million is spent annually on personal use of take home vehicles.

The City's failure to consider evaluating and implementing the recommendations made in this report on a city-wide basis may have resulted in the City incurring unnecessary costs.

While these recommendations have not been implemented city-wide, some of the cost-benefit analysis recommendations have been partially implemented at the departmental level as a result of the Fiscal Year 1999 CMIP. The CMIP process resulted in a 19% decrease of vehicles classified as “take home” across all departments, excluding the Police Department (as of May 1, 2001, GEMS reported 810 take home vehicles, a decrease of 193 vehicles from the 1,003 take home vehicles noted in Report No. 99-17). The Police Department decreased take home vehicles by an estimated 120 additional vehicles. **Exhibit 4** shows the decreases in each department to reach the overall 19% decrease in take home vehicles.

**Exhibit 4
Take Home Vehicles from Report No 99-17 and
Take Home Vehicles as of May 1, 2001**

Department	Take home vehicles from Report No. 99-17	Take home vehicles as of May 1, 2001	Addition/ (Reduction)
Affirmative Action	0	0	0
Aviation	21	24	3
Building Services	N/A	44	44
City Council	0	0	0
City Controller	1	1	0
Convention and Entertainment Facilities	0	0	0
Finance and Administration	9	5	(4)
Fire	288	139	(149)
Health and Human Services	29	29	0
Housing and Community Development	11	10	(1)
Human Resources	6	6	0
Legal	0	0	0
Library	2	2	0
Mayor	N/A	0	0
Municipal Courts Administration	1	1	0
Parks and Recreation	54	48	(6)
Planning and Development	143	152	9
Police	N/A	N/A	N/A
Public Works and Engineering	412	319	(93)
Solid Waste Management	26	30	4
Total	1,003	810	(193)

Exhibit 1 (page 4) shows a city-wide decrease of only ten vehicles in the light vehicle fleet, indicating that the majority of take home vehicles were actually reclassified as daily, pool or emergency use vehicles and not completely eliminated from the fleet. As a result, the City has not realized the full benefits of our recommendations, but is realizing savings in fuel and maintenance costs as take home vehicles are reclassified and commuter miles are eliminated.

Commendation

The decrease in take home vehicles has resulted in fuel and maintenance savings for the City. For example, the Fire Department estimates approximately \$200,000 annual savings in fuel and maintenance costs from reclassifying 149 take home vehicles to pool vehicles. Another noted benefit from the reduction in take home vehicles is that costs to acquire new pool vehicles have been deferred and the pool fleet has been improved with newer model vehicles.

Recommendation

The recommendations made in Report No. 99-17 should be reviewed and implemented city-wide. Several of these recommendations were based on the cost-benefit analysis performed within that report. If implemented, these recommendations would have provided significant savings for the City and enhanced the City's processes for managing and maintaining its vehicle fleet.

An updated cost-benefit analysis with current numbers should be conducted reviewing vehicle usage in the City to update potential savings.

Exhibit 5 identifies a summary of the recommendations made in Report No. 99-17. It identifies the recommendation, probable responsibility for implementation and status of implementation.

Exhibit 5

Implementation Status of Recommendations Made in Report No. 99-17

2000 Recommendation	Probable Responsibility	Status of Implementation
Enhance city-wide vehicle fleet management function with improved automation and more timely data for departmental decisions	Finance and Administration	The role of F&A will be expanded to provide additional city-wide oversight of fleet operations.
Redesign and standardize data gathering methods around vehicle/fleet operations	Finance and Administration	Daily reports are being sent to the maintenance shops to verify previous day's maintenance costs input in GEMS. Beginning in June 1999, automated fuel stations were implemented in the heavy use locations. The automated stations dispensed approximately 77% of the fuel used by the City in calendar year 2001.
Review, standardize and clarify AP 2-2 to remove the departmental discretion, flexibility and wide interpretation of the policy	Legal or Finance and Administration	No progress was noted in addressing this specific recommendation to update AP 2-2 to remove wide interpretation of the policy. The F&A Director, however, does exercise some control of the fleet by approving all requests for additional vehicles. F&A has been more aggressive in monitoring additions to the fleet and the replacement of light vehicles.
Develop an annual, city-wide review process for analyzing the fleet for the purpose of tracking and monitoring city-wide use of vehicles	Finance and Administration	Finance and Administration began conducting an annual review of vehicle usage in FY 1999 and continues to review vehicle usage during the annual budget process.

2000 Recommendation	Probable Responsibility	Status of Implementation
Replace all non-emergency sedans with a vehicle allowance arrangement to save an estimated \$463,482 annually	Department Directors or Finance and Administration	The City's position is that elimination of all non-emergency sedans would severely impact the delivery of City services. Departments review their fleet utilization annually during the budget process. Non-emergency sedans were not evaluated and addressed on a city-wide basis.
Consider paying mileage reimbursement for take home vehicles driven less than 300 miles per month to save approximately \$36,762 each year	Department Directors or Finance and Administration	While some of this recommendation may have been accomplished as part of the CMIP in certain departments, this specific recommendation was not implemented city-wide.
Review take home vehicles to determine the ratio of personal and business miles being driven to save approximately \$1.1 million annually	Department Directors or Finance and Administration	This recommendation was partially accomplished as part of the CMIP on an individual departmental basis.
Reduce City take home vehicles driven less than 750 miles per month and reimburse for business miles to save over \$210,000 annually	Department Directors or Finance and Administration	While some of this recommendation may have been accomplished as part of the CMIP in certain departments, this specific recommendation was not implemented city-wide.

As noted in **Exhibit 5**, the City has made limited progress in the implementation of recommendations made in the City Controller's April 2000 report. As a result, the City may have continued to incur unnecessary costs associated with vehicle fleet management, maintenance, acquisition, and disposition.

NEXT STEPS

The City should consider redefining its entire structure, strategy and approach to the acquisition, deployment, management, maintenance and disposition of vehicles. The premise of future methods should be based on a lowest-cost and best-use analysis of vehicles on a departmental and individual basis. If the premise is that no employee or Department receives a City vehicle unless it is cost justified, significant savings from reduced costs associated with acquisition, operation, maintenance, fuel and labor could be achieved. In addition, the vehicle fleet could be quickly updated through immediate auction of older vehicles, resulting in reduced maintenance costs and providing an immediate revenue source to the City.

To accommodate this new approach, the City of Houston should adequately automate and retool the vehicle fleet management function within Finance and Administration. The vehicle fleet management function should continue to provide the following:

- Dedicated management with appropriate staffing
- Policy and procedure enhancement authority
- Quarterly vehicle status reports and annual vehicle analysis on departmental fleets
- Recommendations for vehicle fleet enhancements based on cost-benefit analysis
- Current systems and automated tools for fleet management
- Management and cost-benefit analysis of new vehicle acquisition and used vehicle auctions

Executive Summary – Human Resources AP 2-2 Compliance Audit

Ten vehicles, including seven take home and three pool vehicles, in the Human Resources Department were tested to determine compliance with AP 2-2. The findings are summarized in the following exhibit.

**Exhibit 6
2001 Compliance Summary**

	Frequency	Percentage
“Vehicle in Compliance” occurrences	204	70%
“Vehicle Not in Compliance” occurrences	22	8%
“Compliance Not Applicable” occurrences	64	22%
Total	290	100%

Human Resources has made significant improvement in compliance with AP 2-2 since the initial report in 1997. **Exhibit 7** is a summary of the compliance rates in the 1997 and 2001 reports.

**Exhibit 7
Summary of Compliance Rates**

Compliance	1997	2001
“Vehicle in Compliance” Occurrences	23%	70%
“Vehicle Not in Compliance” Occurrences	21%	8%
“Compliance Not Applicable” Occurrences	56%	22%
Total	100%	100%

We recommend that Human Resources implement the following changes in order to more fully comply with AP 2-2:

- Obtain annual authorization for motor vehicle record checks from all employees who drive on City business
- Complete an annual review of motor vehicle records for each employee who drives on City business and maintain the MVR on file
- Require employees to accurately report all trips taken and correct mileage for pool vehicles
- Ensure employees have a current DDC certificate on file
- Annually review and approve ES-1 forms for all take home vehicles

Summary Compliance Checklist – Human Resources AP 2-2 Compliance Audit

Compliance Requirement	Vehicles in Compliance	Vehicles Not In Compliance	Compliance Not Applicable	Total Vehicles Tested
Employee acknowledgement of revised AP2-2	9	1		10
Section 5.0 – Responsibilities				
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	10			10
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	3	7		10
Section 6.0 – Assignment and Use of City Vehicles				
Registration of all vehicles in accordance with appropriate City procedures [6.1]	10			10
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	7		3	10
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	7		3	10
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	10			10
Section 7.0 – Insurance, Liability				
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	7		3	10
Section 8.0 – Review of Driving Records; Disclosure Requirements				
Driving records obtained from City records or DPS or authorized agencies [8.1]	9	1		10
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	6	4		10
Section 9.0 – Driver Qualification; Disqualification				
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]				
Does not have a valid driver’s license [9.1.1]	10			10
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	6		4	10
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	6		4	10
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	6		4	10

Compliance Requirement	Vehicles in Compliance	Vehicles Not In Compliance	Compliance Not Applicable	Total Vehicles Tested
Section 12.0 – Operating Rules				
Employee shall accurately report all trips taken and correct mileage [12.1.14]		3	7	10
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	10			10
Section 14.0 – Additional Restrictions				
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	8	2		10
Section 15.0 – Vehicle Home Storage				
Home storage is justified by nature of the job and beneficial to City [15.1]	7		3	10
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	7		3	10
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	3	4	3	10
Quarterly reports should be prepared in April, July, October and January and include: [15.6]				
Vehicle shop number	7		3	10
Assigned employee including employee number	7		3	10
Odometer reading at the beginning and end of the quarter	7		3	10
Total vehicle miles for the quarter	7		3	10
Total home storage miles for the quarter	7		3	10
Total City business miles for the quarter	7		3	10
Total days vehicle was used for the quarter	7		3	10
Average monthly City business miles	7		3	10
Employees report odometer readings necessary to complete the quarterly report [15.7]	7		3	10

Vehicle Compliance Checklist – Human Resources AP 2-2 Compliance Audit

Compliance Requirement	Compliance Status				
	Vehicle Number				
	28839	29031	28838	25437	25436
Employee acknowledgement of revised AP2-2	YES	YES	YES	YES	YES
Section 5.0 – Responsibilities					
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	YES	YES	YES	YES	YES
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	NO	NO	NO	NO	NO
Section 6.0 – Assignment and Use of City Vehicles					
Registration of all vehicles in accordance with appropriate City procedures [6.1]	YES	YES	YES	YES	YES
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	YES	YES	YES	YES	YES
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	YES	YES	YES	YES	YES
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	YES	YES	YES	YES	YES
Section 7.0 – Insurance, Liability					
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	YES	YES	YES	YES	YES
Section 8.0 – Review of Driving Records; Disclosure Requirements					
Driving records obtained from City records or DPS or authorized agencies [8.1]	YES	YES	NO	YES	YES
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	NO	YES	NO	NO	YES
Section 9.0 – Driver Qualification; Disqualification					
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]					
Does not have a valid driver’s license [9.1.1]	YES	YES	YES	YES	YES
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	NA	YES	NA	NA	YES
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	NA	YES	NA	NA	YES
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	NA	YES	NA	NA	YES

Compliance Requirement	Compliance Status				
	Vehicle Number				
	28839	29031	28838	25437	25436
Section 12.0 – Operating Rules					
Employee shall accurately report all trips taken and correct mileage [12.1.14]	NA	NA	NA	NA	NA
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	YES	YES	YES	YES	YES
Section 14.0 – Additional Restrictions					
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	YES	YES	YES	YES	YES
Section 15.0 – Vehicle Home Storage					
Home storage is justified by nature of the job and beneficial to City [15.1]	YES	YES	YES	YES	YES
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	YES	YES	YES	YES	YES
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	NO	NO	YES	NO	YES
Quarterly reports should be prepared in April, July, October and January and include: [15.6]					
Vehicle shop number	YES	YES	YES	YES	YES
Assigned employee including employee number	YES	YES	YES	YES	YES
Odometer reading at the beginning and end of the quarter	YES	YES	YES	YES	YES
Total vehicle miles for the quarter	YES	YES	YES	YES	YES
Total home storage miles for the quarter	YES	YES	YES	YES	YES
Total City business miles for the quarter	YES	YES	YES	YES	YES
Total days vehicle was used for the quarter	YES	YES	YES	YES	YES
Average monthly City business miles	YES	YES	YES	YES	YES
Employees report odometer readings necessary to complete the quarterly report [15.7]	YES	YES	YES	YES	YES

Vehicle Compliance Checklist – Human Resources AP 2-2 Compliance Audit

Compliance Requirement	Compliance Status				
	Vehicle Number				
	31803	25435	17498	24198	28724
Employee acknowledgement of revised AP2-2	YES	YES	NO	YES	YES
Section 5.0 – Responsibilities					
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	YES	YES	YES	YES	YES
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	YES	NO	NO	YES	YES
Section 6.0 – Assignment and Use of City Vehicles					
Registration of all vehicles in accordance with appropriate City procedures [6.1]	YES	YES	YES	YES	YES
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	YES	YES	NA	NA	NA
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	YES	YES	NA	NA	NA
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	YES	YES	YES	YES	YES
Section 7.0 – Insurance, Liability					
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	YES	YES	NA	NA	NA
Section 8.0 – Review of Driving Records; Disclosure Requirements					
Driving records obtained from City records or DPS or authorized agencies [8.1]	YES	YES	YES	YES	YES
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	NO	YES	YES	YES	YES
Section 9.0 – Driver Qualification; Disqualification					
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]					
Does not have a valid driver’s license [9.1.1]	YES	YES	YES	YES	YES
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	NA	YES	YES	YES	YES
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	NA	YES	YES	YES	YES
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	NA	YES	YES	YES	YES

Compliance Requirement	Compliance Status				
	Vehicle Number				
	31803	25435	17498	24198	28724
Section 12.0 – Operating Rules					
Employee shall accurately report all trips taken and correct mileage [12.1.14]	NA	NA	NO	NO	NO
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	YES	YES	YES	YES	YES
Section 14.0 – Additional Restrictions					
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	YES	YES	YES	NO	NO
Section 15.0 – Vehicle Home Storage					
Home storage is justified by nature of the job and beneficial to City [15.1]	YES	YES	NA	NA	NA
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	YES	YES	NA	NA	NA
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	YES	NO	NA	NA	NA
Quarterly reports should be prepared in April, July, October and January and include: [15.6]					
Vehicle shop number	YES	YES	NA	NA	NA
Assigned employee including employee number	YES	YES	NA	NA	NA
Odometer reading at the beginning and end of the quarter	YES	YES	NA	NA	NA
Total vehicle miles for the quarter	YES	YES	NA	NA	NA
Total home storage miles for the quarter	YES	YES	NA	NA	NA
Total City business miles for the quarter	YES	YES	NA	NA	NA
Total days vehicle was used for the quarter	YES	YES	NA	NA	NA
Average monthly City business miles	YES	YES	NA	NA	NA
Employees report odometer readings necessary to complete the quarterly report [15.7]	YES	YES	NA	NA	NA

Policy Compliance Summary – Human Resources AP 2-2 Compliance Audit

Compliance with certain policy-related sections of AP 2-2 could not be verified by examining the specific vehicle, employee file, or vehicle file. Compliance is indicated, however, by departmental policies or past actions that surfaced during the course of this review. Therefore, compliance with these policy-related sections is not captured in the previous Vehicle Compliance Checklists, but rather, is addressed separately in this document.

Listed below are those relevant policy-related portions of AP 2-2, noted in italics, followed by applicable Human Resources policy or action in response to the AP 2-2 requirement.

5.0 Responsibilities

The hiring department is responsible for determining if applicants for new hire or promotions are qualified to drive. [5.3.1]

Human Resources performs a motor vehicle record check to determine an applicant's driving eligibility before an offer is made. After the offer, the employee is given thirty days to complete a Defensive Driving Course (DDC).

After an accident, the employee shall complete a Driver's Report of Vehicular Accident (PD Form 781) and his/her supervisor shall complete the Supervisor Investigation Report of Vehicle Accident (Form PD 782). [5.4.6]

PD 781 and PD 782 accident forms are kept in each vehicle's glove compartment and must be completed when an accident occurs.

8.0 Disclosure Requirements

City employees are required to disclose any of the following, whether on-duty or off-duty:

- *Accident where employee was driver*
- *Moving violation conviction*
- *DWI or DUI conviction*
- *Felony convictions involving the use of motor vehicle*
- *Cancellation, revocation, or expiration of license without immediate renewal or suspension of license*
- *Suspension, cancellation, or expiration of personal liability insurance.*

Failure to report any of the above as required subjects the employee to discipline, up to and including indefinite suspension. [8.4]

Human Resources' "Department Responsibilities Under Administration Procedure 2-2, Motor Vehicle Assignment and Use Policy" states that any on- or off-duty incidents, including moving violations, citations, license suspensions/revocations or accidents, are to be reported immediately. Additionally, Human Resources' quarterly reports require employees to indicate whether they have received any citations or felony convictions involving a motor vehicle during that quarter.

9.0 Disqualification

If an employee is determined to be disqualified from driving, the employee shall be given a written Notice of Determination of Cause or Disqualification, at which time his/her driving privileges will be suspended. [9.3]

During the course of this review, no incidents requiring disqualification notice were brought to our attention in this department.

10.0 City and Departmental Reviews

When the department determines that an employee caused a motor vehicle accident or has become disqualified from driving, the department must give the employee a written Notice of Determination of Cause or Disqualification. The employee has 10 calendar days to file a Request For A Review by the Department Accident/Disqualification Review Panel. The employee shall be given at least 5 calendar days notice of the date and time of the scheduled Panel Review and shall submit appropriate documents and reports.

Once the Panel has made a determination, the employee must be notified in writing within 10 calendar days of the issuance of the Panel's Order. The Department or employee may file an appeal of that determination to the City Accident/Disqualification Review Committee within 10 calendar days. [10.2, 10.3, 10.4]

Accidents are reviewed by Human Resources' Accident/Disqualification Review Panel. Either the department or employee may contest the Department Accident/Disqualification Review Panel's determination and appeal to the City Accident/Disqualification Review Committee.

12.0 Operating Rules

Employees shall inspect City vehicle at least once a day and report any unsafe condition or disrepair. [12.1.13]

Human Resources policy dictates that employees complete a pre-trip inspection form, including visual and system inspection, before driving a pool vehicle. The form is returned to the proper pool vehicle administrator, who is responsible for requesting any necessary repairs. The Human Resources Safety Section reviews pre-trip inspection forms monthly to ensure all repair requests have been fulfilled.

13.0 Disciplinary Action

Violations of AP 2-2 shall result at the minimum in the following:

- *First offense: up to and including a letter of reprimand*
- *Second offense, forty working hour temporary suspension without pay*
- *Third offense: eighty working hours temporary suspension without pay*
- *Fourth offense: indefinite suspension [13.3]*

During the course of this review, no incidents requiring disciplinary action were brought to our attention in this department.

Executive Summary – Municipal Courts Administration AP 2-2 Compliance Audit

Ten vehicles, including one take home and nine pool vehicles, in the Municipal Courts Administration were tested to determine compliance with AP 2-2. The findings are summarized in the following **exhibit**.

**Exhibit 8
2001 Compliance Rates**

	Frequency	Percentage
“Vehicle in Compliance” occurrences	134	46%
“Vehicle Not in Compliance” occurrences	19	7%
“Compliance Not Applicable” occurrences	137	47%
Total	290	100%

Municipal Courts Administration has made significant improvement in compliance with AP 2-2 since the initial report in 1997. **Exhibit 9** is a summary of the compliance rates in the 1997 and 2001 reports.

**Exhibit 9
Summary of Compliance Rates**

Compliance	1997	2001
“Vehicle in Compliance” Occurrences	14%	46%
“Vehicle Not in Compliance” Occurrences	32%	7%
“Compliance Not Applicable” Occurrences	54%	47%
Total	100%	100%

During the course of our research, we observed that ES-1 files were not easily retrievable or centrally located, thereby making proper monitoring of vehicles more difficult. An ES-1 form was completed for a vehicle disposal in 1998, but the vehicle had not been picked up for auction as of May 2001. Another vehicle was listed in GEMS as belonging to Municipal Courts Administration because an ES-1 form was not completed for a proper transfer to another department.

We recommend that the Municipal Courts Administration Department implement the following changes in order to more fully comply with AP 2-2:

- Organize filing of ES-1 forms in centralized location
- Follow-up on vehicle disposals and transfers to ensure that proper action is taken and appropriate ES-1 forms are completed

- Maintain documentation of employee authorizations for motor vehicle record checks with other AP 2-2 documentation
- Prepare quarterly reports for take home vehicles to include vehicle shop number, assigned employee name and number, odometer reading at beginning and end of the quarter, total vehicle miles for the quarter, total home storage miles for the quarter, total City business miles for the quarter, total days the vehicle was used for the quarter and average monthly City business miles

Summary Compliance Checklist – Municipal Courts Administration AP 2-2 Compliance Study

Compliance Requirement	Vehicles in Compliance	Vehicles Not In Compliance	Compliance Not Applicable	Total Vehicles Tested
Employee acknowledgement of revised AP2-2	10			10
Section 5.0 – Responsibilities				
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	10			10
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]		10		10
Section 6.0 – Assignment and Use of City Vehicles				
Registration of all vehicles in accordance with appropriate City procedures [6.1]	10			10
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	1		9	10
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	1		9	10
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	10			10
Section 7.0 – Insurance, Liability				
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	1		9	10
Section 8.0 – Review of Driving Records; Disclosure Requirements				
Driving records obtained from City records or DPS or authorized agencies [8.1]	10			10
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	10			10
Section 9.0 – Driver Qualification; Disqualification				
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]				
Does not have a valid driver’s license [9.1.1]	10			10
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	10			10
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	10			10
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	10			10

Compliance Requirement	Vehicles in Compliance	Vehicles Not In Compliance	Compliance Not Applicable	Total Vehicles Tested
Section 12.0 – Operating Rules				
Employee shall accurately report all trips taken and correct mileage [12.1.14]	8		2	10
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	10			10
Section 14.0 – Additional Restrictions				
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	9	1		10
Section 15.0 – Vehicle Home Storage				
Home storage is justified by nature of the job and beneficial to City [15.1]	1		9	10
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	1		9	10
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	1		9	10
Quarterly reports should be prepared in April, July, October and January and include: [15.6]				
Vehicle shop number		1	9	10
Assigned employee including employee number		1	9	10
Odometer reading at the beginning and end of the quarter		1	9	10
Total vehicle miles for the quarter		1	9	10
Total home storage miles for the quarter		1	9	10
Total City business miles for the quarter		1	9	10
Total days vehicle was used for the quarter		1	9	10
Average monthly City business miles		1	9	10
Employees report odometer readings necessary to complete the quarterly report [15.7]	1		9	10

Vehicle Compliance Checklist – Municipal Courts Administration AP 2-2 Compliance Audit

Compliance Requirement	Compliance Status				
	Vehicle Number				
	17538	18122	17470	29081	29079
Employee acknowledgement of revised AP2-2	YES	YES	YES	YES	YES
Section 5.0 – Responsibilities					
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	YES	YES	YES	YES	YES
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	NO	NO	NO	NO	NO
Section 6.0 – Assignment and Use of City Vehicles					
Registration of all vehicles in accordance with appropriate City procedures [6.1]	YES	YES	YES	YES	YES
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	NA	NA	NA	NA	YES
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	NA	NA	NA	NA	YES
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	YES	YES	YES	YES	YES
Section 7.0 – Insurance, Liability					
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	NA	NA	NA	NA	YES
Section 8.0 – Review of Driving Records; Disclosure Requirements					
Driving records obtained from City records or DPS or authorized agencies [8.1]	YES	YES	YES	YES	YES
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	YES	YES	YES	YES	YES
Section 9.0 – Driver Qualification; Disqualification					
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]					
Does not have a valid driver’s license [9.1.1]	YES	YES	YES	YES	YES
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	YES	YES	YES	YES	YES
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	YES	YES	YES	YES	YES
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	YES	YES	YES	YES	YES

Compliance Requirement	Compliance Status				
	Vehicle Number				
	17538	18122	17470	29081	29079
Section 12.0 – Operating Rules					
Employee shall accurately report all trips taken and correct mileage [12.1.14]	YES	YES	YES	YES	NA
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	YES	YES	YES	YES	YES
Section 14.0 – Additional Restrictions					
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	NO	YES	YES	YES	YES
Section 15.0 – Vehicle Home Storage					
Home storage is justified by nature of the job and beneficial to City [15.1]	NA	NA	NA	NA	YES
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	NA	NA	NA	NA	YES
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	NA	NA	NA	NA	YES
Quarterly reports should be prepared in April, July, October and January and include: [15.6]					
Vehicle shop number	NA	NA	NA	NA	NO
Assigned employee including employee number	NA	NA	NA	NA	NO
Odometer reading at the beginning and end of the quarter	NA	NA	NA	NA	NO
Total vehicle miles for the quarter	NA	NA	NA	NA	NO
Total home storage miles for the quarter	NA	NA	NA	NA	NO
Total City business miles for the quarter	NA	NA	NA	NA	NO
Total days vehicle was used for the quarter	NA	NA	NA	NA	NO
Average monthly City business miles	NA	NA	NA	NA	NO
Employees report odometer readings necessary to complete the quarterly report [15.7]	NA	NA	NA	NA	YES

Vehicle Compliance Checklist – Municipal Courts Administration AP 2-2 Compliance Audit

Compliance Requirement	Compliance Status				
	Vehicle Number				
	22069	23055	18116	23054	18120
Employee acknowledgement of revised AP2-2	YES	YES	YES	YES	YES
Section 5.0 – Responsibilities					
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	YES	YES	YES	YES	YES
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	NO	NO	NO	NO	NO
Section 6.0 – Assignment and Use of City Vehicles					
Registration of all vehicles in accordance with appropriate City procedures [6.1]	YES	YES	YES	YES	YES
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	NA	NA	NA	NA	NA
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	NA	NA	NA	NA	NA
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	YES	YES	YES	YES	YES
Section 7.0 – Insurance, Liability					
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	NA	NA	NA	NA	NA
Section 8.0 – Review of Driving Records; Disclosure Requirements					
Driving records obtained from City records or DPS or authorized agencies [8.1]	YES	YES	YES	YES	YES
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	YES	YES	YES	YES	YES
Section 9.0 – Driver Qualification; Disqualification					
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]					
Does not have a valid driver’s license [9.1.1]	YES	YES	YES	YES	YES
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	YES	YES	YES	YES	YES
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	YES	YES	YES	YES	YES
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	YES	YES	YES	YES	YES

Compliance Requirement	Compliance Status				
	Vehicle Number				
	22069	23055	18116	23054	18120
Section 12.0 – Operating Rules					
Employee shall accurately report all trips taken and correct mileage [12.1.14]	NA	YES	YES	YES	YES
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	YES	YES	YES	YES	YES
Section 14.0 – Additional Restrictions					
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	YES	YES	YES	YES	YES
Section 15.0 – Vehicle Home Storage					
Home storage is justified by nature of the job and beneficial to City [15.1]	NA	NA	NA	NA	NA
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	NA	NA	NA	NA	NA
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	NA	NA	NA	NA	NA
Quarterly reports should be prepared in April, July, October and January and include: [15.6]					
Vehicle shop number	NA	NA	NA	NA	NA
Assigned employee including employee number	NA	NA	NA	NA	NA
Odometer reading at the beginning and end of the quarter	NA	NA	NA	NA	NA
Total vehicle miles for the quarter	NA	NA	NA	NA	NA
Total home storage miles for the quarter	NA	NA	NA	NA	NA
Total City business miles for the quarter	NA	NA	NA	NA	NA
Total days vehicle was used for the quarter	NA	NA	NA	NA	NA
Average monthly City business miles	NA	NA	NA	NA	NA
Employees report odometer readings necessary to complete the quarterly report [15.7]	NA	NA	NA	NA	NA

Policy Compliance Summary – Municipal Courts Administration AP 2-2 Compliance Audit

Compliance with certain policy-related sections of AP 2-2 could not be verified by examining the specific vehicle, employee file, or vehicle file. Compliance is indicated, however, by departmental policies or past actions that surfaced during the course of this review. Therefore, compliance with these policy-related sections is not captured in the previous Vehicle Compliance Checklists, but rather, is addressed separately in this document.

Listed below are those relevant policy-related portions of AP 2-2, noted in italics, followed by applicable Municipal Courts Administration policy or action in response to the AP 2-2 requirement.

5.0 Responsibilities

The hiring department is responsible for determining if applicants for new hire or promotions are qualified to drive. [5.3.1]

Municipal Courts Administration completes a motor vehicle record check on applicants before they are recommended for hire to City Human Resources. The employee has a six week grace period after hire to complete their Defensive Driving Course.

After an accident, the employee shall complete a Driver's Report of Vehicular Accident (PD Form 781) and his/her supervisor shall complete the Supervisor Investigation Report of Vehicle Accident (Form PD 782). [5.4.6]

In addition to the PD 781 and PD 782 forms provided by AP 2-2, the Courts have also created various supplemental accident related forms including a Supervisor Vehicle Accident Follow Up Checklist, Injury Checklist and Drug Test form.

8.0 Disclosure Requirements

City employees are required to disclose any of the following, whether on-duty or off-duty:

- *Accident where employee was driver*
- *Moving violation conviction*
- *DWI or DUI conviction*
- *Felony convictions involving the use of motor vehicle*
- *Cancellation, revocation, or expiration of license without immediate renewal or suspension of license*
- *Suspension, cancellation, or expiration of personal liability insurance.*

Failure to report as required subjects the employee to discipline, up to and including indefinite suspension. [8.4]

Municipal Courts Administration has developed a Disclosure Form for employees to report any citations that he/she or his/her immediate family members have received.

9.0 Disqualification

If an employee is determined to be disqualified from driving, the employee shall be given a written Notice of Determination of Cause or Disqualification, at which time his/her driving privileges will be suspended. [9.3]

Municipal Courts Administration maintains files of two employees who had their driving privileges removed. Both were given a Notice of Determination of Cause or Disqualification in accordance with violation of AP 2-2 policy, including an off-duty DWI and three at-fault accidents within a 36 month period. Both employees were denied driving privileges and one was transferred to a different position.

10.0 City and Departmental Reviews

When the department determines that an employee caused a motor vehicle accident or has become disqualified from driving, the department must give the employee a written Notice of Determination of Cause or Disqualification. The employee has 10 calendar days to file a Request For A Review by the Department Accident/Disqualification Review Panel. The employee shall be given at least 5 calendar days notice of the date and time of the scheduled Panel Review and shall submit appropriate documents and reports.

Once the Panel has made a determination, the employee must be notified in writing within 10 calendar days of the issuance of the Panel's Order. The Department or employee may file an appeal of that determination to the City Accident/Disqualification Review Committee within 10 calendar days. [10.2, 10.3, 10.4]

For all accidents, Municipal Courts Administration has a designated employee to investigate the accident on-site and take pictures of any damage to the vehicle. Municipal Courts Administration runs a MVR check to determine if the accident causes the employee to be out of compliance with AP 2-2.

Currently, the Courts are in the process of making a determination of fault for six accidents. Of the ten randomly chosen files, three indicated that the employee had been involved in an accident. One file included only the police report. The other two included PD 781, PD 782, police report, Municipal Courts Supervisor Vehicle Accident Follow Up Checklist and damage estimates. In addition, one of these files included a Drug Test form, Injury Checklist, pictures of the damage and the Municipal Courts Disclosure Form.

12.0 Operating Rules

Employees shall inspect City vehicle at least once a day and report any unsafe condition or disrepair. [12.1.13]

Each employee is responsible for ensuring proper maintenance of their vehicle and bringing the vehicle to the shop when necessary. The employee should return a copy of the work order to be filed at the Courts.

13.0 Disciplinary Action

Violations of AP 2-2 shall result at the minimum in the following:

- *First offense: up to and including a letter of reprimand*
- *Second offense, forty working hour temporary suspension without pay*
- *Third offense: eighty working hours temporary suspension without pay*
- *Fourth offense: indefinite suspension [13.3]*

During the course of this review, no incidents requiring disciplinary action were brought to our attention in this department aside from the two employees who were disqualified from driving.

Executive Summary – Solid Waste Management AP 2-2 Compliance Audit

Twelve vehicles, including four take home and eight pool vehicles, in the Solid Waste Management Department were tested to determine compliance with AP 2-2. The findings are summarized in the following **exhibit**.

**Exhibit 10
2001 Compliance Rates**

	Frequency	Percentage
“Vehicle in Compliance” occurrences	197	56.6%
“Vehicle Not in Compliance” occurrences	27	7.8%
“Compliance Not Applicable” occurrences	124	35.6%
Total	348	100%

Solid Waste Management has made significant improvement in compliance with AP 2-2 since the initial report in 1997. **Exhibit 11** is a summary of the compliance rates in the 1997 and 2001 reports.

**Exhibit 11
Summary of Compliance Rates**

Compliance	1997	2001
“Vehicle in Compliance” Occurrences	15%	56.6%
“Vehicle Not in Compliance” Occurrences	21%	7.8%
“Compliance Not Applicable” Occurrences	64%	35.6%
Total	100%	100%

We recommend that Solid Waste Management implement the following changes in order to more fully comply with AP 2-2:

- Obtain acknowledgement of receipt and understanding of the 1999 revised AP 2-2 policy from all employees
- Obtain annual authorization for motor vehicle record checks from employees who drive on City business
- Require employees to accurately report all trips taken and correct mileage for pool vehicles
- Ensure that all employees who drive on City business have a current DDC record on file

Summary Compliance Checklist – Solid Waste Management AP 2-2 Compliance Audit

Compliance Requirement	Vehicles in Compliance	Vehicles Not In Compliance	Compliance Not Applicable	Total Vehicles Tested
Employee acknowledgement of revised AP2-2	8	4		12
Section 5.0 – Responsibilities				
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	11	1		12
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]		12		12
Section 6.0 – Assignment and Use of City Vehicles				
Registration of all vehicles in accordance with appropriate City procedures [6.1]	12			12
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	4		8	12
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	4		8	12
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	12			12
Section 7.0 – Insurance, Liability				
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	4		8	12
Section 8.0 – Review of Driving Records; Disclosure Requirements				
Driving records obtained from City records or DPS or authorized agencies [8.1]	12			12
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	12			12
Section 9.0 – Driver Qualification; Disqualification				
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]				
Does not have a valid driver’s license [9.1.1]	12			12
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	12			12
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	12			12
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	12			12

Compliance Requirement	Vehicles in Compliance	Vehicles Not In Compliance	Compliance Not Applicable	Total Vehicles Tested
Section 12.0 – Operating Rules				
Employee shall accurately report all trips taken and correct mileage [12.1.14]		8	4	12
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	12			12
Section 14.0 – Additional Restrictions				
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	10	2		12
Section 15.0 – Vehicle Home Storage				
Home storage is justified by nature of the job and beneficial to City [15.1]	4		8	12
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	4		8	12
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	4		8	12
Quarterly reports should be prepared in April, July, October and January and include: [15.6]				
Vehicle shop number	4		8	12
Assigned employee including employee number	4		8	12
Odometer reading at the beginning and end of the quarter	4		8	12
Total vehicle miles for the quarter	4		8	12
Total home storage miles for the quarter	4		8	12
Total City business miles for the quarter	4		8	12
Total days vehicle was used for the quarter	4		8	12
Average monthly City business miles	4		8	12
Employees report odometer readings necessary to complete the quarterly report [15.7]	4		8	12

Vehicle Compliance Checklist – Solid Waste Management AP 2-2 Compliance Audit

Compliance Requirement	Compliance Status					
	Vehicle Number					
	30228	30315	25538	28597	25617	30114
Employee acknowledgement of revised AP2-2	NO	YES	NO	NO	YES	YES
Section 5.0 – Responsibilities						
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	YES	YES	YES	YES	YES	YES
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	NO	NO	NO	NO	NO	NO
Section 6.0 – Assignment and Use of City Vehicles						
Registration of all vehicles in accordance with appropriate City procedures [6.1]	YES	YES	YES	YES	YES	YES
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	YES	YES	YES	NA	NA	NA
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	YES	YES	YES	NA	NA	NA
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	YES	YES	YES	YES	YES	YES
Section 7.0 – Insurance, Liability						
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	YES	YES	YES	NA	NA	NA
Section 8.0 – Review of Driving Records; Disclosure Requirements						
Driving records obtained from City records or DPS or authorized agencies [8.1]	YES	YES	YES	YES	YES	YES
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	YES	YES	YES	YES	YES	YES
Section 9.0 – Driver Qualification; Disqualification						
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]						
Does not have a valid driver’s license [9.1.1]	YES	YES	YES	YES	YES	YES
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	YES	YES	YES	YES	YES	YES
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	YES	YES	YES	YES	YES	YES
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	YES	YES	YES	YES	YES	YES

Compliance Requirement	Compliance Status					
	Vehicle Number					
	30228	30315	25538	28597	25617	30114
Section 12.0 – Operating Rules						
Employee shall accurately report all trips taken and correct mileage [12.1.14]	NA	NA	NA	NO	NO	NO
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	YES	YES	YES	YES	YES	YES
Section 14.0 – Additional Restrictions						
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	YES	YES	YES	YES	YES	YES
Section 15.0 – Vehicle Home Storage						
Home storage is justified by nature of the job and beneficial to City [15.1]	YES	YES	YES	NA	NA	NA
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	YES	YES	YES	NA	NA	NA
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	YES	YES	YES	NA	NA	NA
Quarterly reports should be prepared in April, July, October and January and include: [15.6]						
Vehicle shop number	YES	YES	YES	NA	NA	NA
Assigned employee including employee number	YES	YES	YES	NA	NA	NA
Odometer reading at the beginning and end of the quarter	YES	YES	YES	NA	NA	NA
Total vehicle miles for the quarter	YES	YES	YES	NA	NA	NA
Total home storage miles for the quarter	YES	YES	YES	NA	NA	NA
Total City business miles for the quarter	YES	YES	YES	NA	NA	NA
Total days vehicle was used for the quarter	YES	YES	YES	NA	NA	NA
Average monthly City business miles	YES	YES	YES	NA	NA	NA
Employees report odometer readings necessary to complete the quarterly report [15.7]	YES	YES	YES	NA	NA	NA

Vehicle Compliance Checklist – Solid Waste Management AP 2-2 Compliance Audit

Compliance Requirement	Compliance Status					
	Vehicle Number					
	30684	27018	27085	30225	25011	29032
Employee acknowledgement of revised AP2-2	YES	YES	YES	YES	YES	NO
Section 5.0 – Responsibilities						
Department head is responsible for approving vehicle and home storage assignments [5.1.1]	YES	YES	NO	YES	YES	YES
Supervisors shall be responsible for obtaining and employees shall be responsible for completing annual authorization for motor vehicle record checks [5.4.2, 5.5.4]	NO	NO	NO	NO	NO	NO
Section 6.0 – Assignment and Use of City Vehicles						
Registration of all vehicles in accordance with appropriate City procedures [6.1]	YES	YES	YES	YES	YES	YES
Use of vehicles limited to instances where it is beneficial to the City and for City business purposes only [6.2]	NA	NA	NA	YES	NA	NA
Need and uses and names of assigned employees must be documented on ES-1 [6.4]	NA	NA	NA	YES	NA	NA
Proper identification marks are affixed to vehicle in accordance with Texas Transportation Code Ann. Section 721.000 [6.6]	YES	YES	YES	YES	YES	YES
Section 7.0 – Insurance, Liability						
Employees (with the exception of employees of the Police and Fire Departments) assigned a take home vehicle must purchase and maintain a non-owned insurance rider meeting minimum state law requirements [7.1.2]	NA	NA	NA	YES	NA	NA
Section 8.0 – Review of Driving Records; Disclosure Requirements						
Driving records obtained from City records or DPS or authorized agencies [8.1]	YES	YES	YES	YES	YES	YES
Annual review of motor vehicle record of each employee who drives on City business to determine qualification [8.3]	YES	YES	YES	YES	YES	YES
Section 9.0 – Driver Qualification; Disqualification						
Qualification: Employees are not qualified to drive on City business if he/she: [9.1]						
Does not have a valid driver’s license [9.1.1]	YES	YES	YES	YES	YES	YES
Has been convicted of a felony involving motor vehicle within a period of 36 months prior to review [9.1.2]	YES	YES	YES	YES	YES	YES
Has been convicted of a DWI or DUI within a period of 36 months prior to review [9.1.3]	YES	YES	YES	YES	YES	YES
Has been convicted of three or more moving violations and/or motor vehicle accidents in or out of Texas within a period of 36 months prior to review [9.1.4]	YES	YES	YES	YES	YES	YES

Compliance Requirement	Compliance Status					
	Vehicle Number					
	30684	27018	27085	30225	25011	29032
Section 12.0 – Operating Rules						
Employee shall accurately report all trips taken and correct mileage [12.1.14]	NO	NO	NO	NA	NO	NO
Employees must keep the vehicle’s interior clean and free of debris at all times [12.1.20]	YES	YES	YES	YES	YES	YES
Section 14.0 – Additional Restrictions						
Employee completes Defensive Driving Course (DDC) before authorization to drive and retakes DDC every 36 months [14.2]	YES	YES	NO	YES	NO	YES
Section 15.0 – Vehicle Home Storage						
Home storage is justified by nature of the job and beneficial to City [15.1]	NA	NA	NA	YES	NA	NA
Home storage is authorized only for employees living within a 30 mile radius of their work site [15.2]	NA	NA	NA	YES	NA	NA
Employees assigned a City vehicle submit ES-1 for review and approval and resubmit annually [15.3]	NA	NA	NA	YES	NA	NA
Quarterly reports should be prepared in April, July, October and January and include: [15.6]						
Vehicle shop number	NA	NA	NA	YES	NA	NA
Assigned employee including employee number	NA	NA	NA	YES	NA	NA
Odometer reading at the beginning and end of the quarter	NA	NA	NA	YES	NA	NA
Total vehicle miles for the quarter	NA	NA	NA	YES	NA	NA
Total home storage miles for the quarter	NA	NA	NA	YES	NA	NA
Total City business miles for the quarter	NA	NA	NA	YES	NA	NA
Total days vehicle was used for the quarter	NA	NA	NA	YES	NA	NA
Average monthly City business miles	NA	NA	NA	YES	NA	NA
Employees report odometer readings necessary to complete the quarterly report [15.7]	NA	NA	NA	YES	NA	NA

Policy Compliance Summary – Solid Waste Management AP 2-2 Compliance Audit

Compliance with certain policy-related sections of AP 2-2 could not be verified by examining the specific vehicle, employee file, or vehicle file. Compliance is indicated, however, by departmental policies or past actions that surfaced during the course of this review. Therefore, compliance with these policy-related sections is not captured in the previous Vehicle Compliance Checklists, but rather, is addressed separately in this document.

Listed below are those relevant policy-related portions of AP 2-2, noted in italics, followed by applicable Solid Waste Management policy or action in response to the AP 2-2 requirement.

5.0 Responsibilities

The hiring department is responsible for determining if applicants for new hire or promotions are qualified to drive. [5.3.1]

Solid Waste Management reviews motor vehicle records for each applicant before interviewing the applicant for a position involving driving responsibilities. After hire, an employee has thirty days to take a Defensive Driving Course.

After an accident, the employee shall complete a Driver's Report of Vehicular Accident (PD Form 781) and his/her supervisor shall complete the Supervisor Investigation Report of Vehicle Accident (Form PD 782). [5.4.6]

Employees maintain a copy of PD 781 in their vehicles.

8.0 Disclosure Requirements

City employees are required to disclose any of the following, whether on-duty or off-duty:

- *Accident where employee was driver*
- *Moving violation conviction*
- *DWI or DUI conviction*
- *Felony convictions involving the use of motor vehicle*
- *Cancellation, revocation, or expiration of license without immediate renewal or suspension of license*
- *Suspension, cancellation, or expiration of personal liability insurance.*

Failure to report as required subjects the employee to discipline, up to and including indefinite suspension. [8.4]

Solid Waste Management has developed a Letter of Notification form to be used when employees disclose a moving violation, DUI/DWI, felony conviction involving a motor vehicle, or cancellation, expiration, or suspension for both driver's license and insurance.

9.0 Disqualification

If an employee is determined to be disqualified from driving, the employee shall be given a written Notice of Determination of Cause or Disqualification, at which time his/her driving privileges will be suspended. [9.3]

During the course of this review, no incidents requiring disqualification notice were brought to our attention in this department.

10.0 City and Departmental Reviews

When the department determines that an employee caused a motor vehicle accident or has become disqualified from driving, the department must give the employee a written Notice of Determination of Cause or Disqualification. The employee has 10 calendar days to file a Request For A Review by the Department Accident/Disqualification Review Panel. The employee shall be given at least 5 calendar days notice of the date and time of the scheduled Panel Review and shall submit appropriate documents and reports.

Once the Panel has made a determination, the employee must be notified in writing within 10 calendar days of the issuance of the Panel's Order. The Department or employee may file an appeal of that determination to the City Accident/Disqualification Review Committee within 10 calendar days. [10.2, 10.3, 10.4]

When an employee is involved in an accident, the Solid Waste Safety Officer and the employee's supervisor may determine the appropriate disciplinary actions to take. Otherwise, the accident is submitted for review to the Department's Accident/Disqualification Review Panel.

12.0 Operating Rules

Employees shall inspect City vehicle at least once a day and report any unsafe condition or disrepair. [12.1.13]

Maintenance reports, including work orders for preventative maintenance and repairs, are kept for all vehicles. Employees are responsible for reporting any necessary repairs for their vehicles.

13.0 Disciplinary Action

Violations of AP 2-2 shall result at the minimum in the following:

- *First offense: up to and including a letter of reprimand*
- *Second offense, forty working hour temporary suspension without pay*
- *Third offense: eighty working hours temporary suspension without pay*
- *Fourth offense: indefinite suspension [13.3]*

In the course of our review, we noted two instances where a letter of reprimand was utilized to address violations of AP 2-2. One letter requested timely completion of take home mileage reports and another letter requested a current non-owned insurance rider.

EXHIBIT 1



CITY OF HOUSTON
Finance and Administration
Department

Interoffice

Correspondence

L.f
S.I

To: ✓ Sylvia R. Garcia, Controller

From: Philip B. Scheps, Director
Finance & Administration

Date: July 15, 2002

Subject: Follow-up Review of City Vehicle
Programs

We have reviewed the Follow-up Report of City Vehicle Programs performed by Deloitte & Touche. Report recommendations will be included in Administrative Procedure 2-2, the City's vehicle assignment and use policy, as specified in the following synopsis.

1. Summary of Compliance for Human Resources, Municipal Courts Administration, and Solid Waste Management Departments

Finding: Data collection, forms usage and reporting are applied inconsistently. Administrative Procedure 2-2 does not provide standard forms to document all requirements contained within the policy. Departments being audited had designed departmental forms to facilitate the reporting process.

Response: The City is in the process of reviewing all administrative procedures. AP 2-2 is being reviewed and revised as part of this process. Estimated completion is August 2002. Additional forms will be developed to support policy requirements.

Finding: Business cases for using, assigning or acquiring City vehicles are not documented. Neither individual departments nor a centralized vehicle control center analyze and evaluate the City's investment in vehicles. There is no annual review of assigned and pool vehicles being conducted by the City.

Response: We disagree in part with this finding although we agree that the business case for each vehicle could be strengthened. Finance and Administration conducts an annual review of vehicle usage during the annual budget process. Department fleets are also reviewed at this time. We will review the use of the ES-1 form for possible use to increase the justification of each vehicle in use by departments.

2. Administrative Procedure 2-2 Motor Vehicle Assignment and Use Review Report No. 97-143 Implementation

**Views of Responsible
Officials**

EXHIBIT 1

Page 2

Finding: The City made limited or no progress on the implementation of recommendations made in Report No. 97-143.

- **Finding:** The City revised AP 2-2 in February 1999; no change was made to address the recommendation to clarify the term “assigned vehicle”. A matrix of requirements to effectively convey AP 2-2 compliance requirements was not added.
- **Response:** The term “assigned vehicles” will be further defined in the revised policy to reflect assignment type. A matrix of requirements will also be added. The matrix has been provided to the audit staff for review.
- **Finding:** The City does not support a formal, regular training program for liaisons. Instead, the City offers training at the request of individual departments on an ongoing basis.
- **Response:** Auditors noted that employees contacted were knowledgeable and understood AP 2-2 requirements. As stated in the audit, ongoing training is being provided not only to department liaisons but also to supervisors, managers and employees. However, a formal training plan that specifies a mandatory training schedule for liaisons has been developed and is being implemented.
- **Finding:** The City has not implemented the recommendation to develop and implement a common methodology citywide for storing required documentation associated with AP 2-2.
- **Response:** We do not agree with the recommendation that all departments store data in the same manner (paper vs. automated/imaged). Departments should have the option to store records centrally or have supervisors/managers maintain documentation based upon department needs. During the audit, department employee and vehicle files were found to be in compliance with an 89% accuracy rate for applicable occurrences. Other compliance related documentation was found to be in compliance with an accuracy rating of 100% for applicable occurrences. The security of required documentation will be reviewed.
- **Finding:** A citywide policy does not exist regarding the most cost effective and efficient way to obtain MVRs, resulting in inconsistent practices and potentially increased costs to the City. Arrange a cost effective and timely method for all City departments to obtain MVRs and issue a citywide policy regarding the preferred method.
- **Response:** We do not believe the City requires a written policy regarding a required method for obtaining MVRs. The State expects to implement a new system within the next 6 – 12 months that will allow requests to be processed over the Internet for a more timely response. Currently, the State provides two methods for requesting MVRs. Requests can be mailed/overnight expressed on computer tape or a paper request form. The City primarily uses the tape method. A tape that consolidates department requests is

*Views of Responsible
Officials*

EXHIBIT 1

Page 3

expressed mailed to the State weekly. This method takes approximately four weeks for departments to receive information. Form requests submitted via mail are normally received within 14 days based upon the number of records requested. Sending form request via overnight/express mail allows information to be received within 5 days. Departments use overnight/express mail when a more timely response is required. For instance, the Solid Waste department overnights requests to expedite the hiring process of personnel vacancies where driving is mandatory and a delay in filling vacancies may affect service delivery (i.e. truck drivers). Multiple requests are submitted at once to minimize cost. The audit report recommends that City departments use the Texas Department of Public Safety computer link located in the Municipal Courts Department to obtain MVRs. Federal law restricts use of this equipment to law enforcement and criminal justice agencies only.

City-wide Motor Vehicle Cost-Benefit Analysis Follow-up Review Report No. 99-17 Implementation

Finding: The City has made limited progress towards implementing the recommendations made in Report No. 99-17.

- **Finding:** Vehicle allowances in lieu of providing non-emergency sedans to employees would save the City \$463,482 annually.
- **Response:** We agree to study this finding. The elimination of all non-emergency sedans may not be feasible. Employees in such areas as building inspection, health/safety inspection, and permitting use non-emergency sedans. Each department will conduct a review of non-emergency sedans with the assistance of this department to identify areas where the reduction of vehicles is feasible and practical.
- **Finding:** Eliminating take home vehicles for employees driving less than 300 miles a month and replacing them with a \$0.31 mileage reimbursement program would save \$36,762 annually. Eliminating take home vehicles driven less than 750 miles a month and replacing them with a \$0.31 reimbursement program would save \$210,338 annually. \$1.1 million is spent annually on personal use of take home vehicles.

Response: Take-home vehicles are not assigned to an employee based on the number of miles driven. These vehicles are assigned based upon department needs and service requirements as deemed justified by the respective department director. Individuals that provide emergency response, support City services at various field sites and respond to after hour calls are assigned take-homes vehicles. Department directors review these assignments annually to verify the department's requirement. Since the 97-143 audit the number of take home assignments have been reduced Citywide by 429 units, excluding the Police and Fire Departments. The Police Department has removed approximately 200 units from take-home assignment while the Fire Department removed approximately 149 units. The on-going review of assignments will continue to ensure such assignments are justified.

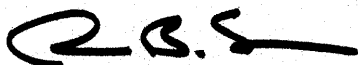
*Views of Responsible
Officials*

EXHIBIT 1

Page 4

- **Recommendation:** The City should consider creating a centralized vehicle fleet management section.
- **Response:** The role of the F&A Fleet Management Group will be expanded to provide additional oversight of citywide fleet management operations in the revised policy. During the annual budget process this group currently reviews all department vehicle requests based upon operating needs to determine which requests will be recommended for funding.

Sincerely,



Philip B. Scheps, Director

*Views of Responsible
Officials*

EXHIBIT 2




CITY OF HOUSTON

Municipal Courts Administration
Department

Interoffice

Correspondence

To: Sylvia Garcia
City Controller

From: Barbara Sudhoff 
Director and Chief Clerk

Date: June 5, 2002

Attn: Steve Schoonover, City Auditor

Subject: **MUNICIPAL COURTS
ADMINISTRATION'S RESPONSE TO
DELOITTE AND TOUCHE'S REVIEW OF
CITY VEHICLE PROGRAMS AP 2-2**

This memorandum is provided in response to Deloitte and Touche's review of City Vehicle Programs, specifically, the section identified as "Municipal Courts Administration," pages 26 – 36 of the attached report. Overall, we concur with the report and the findings relevant to the Municipal Courts Administration. However, we disagree with one item that needs to be corrected. This item is detailed below:

The Chart (page 28—Summary Compliance Checklist) indicates that we were not in compliance with the requirement to obtain authorization from each employee before performing an annual MVR check.

We disagree with this finding. A copy of AP 2-2 is distributed to each employee annually, along with a form provided by the Legal and Human Resources Departments entitled, "ACKNOWLEDGMENT". The employee signs the form and returns it to the Human Resources Section of the department. At that time, the MVR is run. This form is used to acknowledge receipt of the policy, and to acknowledge they are to be held accountable for all provisions therein, which includes annual MVR checks.

This procedure and associated forms were distributed and discussed in training by Legal and Human Resources, to be followed without variation or revision. There have been no subsequent procedural modifications by Legal and Human Resources to our knowledge.

We will make additional steps to monitor compliance. Please contact me at (713) 247-5680 if you need additional information.

**Views of Responsible
Officials**

EXHIBIT 3



CITY OF HOUSTON

Human Resources Department

Interoffice

Correspondence

To: Sylvia R. Garcia
City Controller

From: Lonnie Vara
Human Resources Director

Date: June 5, 2002

**Subject: Management Response to Follow-up
Review of City Vehicles Programs**

RECEIVED
JUN 15 5:49

We have reviewed the audit report prepared by Deloitte and Touche and offer the following in response to the recommendations presented. As indicated in the audit report, we have made significant improvements in our compliance with AP 2-2 since the initial report in 1997, improving from 23% to 70%, and excluding Not Applicable occurrences, our program is 90+% in compliance.

Recommendation: Section 8.0 – Review of Driving Records; Disclosure Requirements

- Obtain annual authorizations for motor vehicle record checks from all employees who drive on city business.
- Complete an annual review of motor vehicle records for each employee who drives on city business and maintain the MVR on file.

Management Response: Due to a transition of compliance responsibilities, files were not available at the time of the auditor's request. However, the requested files were subsequently located and indicate that four of the five occurrences where vehicles were reported as "Vehicle Not in Compliance" were actually in compliance.

To further improve our compliance rating and rectify any procedural deficiencies, we have created an electronic database to maintain all required AP 2-2 data. This system will generate management reports and records reviews, which will allow us to conduct and track the status of annual Motor Vehicle Records authorizations and reviews for each driver.

Recommendation: Section 12.0 – Operating Rules

- Require employees to accurately report all trips taken and correct mileage for pool vehicles.

Management Response: Based on the recommendation presented, we have standardized our pool vehicle logs to require trip mileage reporting to ensure pool vehicle mileage reports are complete and accurate regarding employee utilization of pool vehicles.

**Views of Responsible
Officials**