



Fleet Management Department

**FY2025 Proposed Budget
Workshop Presentation
May 20, 2024**

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Strategic Guidance Alignment

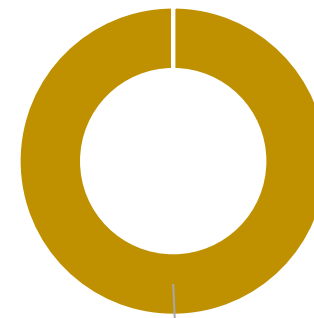


Government that Works	Public Safety	Quality of Life	Infrastructure
Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations
Fuel Management	Fuel Management	Fuel Management	Fuel Management
Outside Services	Outside Services	Outside Services	Outside Services
Executive Oversight	Executive Oversight	Executive Oversight	Executive Oversight
Parts Management	Parts Management	Parts Management	Parts Management
Fleet Asset Management	Fleet Asset Management	Fleet Asset Management	Fleet Asset Management
Human Capital Management	Human Capital Management	Human Capital Management	Human Capital Management
Fleetshare Management	Fleetshare Management		Fleetshare Management

ALIGNED INITIATIVES

- Improve City Infrastructure
- Improve Delivery of City Services
- Improve Public Safety
- Fiscal Responsibility
- Workforce Development
- Emergency Operations
- Recruiting & Retention
- Support Economic Growth
- Resilient Houston Plan
- Prioritization of Critical Services

DEPARTMENT BUDGET BY PRIORITY



Infrastructure, 100%

- Government that Works
- Quality of Life
- Public Safety
- Infrastructure

Expenditure by Program [in thousands]



Program	FY23 Actual	* FY24 Budget	FY24 Estimate	FY25 Proposed	Variance FY25 Proposed/ FY24 Budget	% Change
Fleet Operations	\$ 46,546	\$50,641	\$50,641	\$53,345	\$2,704	5%
Fuel Management	\$32,991	\$31,365	\$31,365	\$31,567	\$202	1%
Outside Services	\$8,265	\$11,043	\$11,043	\$11,650	\$607	6%
Executive Oversight	\$5,344	\$5,945	\$5,945	\$5,943	(\$2)	0%
Parts Management	\$3,698	\$3,950	\$3,950	\$4,090	\$140	4%
Fleet Asset Management	\$1,260	\$1,121	\$1,121	\$1,089	(\$32)	-3%
Human Capital Management	\$401	\$728	\$728	\$884	\$156	21%
FleetShare Management	\$722	\$567	\$567	\$670	\$103	18%
Totals:	\$99,227	\$105,360	\$105,360	\$109,238	\$3,878	4%

* Budget adjusted for higher-than-expected fuel costs.

Revenue by Program [in thousands]



Program	FY23 Actual	FY24 Budget	FY24 Estimate	FY25 Proposed	Variance FY25 Proposed/ FY24 Budget	% Change
Fleet Operations	\$ 65,718	\$73,209	\$73,209	\$75,738	\$2,529	3%
Fuel Management	\$33,490	\$31,342	\$31,342	\$32,569	\$1,227	4%
Outside Services	\$0	\$0	\$0	\$0	\$0	0%
Executive Oversight	\$19	\$0	\$0	\$0	\$0	0%
Parts Management	\$0	\$0	\$0	\$0	\$0	0%
Fleet Asset Management	\$0	\$0	\$0	\$0	\$0	0%
Human Capital Management	\$0	\$0	\$0	\$0	\$0	0%
FleetShare Management	\$0	\$809	\$809	\$931	\$122	15%
Totals:	\$99,227	\$105,360	\$105,360	\$109,238	\$3,878	4%

Fleet Operations



Priority:	Infrastructure
FY2025 FTE Count:	298.7

Program Description

The Fleet Operations Division is responsible for management and oversight of all vehicle maintenance activities at each of the 24 garage locations. The Fleet Operations Division works with customer departments to meet vehicle and equipment readiness requirements. Performs maintenance/repairs of vehicles and equipment used by City of Houston departments.

Significant Budget Items

- In FY2022, the outside service cost moved to FMD - Outside Services Division (670007).
- Increased budget for parts.

FY25 Prop Budget by Fund

Fleet Management Fund	\$53,345,306
Total	\$53,345,306

Variance FY25 vs FY24 =	5%
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Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Preventive Maintenance Inspections Performed Within Target Interval	89%	90%	83%	90%	Percent of Preventive Maintenance Inspections Performed On-Time.
Vehicle Availability: Maintain Critical Operational Readiness	92%	93%	90%	93%	Percent of Vehicles Available for Service

Fuel Management



Priority:	Infrastructure
FY2025 FTE Count:	9.6

Program Description

The Fuel Division is responsible for acquisition of unleaded gasoline, diesel, and jet fuel for citywide use. Manages inventory and distribution of fuel at 67 city refueling sites. Conducts daily fuel site inspections to ensure operating compliance with local, state, and federal regulation. Repairs, monitors, and maintains fuel sites to keep fuel readily available for City use. Oversees the City of Houston's Fuel Card Program.

Significant Budget Items

- Fuel costs expense increase for FY25.

FY25 Prop Budget by Fund

Fleet Management Fund	\$31,567,450
Total	\$31,567,450

Variance FY25 vs FY24 = 1%

Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Station Compliance – TCEQ Inspections Passed	100%	100%	100%	100%	Compliance with Environmental Regulation (Minimum)
Station Uptime - % of Operational Dispensers	95%	95%	95%	95%	Operating Dispensers Citywide (Minimum)

Outside Services



Priority:	Infrastructure
FY2025 FTE Count:	7.0

Program Description

The Outside Services Division is responsible for overseeing contracted maintenance/repairs of vehicles and equipment used by City departments. The Outside Services Division works with vendors and customer departments to meet vehicle and equipment readiness requirements in a cost-effective manner. Reviews purchase requisitions and completes invoice receivers in SAP.

Significant Budget Items

- Increase use of third-party vendors for Vehicle Repairs.

FY25 Prop Budget by Fund

Fleet Management Fund	\$11,650,186
Total	\$11,650,186

Variance FY25 vs FY24 =	6%
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Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Invoices Processed: Early Pay Discounts	94%	90%	95%	95%	Invoices Paid Promptly (Minimum)
Percentage of City's Vehicles at external vendor repair facility over 8 months	9%	5%	5%	4%	Contractor Work Pending More than 8 Months (Maximum)
Vendor In-Person Contacts per Week	10	10	9.4	10	Vendor Motivation Meetings (Minimum)

Executive Oversight



Priority:	Infrastructure
FY2025 FTE Count:	2.6

Program Description

Provides strategic and operational leadership to the department. Sets goals, strategies, and performance indicators necessary to ensure an efficient and effective execution of the department's mission. Develops plans, policies, and procedures to align all department activities with City objectives. Responsible for communication of department information to internal and external stakeholders. Oversees budget development and adherence.

Significant Budget Items

- No significant Program changes.

FY25 Prop Budget by Fund

Fleet Management Fund	\$5,943,199
Total	\$5,943,199

Variance FY25 vs FY24 =	0%
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Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Number of Electric Vehicles Delivered	66	N/A	255	350	Minimum
Rolling Stock Equipment in City's Fleet	13,172	13,000	13,041	13,000	Count - Maximum

Parts Management



Priority:	Infrastructure
FY2025 FTE Count:	45.1

Program Description

The Parts Division is responsible for management of the FMD inventory and distribution system for spare parts and vehicle maintenance related supplies. The Parts Division oversees 24 parts warehouse locations, reviews outside services and purchase requisitions for contract compliance, and completes invoice receivers in SAP. Establishes third party vendor contracts, conducts compliance meetings and contract reviews with vendors.

Significant Budget Items

- No significant Program changes.

FY25 Prop Budget by Fund

Fleet Management Fund	\$4,089,630
Total	\$4,089,630

Variance FY25 vs FY24 =	4%
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Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Inventory Accuracy	93%	93%	94%	93%	Annual and Cycle Counts (Minimum).
Invoices Processed: Early Pay Discounts	94%	90%	97%	94%	Invoices Paid On-Time (Minimum)
Part Availability: "A" Classification Parts	84%	85%	84%	85%	Common Parts Orders Filled (Minimum)

Fleet Asset Management



Priority:	Infrastructure
FY2025 FTE Count:	6.6

Program Description

Responsible for fleet planning and the following vehicle lifecycle activities: vehicle budgeting, specification, procurement, acquisition, on-boarding, assignment, preventive maintenance scheduling, performance monitoring and reporting, and disposal. Oversees the collection, tracking, and reporting of vehicle maintenance information. Analyzes performance and maintenance data to identify issues and optimize performance. Oversees maintenance software systems and vehicle databases.

Significant Budget Items

- No significant Program changes.

FY25 Prop Budget by Fund

Fleet Management Fund	\$1,088,844
Total	\$1,088,844

Variance FY25 vs FY24 = -3%

Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Vehicle Disposal Processed Within 2 Weeks	99%	98%	98%	100%	Maximum Time From Request
Vehicle On-Boarding Complete Within 2 Weeks	98%	98%	98%	98%	Maximum Time From Delivery
Vehicle Purchase Package Submitted Within 6 Weeks of Quote	100%	95%	100%	100%	Percent On-Time

Human Capital Management



Priority:	Infrastructure
FY2025 FTE Count:	6.3

Program Description

The Human Capital Management Division manages the implementation and administration of the FMD training and personnel development program, oversees quality assurance activities, creates and administers employee policies and procedures based on industry best practices, regulatory compliance, and departmental strategic initiatives. Oversees strategic recruiting and retention plans.

Significant Budget Items

- Program functions previously housed in Executive Oversight.

FY25 Prop Budget by Fund

Fleet Management Fund	\$883,936
Total	\$883,936

Variance FY25 vs FY24 =	21%
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Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
Employee Training Hours	N/A	11,200	15,000	15,000	Total Employee Training Hours.
Technician Recruiting: Community Hiring Events	N/A	25	30	25	Count - Job Fairs & Outreach (Minimum)
Technician Vacancies	22%	15%	19%	15%	Percent - Mechanic Vacancies (Maximum)
Training: Automotive High School Interns	4	10	10	15	Number - Student Mechanics (Minimum)

FleetShare Management



Priority:	Infrastructure
FY2025 FTE Count:	3.0

Program Description

The FleetShare Division is responsible for management and oversight of the City's shared motor pool for all City Departments. This includes the procurement and deployment of vehicles, administration of the reservations system, analysis of vehicle utilization, vehicle maintenance, onboarding and training of users, and customer service.

Significant Budget Items

- Increased budget due to expansion and increase usage.

FY25 Prop Budget by Fund

Fleet Management Fund	\$669,746
Total	\$669,746

Variance FY25 vs FY24 =	18%
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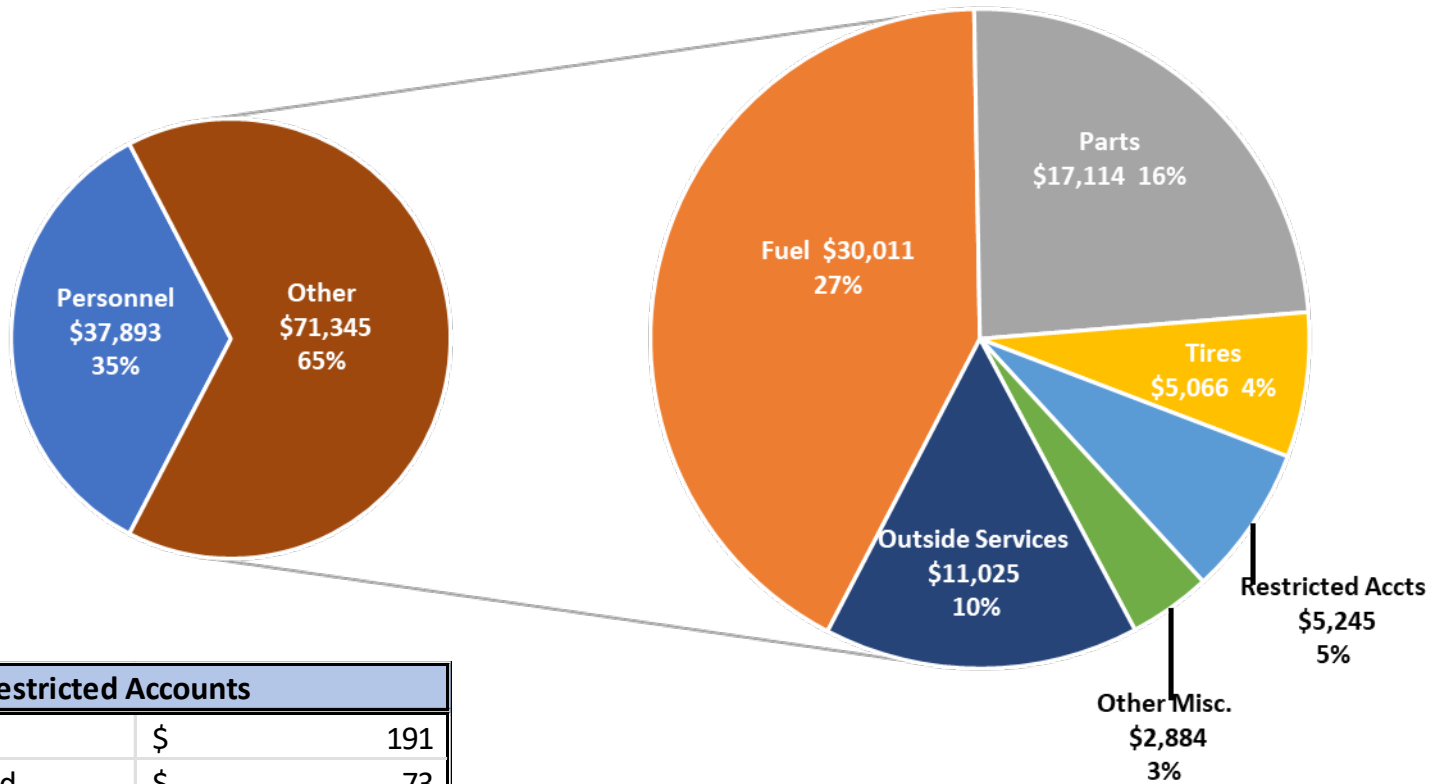
Performance

Measure Name	FY23 Actual	FY24 Target	FY24 Estimate	FY25 Target	Target Context
FleetShare Vehicle Utilization Hours	5,000	5,000	42,000	50,000	Total Reservation Hours (Minimum).

Personnel vs. Non-Personnel [in thousands]



Expenditures by Category



Restricted Accounts

ARA Interfund	\$	191
Energy Interfund	\$	73
HITS Interfund	\$	1,326
HR Interfund	\$	794
FIN Interfund	\$	2,112
GSD Interfund	\$	749

Revenue by Fund [in thousands]



Revenue Highlights



Revenue Highlights

- The Fleet Management Department operates with a revolving fund.
- Revolving fund: expenses = revenues



Questions



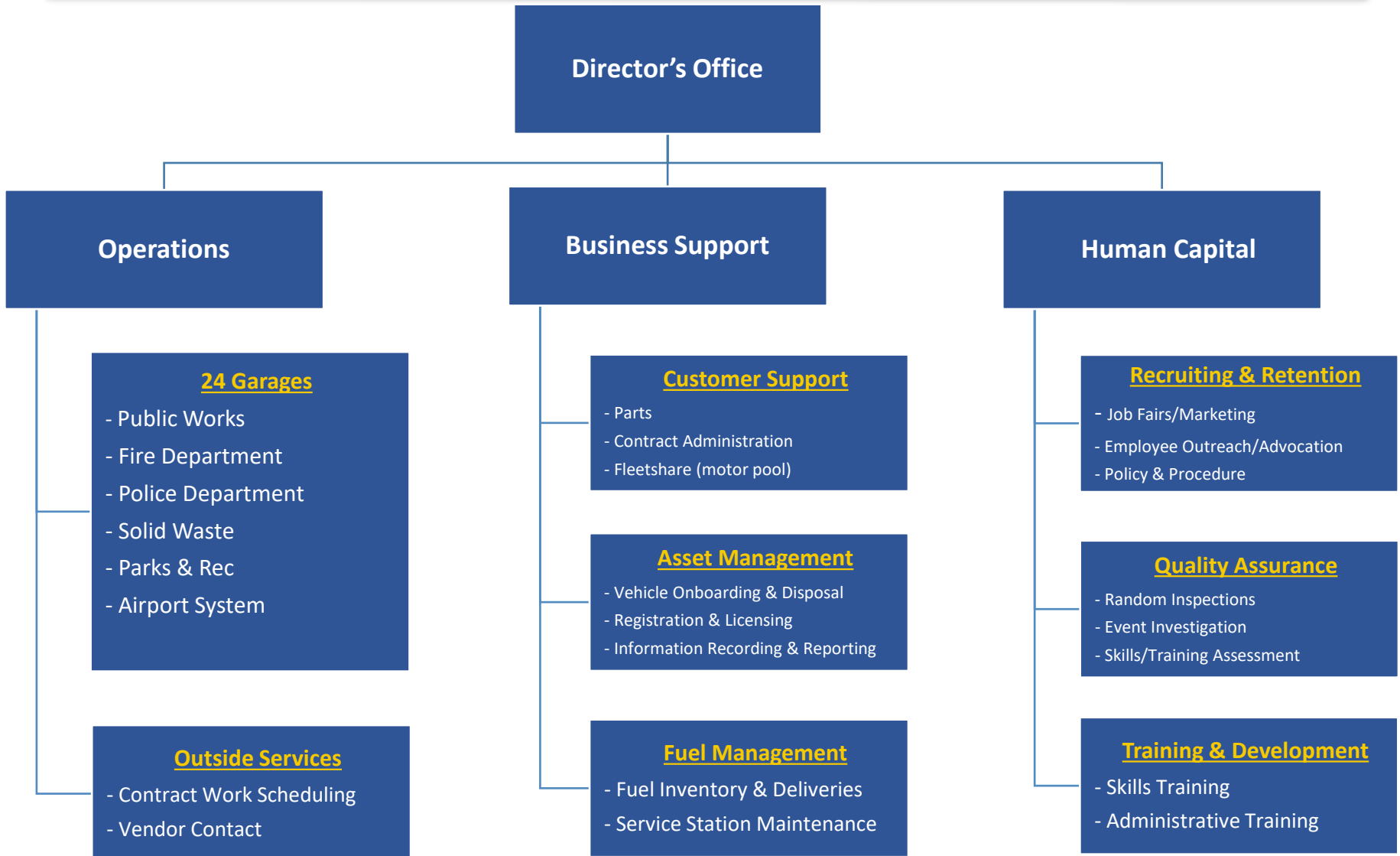
Appendix

Appendix



- Department Organizational Chart
- Fleet Management Department: Workforce Analysis
- Fleet Management Department: FY2024 Accomplishments
- Expenditure by Fund
- Fleet Management Department: Overview
- Vehicle Count by Client Department
- Fleet Management Core Functions by Code of Ordinances
- Restricted Account Details

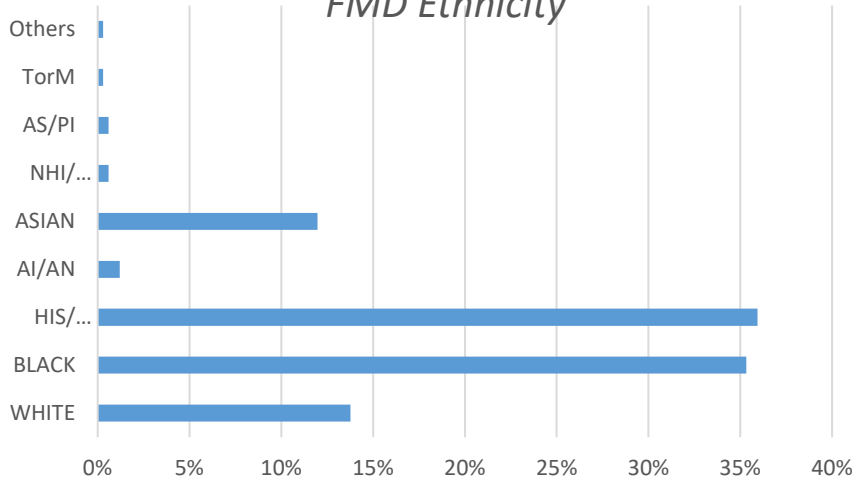
Department Organization Chart



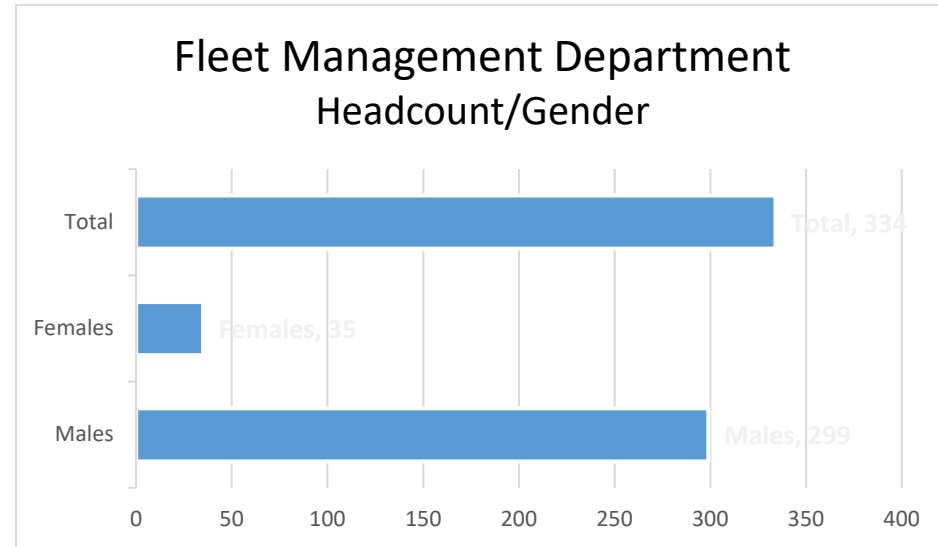
Fleet Management Department Workforce Analysis



FMD Ethnicity



**Fleet Management Department
Headcount/Gender**



Legend
HIS/LAT - Hispanic/Latino
AI/AN - American Indian or Alaskan Native
NH/OPI - Native Hawaiian or Other Pacific Islander
AS/PI - Asian/Pacific Islander
TorM - Two or More Races

Fleet Management Department

FY2024 Accomplishments



- Significant increase in employee training (e.g., CDL, EV, Interns, New Hire).
- Repurposed vacant facility into a training center.
- 100% pass rate for random TCEQ inspections of refueling sites.
- Department reorganization for improved process control.
- 255 EVs delivered.
- Provided for delivery of 71 each, heavy-duty SWMD trucks.
- Improved processing and tracking of outside (contracted) services.
- Reduced the fleet size by 131 vehicles.
- \$8.2M Inventory with 96% accuracy and 0.03% variances
- Added 51 vehicles and 5 hubs to FleetShare pool.
- FleetShare use increased from 5,000 (FY23) to 42,000 hours.
- Navigated supply issues with new vehicles and spare parts.
- Improved data collection and performance reporting.
- Reduced mechanic vacancies.
- Project and procurement preparations for vehicle telematics system.
- Reorganized fuel group to improve efficiency.

Expenditures by Fund [in thousands]



Category	FY23 Actual	FY24 Budget	FY24 Estimate	FY25 Proposed	Variance FY25 Proposed/ FY24 Budget	% Change
Revolving Fund	\$ 99,227	\$ 105,360	\$ 105,360	\$ 109,238	\$ 3,878	4%
Total	\$ 99,227	\$ 105,360	\$ 105,360	\$ 109,238	\$ 3,878	4%

Fleet Management Department Overview



MISSION:	To provide the City of Houston with best value, fleet management services.
VISION:	To be recognized as the best managed fleet in the country.
FLEET COUNT:	13,041 vehicles and units of equipment
EMPLOYEES:	378.9
GARAGE LOCATIONS:	24
REFUELING SITES:	67

Fleet Management Department

Vehicle Count by Client Department



Total Vehicles & Equipment by Department: 13,041					
Dept.	Qty.	Dept.	Qty.	Dept.	Qty.
HPD	4,113	HPW	3,815	HFD	958
PRD	1,073	HAS	1,222	SED	698
FMD	362	HHD	243	GSD	206
ARA	112	DON	85	HCD	26
MYR	58	HITS	21	LIB	18
HEC	15	HR	10	PLN	2
MCD	3	CE	1		



Fleet Management Core Functions

By Code of Ordinances



Code of Ordinances
ARTICLE XVII Fleet Management

Fleet Planning & Capital Programming

Sec. 2-603(1)

Vehicle Procurement, Acquisition, On-Boarding, Assignment

Sec. 2-603(1)(2)

Fuel Management

Sec. 2-603(6)

Parts Management

Sec. 2-603(4)

Contracts Management

Sec. 2-603(4)

Fleet/Maintenance Performance Tracking and Reporting

Sec. 2-603(4)

Fleet Maintenance

Sec. 2-603(4)

Vehicle Disposal

Sec. 2-603(7)

Fleetshare (Vehicle Pool) Management

Sec. 2-603(3)

Personnel Management

Sec. 2-603(3)

Restricted Account Details



GL Description	Justification & Cost Drivers
Interfund Electricity	Responsible for administering the electricity accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Electricity expenses are projected to be lower than the previous year as a function of the competitive bidding process.
Interfund HR Client Services	Include HR operation cost reflecting health benefits and restricted accounts increase.
Interfund KRONOS Service Charge	Software license and maintenance costs associated with the city of Houston's Time and Attendance System (KRONOS).
Interfund Drainage Charge	Fee is based on impervious service.
Interfund Application Services	Costs include Microsoft Enterprise licenses, 3-1-1 maintenance support and applications, SAP licenses maintenance and support, various Enterprise Application and Server support personnel, CSMART (MCD Only), eSignature, Project Management, Infor, eDiscovery, Cyber Security Office software and support, HITS Budget support via the Finance Department, eSignature.
Interfund Data Services	Costs associated with software and maintenance support contracts required to maintain city networks, applications, desktop devices, servers, payment card industry security, storage devices, cloud services, telephone systems and network equipment including Phonoscope circuits. Contracts cover Antivirus, Firewall and Network backup systems. Also, the Data Center costs are included in the Data Services restricted account.
Interfund Voice Services	Monthly costs for Voice/Communication Services. The services include: Local landlines, voice/data circuits, long distance, 1-800 numbers, calling cards, language lines, Citywide ISP/Internet Access. The major vendors are ATT, Department of Information Resources (DIR), Verizon and Century Link.
Interfund Wireless Services	Monthly charges for Verizon Business services and mobile devices including cell phones, air cards and tablets.
Interfund Voice Labor	Labor costs and parts needed to perform work associated with installation and/or upgrades of telephone systems and cabling. The sole vendor is Selrico.
Interfund Vehicle Accidents	Provides vehicle accidents repairs for all city departments' rolling stock equipment.
Interfund Permit Center Point of Sale	HPC Point of Sale chargeback.
Interfund Insurance Fees	Cost increase for property insurance premium.
Interfund GIS Services	Personnel, software licenses and maintenance costs associated with the city of Houston's Enterprise Geographic Information System (EGIS).
Interfund Permit Center Rent Chargeback	HPC lease chargeback.
Interfund Vehicle Services - Tires	Tire purchases and services costs for City's rolling stock equipment.
Interfund Vehicle Services	Provides repair, maintenance, and administrative support for all city departments' rolling stock equipment. Expense explanation - Vehicle Services are projected to increase driven by part cost, contractual increases, and an aging vehicle population.
Interfund Vehicle Fuel	Fuel Program operates and manages all City owned fuel sites. Expense explanation - Fuel services are driven primarily by market pricing.
Interfund Natural Gas	Responsible for administering the natural gas accounts for the City. Program is responsible for overseeing procurement contracts, forecasting, providing price certainty, and financial reporting. Natural gas expenses are projected to be lower than the previous year due to current market conditions and locking in a rate favorable to the City.
Interfund Radio System Access	Due to the consolidation of the radio group in General Fund to revolving fund for HITS. This group is responsible for the operation and maintenance of the City's public safety radio system.