



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
July 6, 2011**

TO: Mayor and City Council
FROM: David Scola, Public Works Director
Bob Cellini, Maintenance Superintendent
SUBJECT: Grand Jury Response to Vehicle Maintenance and Usage
DATE: June 30, 2011

RECOMMENDATION:

Approve and authorize the Mayor to sign the attached responses to the Grand Jury Report #1103, “County and City Vehicle Maintenance and Usage” by the 2011-2012 Contra Costa Grand Jury.

BACKGROUND:

The California Constitution established Grand Juries in each county. With respect to public agencies, Grand Juries are authorized to “investigate and report upon the operations, accounts and records of the officers, departments, functions, and the method of performing the duties of any such city and make such recommendations as it may deem proper. A governing body has 90 days to respond to the presiding judge of the superior court on findings contained in a Grand Jury Report.

In April, Martinez (as well as other public agencies in Contra Costa County) received the attached Grand Jury Report titled “County and City Vehicle Maintenance and Usage” (Attachment A) which contained recommendations specific to certain jurisdictions. Accordingly, the attached draft responses (Attachment B) are presented for the City Council’s consideration to transmit the presiding judge.

FISCAL IMPACT:

Responding to the Grand Jury reports took staff time. It is estimated that a new vehicle maintenance software program will cost approximately \$25,000.

ACTION:

Motion to approve staff’s responses to the Grand Jury Report, and authorize the Mayor to sign staff’s response letter.

Attachments:
Letter Presiding Judge and

APPROVED BY:

City Manager



April 15, 2011

City Manager
City of Martinez
525 Henrietta Street
Martinez, CA 94553



Dear City Manager:

Attached is a copy of Grand Jury Report No. 1103, "County and City Vehicle Maintenance and Usage" by the 2010-2011 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding. ✓
- (2) The respondent disagrees with the finding. ✓
- (3) The respondent partially disagrees with the finding. ✓

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefor.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action. ✓
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation. ✓
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report. ✓

City of Martinez
April 15, 2011
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4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof. ✓

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than July 18, 2011. ✓

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to jcuev@contracosta.courts.ca.gov (Word document).

Sincerely,

Linda L. Chew

LINDA L. CHEW, Foreperson
2010-2011 Contra Costa County Civil Grand Jury

A REPORT BY
THE 2010-2011 CONTRA COSTA COUNTY GRAND JURY

725 Court Street
Martinez, California 94553

REPORT 1103

County and City Vehicle Maintenance and Usage

APPROVED BY THE GRAND JURY:

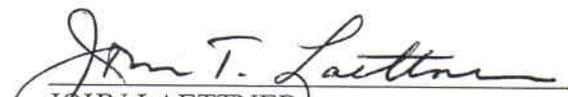
Date: MARCH 23, 2011



LINDA L. CHEW
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 4-1-11



JOHN LAETTNER
JUDGE OF THE SUPERIOR COURT

Contra Costa County Grand Jury Report 1103

County and City Vehicle Maintenance and Usage

Do you know where your vehicles are?

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

SUMMARY

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

BACKGROUND

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

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

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

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

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

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

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

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

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

FINDINGS AND RECOMMENDATIONS

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

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

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

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

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

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

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

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

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

REQUIRED RESPONSES

Finding #2 and Recommendation #2:

Contra Costa County Board of Supervisors
Martinez City Council

Finding #3 and Recommendation #3:

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

Finding #4 and Recommendation #4:

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

ATTACHMENT B

July xx, 2011

Honorable John Laettner
Presiding Judge of the Contra Costa Superior Court
A.F. Bray Court House, Department 25
1020 Ward Street
Martinez, CA 94553

Re: Contra Costa County Grand Jury Report #1103: "County and City Vehicle Maintenance and Usage"

Dear Judge Laettner:

On behalf of the Martinez City Council, this letter responds to Contra Costa County Grand Jury Report #1103: "County and City Vehicle Maintenance and Usage" regarding maintenance of City vehicles and usage by employees. The City Council authorized this response at its meeting on July 6, 2011. Pursuant to California Penal Code section 933.05, the City will respond to each finding and to each recommendation separately.

Finding #1:

Not applicable to the City of Martinez.

Finding #2:

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

Response: Disagree with the finding. At the direction of the City Manager, our maintenance superintendent looked into the feasibility of consolidating our vehicle maintenance program with the County program approximately a year ago. The County maintains a large fleet of vehicles and equipment from internal groups such as, Sheriff, Fire, Public Works and Inspections. They do preventative maintenance and repair on an estimated 1400 units with nine mechanics. The facility is approximately 6 miles from downtown and not in the city limits.

The City of Martinez vehicle program is responsible for preventative maintenance and repair of 128 units of equipment with two full time mechanics. They also outfit all of our police department vehicles with necessary lights, computers, cages, and other required safety equipment. Our Police Department is extremely pleased with the high quality of their vehicles and the timely response to needed repairs. The single facility houses the City's entire maintenance operations which include Streets, Water System, Parks and Fields, Building, Parking Meter and Vehicle maintenance. Thirty-three employees work from this facility and only two full time employees do vehicle maintenance.

Recommendation #2: Moving vehicle maintenance to a more remote location would not save the City of Martinez any money and would likely add equipment down-time and inconvenience to the city's maintenance programs and police staff. The maintenance superintendent and staff currently track our preventative maintenance and repair costs on computers and spread sheets. The process works well but needs improvement. They have looked at several maintenance management programs over the past several years and recently chose one which is used by a neighboring city. It is planned to purchase software and implement it in fiscal year 2011-2012.

Finding #3:

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

Response: Disagree with the finding. The report (Page 2) states that the City of Martinez reported inventories valued at \$20,000 which equaled \$465 per vehicle. The \$20,000 estimate that we provided was for our "entire" fleet of 128 pieces of equipment owned by the City, (police units, city vehicles, pick-up trucks, backhoes, dump trucks, riding mowers, street sweeper, and a variety of other equipment). The Grand Jury only used a select few vehicle types in their survey and calculations (autos, vans, SUVs and pickups only), which led to the extremely high spare parts per vehicle inventory figure in the report. When using only those types of vehicles, our spare parts per vehicle amount would be closer to \$200 per vehicle.

Recommendation #3: Our spare parts per vehicle amount for the vehicles evaluated is approximately \$200 per vehicle, which is under the county's average of \$206.

Finding #4:

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

Response: Agree with the finding. The City of Martinez has nine vehicles that are taken home after working hours. Five of the vehicles are Police Department vehicles and four are in Public Works Department. The City has allowed take-home vehicles for the purpose of standby call-outs and emergency operational needs. This practice is reviewed during budget preparations to determine if continued use is justified.

Recommendation #4: The number of take-home vehicles will be reduced for the fiscal year 2011-2012 budget.

Honorable John Laettner
July xx, 2011
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We hope that the Grand Jury will find these responses to Report #1103 complete and helpful.

Sincerely yours,

Rob Schroder
Mayor

c Linda Chew, Contra Costa County Grand Jury Foreperson
Philip Vince, City Manager, City of Martinez