# Fleet Management
# Service Improvement Process

*Timeline*

**Situation**
Customers felt vehicle purchases took too long to execute.

**March 1995**
Process Improvement Team convened to perform six step analysis.

This improvement cycle continued on a separate timeline.

**Situation**
Based on Process Team's analysis and Five Year Forecast, a problem is recognized in replacement cycles, causing peaks in capital requirements.

*Inputs*

- Staff Analysis
- Focus Group
- Direct Customer Feedback

**August 1995**
Budget Department analyzed existing Five Year Financial Forecast.

**January 1996**
Cross-Functional Task Team comprised of fleet contacts in all departments convened to solicit input on fleet replacement purchase cycles.

*Outputs*

- Created Ten Year Fleet Replacement Analysis by vehicle ID.
- Levelize fleet purchases over ten year period.
- Created a four year plan to move from deficit funding to equity funding of fleet purchases.
- Created Equipment Services Replacement Fund.

Five Year Forecast

**Situation**
Recognized opportunity to accelerate four year equity financing plan to one year and implement in FY 1997-98.

Implemented accelerated fleet equity funding program.

*Supports*

**Strategic Priority**
"Financial Health & Economic Development."

**KIO**
"Dollars added to the City's total fund balance and retained earnings."

**Department Goals**
Ensure financial stability.

**Situation**
Other root causes from original study are being explored for further improvements to fleet purchasing and management.

**March 1997**
New Cross-Functional Task Team is being created to address use of pool vehicles.

*Benefits*

- Saved $900,000 in acqusition costs in FY '96.
- Forecast deficits decreased $16 million over forecast period.
- Fleet purchases are now predictable and less volatile.

F:\DATA\EAST\BUDGET\SIP_2.P65