

# OIG IN BRIEF

## Why the OIG Did This Report

The City owned vehicles and equipment worth more than \$60 million and spent \$12 million in 2014 on vehicle fuel, repairs, and acquisitions (5 percent of its non-personnel budget). These vehicles and equipment are essential to the delivery of municipal services.

Evaluators examined the City's fleet management practices from 2009 to 2014 to determine whether the City had effective policies and procedures in place to manage its fleet and control the cost of fleet operations. In addition to reviewing the fleet management practices of the Equipment Maintenance Division (EMD), evaluators also reviewed fleet management practices in all city departments and some outside agencies to which the City provided fleet services.

The objectives of this evaluation were to determine if the City:

- used performance measures to benchmark fleet activities and guide fleet-related decision-making;
- had an accurate and reliable list of vehicles;
- conducted a use study to establish the ideal size and make-up of the fleet;
- conducted life-cycle analyses to establish when it should retire vehicles and if the City retired vehicles when they exceeded their useful lives;
- had a formal mechanism in place to monitor and oversee preventive maintenance; and
- established a fleet management organizational structure consistent with best practices.

*A report to the City of New Orleans, July 13, 2016.*

View [OIG report IE 15-0009](#). For more information contact Nadiene Van Dyke at (504) 681-3200 or [nvandyke@nolaig.gov](mailto:nvandyke@nolaig.gov).

## Fleet Management

### What the OIG Found

***The City lacked the information necessary to guide cost-effective fleet management decisions. Additionally, there was a lack of oversight related to fleet policies and procedures.***

A lack of accurate, reliable information prevented the EMD and user departments from making informed decisions. The City could not reliably produce basic information such as how many vehicles it had, how often they were used, and what type of repairs were performed. In addition, the City did not use accurate and reliable data to guide management decisions such as determining how many vehicles it needed, whether to outsource maintenance, and when to replace vehicles.

In addition to a lack of information, there was also a lack of oversight related to fleet policies and procedures. The fleet manager position was vacant for part of the review period, and there was no full-time manager at the Central Maintenance Garage after 2012. Additionally, the EMD had no means of enforcing policies related to the appropriate use of vehicles, fueling, adhering to maintenance schedules, and retiring vehicles.



### What the OIG Recommended

***Effective fleet management programs require access to reliable and accurate information. With access to data, fleet managers are able to make informed decisions to operate the fleet at the lowest possible cost to taxpayers. The City should take steps to provide the EMD with the information, resources, and authority it needs to oversee vehicles and equipment.***

Evaluators recommended that the City:

- begin to collect and analyze information to guide decision-making related to fleet management;
- create an accurate and reliable list of the vehicles and equipment the City is responsible for fueling and maintaining;
- develop standards for and track vehicle use to determine the appropriate size of the City's fleet;
- create replacement criteria for vehicles and equipment based on life-cycle analyses and fund replacements at the optimal time;
- establish and enforce formal preventive maintenance schedules; and
- hire a fleet manager with the authority necessary to enforce fleet policies and procedures.