

Audit Status: Fleet Replacement Fund Short Millions

- Equipment Replacement Fund Health
- Equipment Replacement Plan including Electric Vehicles
- Challenges
- Next Steps

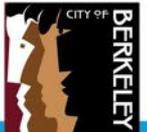


Audit Status: Equipment Replacement Fund Health

- 671 Fund Balance:
- FY2019 - \$7,429,630, now FY2025 - \$19,741,742
- Annual budgeted amount for replacement through Internal Service Fund (ISF) \$4,754,926.00
- Actual contributions by Departments through ISF for replacement

| 2022 | 2023 | 2024 | 2025 |
|-----------------|-----------------|-----------------|-----------------|
| \$ 7,662,840.55 | \$ 8,810,380.86 | \$ 9,283,202.75 | \$ 5,578,025.53 |

- Amount spent or currently encumbered from Fund 671 on Equipment Replacement since FY2019 - \$50,305,869



Audit Status: Equipment Replacement Fund Health (cont.)

Other expenses to Fund 671 – not collected

- Transfer to Fund 672 for Operating Expenses
 - FY2024 \$500,000 in FY2024, FY2025 - \$2,000,000
- AssetWorks Software
- New to Fleet vehicles purchased but did not reimburse Fund 671 due to asset already being capitalized
- Upfitting of vehicles not able to be captured fully in FUND\$ and assigned to the vehicle
- Staffing



Audit Status: Equipment Replacement Plan

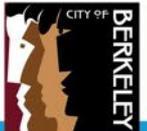
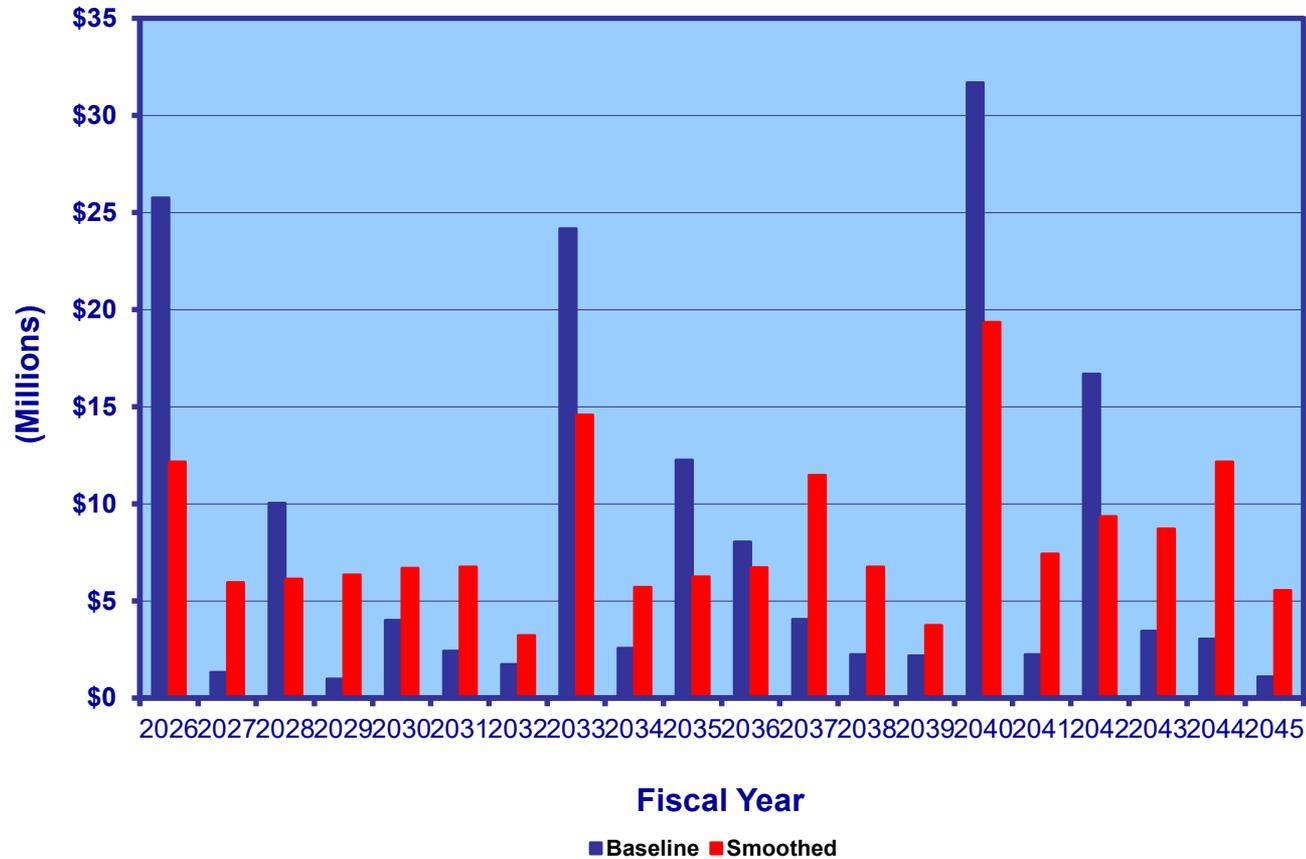
Fleet Replacement Statistics

| | |
|--|-----------------|
| | |
| Current Number of vehicles & equipment | 631 |
| Current replacement cost of the entire fleet | \$44.8 M |
| Current Average Age | 10.6 |
| Years of replacement backlog based on average annual replacement cost | 5.1 |
| Years of replacement backlog based on average annual value of replacement purchases | 7.0 |
| Average number of units to be replaced each year | 68 |
| Average percent of fleet to be replaced each year | 10.7% |
| Historical average number of units replaced each year (FY2020-24) | 46 |
| Historical average percent of fleet replaced each year (FY2020-24) | 7.4% |



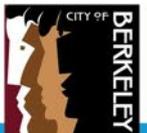
Audit Status: Equipment Replacement Plan

Baseline v Smoothed Costs



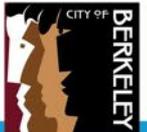
Audit Status: Equipment Replacement Plan (cont.)

- EV Infrastructure 5 Year Plan – estimated to be \$4,056,030
 - 201 University Phase 1 (Marina)
 - 1 Bolivar Phase 1 (ACS)
 - 1201 Second Phase 1 (TS)
 - 125 University Phase 1 (Parking Enforcement)
 - 1326 Allston Phase 1 (Corp Yard)
 - 2029 Berkeley Phase 1 (FS 2)
 - 2100 MLK Phase 1 (PSB)
 - 2640 MLK Phase 1 (HHCS Mental Health)
 - 2939 Ellis Phase 1 (SBSC)
 - 997 Cedar Phase 1 (Fire Training)



Audit Status: Challenges

- Availability of Vehicles to purchase
- Timelines for replacement
- 5-Year CIP Plan for Replacement – too rigid, pivot to 2-year budget cycle with reconciliation of planned purchases versus actual
- Insufficient staffing for vehicle and equipment procurement
- Lack of transparency with FUNDS
- Delays in AssetWorks Implementation



Audit Status: Next Steps

- Launching the Fleet Vehicle Allocation Methodology (VAM) (Optimization Survey) for vehicle end users and managers by 3/7/2025
- Develop an updated fully inclusive chargeback rate model for Equipment Replacement and Equipment Maintenance
- Add Key Positions to mid-cycle budget update to support Equipment Replacement and AssetWorks Implementation
- Finish AssetWorks implementation - errors with month end billing process. Waiting on AssetWorks for an update
- Finalize Fleet Policies and Procedures including replacement and new to fleet requirements which includes a new Administrative Regulation

