

# Mayor and Council Communication

DATE: 04/08/25

M&C FILE NUMBER: M&C 25-0303

LOG NAME: 21FLEET AND FUEL MANAGEMENT SYSTEM

## **SUBJECT**

(ALL) Adopt Appropriation Ordinances Increasing Estimated Receipts and Appropriations in the Fleet & Equipment Services Fund in the Amount of \$1,285,720.00, from Available Net Position, for the Purpose of Transferring Funds to the Fleet Capital Projects Fund for the Purchase of a New Fleet and Fuel Management System, Approve All Associated Transfers, Amend the Fiscal Year 2025 Adopted Budget and Fiscal Years 2025-2029 Capital Improvement Program

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fleet & Equipment Services Fund in the amount of \$1,285,720.00, from available net position, for the purpose of transferring to the Fleet Capital Projects Fund for the purchase of a new Fleet and Fuel Management System;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fleet Capital Projects Fund in an amount not to exceed \$1,285,720.00, transferred from the Fleet & Equipment Services Fund, for the purpose of funding the Equipment Repair programmable project (City Project No. P00040); and
3. Amend the Fiscal Year 2025 Adopted Budget and the Fiscal Years 2025-2029 Capital Improvement Program.

## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to appropriate funding in the Fleet & Equipment Services Fund from available net position for the purchase of a new Fleet and Fuel Management System.

The new Fleet and Fuel Management System will only require a two-system interface and will enable the installation of Radio Frequency Identification (RFID) readers in City vehicles to automate data collection, including vehicle information, odometer readings, and fuel capacity. This will minimize the amount of fuel errors and improve data accuracy. Currently, the City uses three software systems to process fuel transactions: OPW, Fuel Warehouse, and FASTER Web. The new system will directly interface with OPW, eliminating the need for Fuel Warehouse as an internal clearance system. The new system will enable staff to save time by automating tasks that are currently performed manually, reducing the need for manual data manipulation and error correction as described below.

Despite an upgrade to the current Fleet Management System (FASTER) in 2016, there continue to be issues that prevent the streamlining of data collection and reporting. The issues include:

- Parts integration failure – administrative staff is required to manually verify every part ordered by technicians in order to ensure it was integrated into FASTER so that it can be billed to the proper department.
- FASTER slows down when there are too many users in the system or when large reports are being produced, increasing time spent on routine work for administrative staff as well as technicians.
- There have been instances of billing errors that prevent billing from posting in a timely manner.
- FASTER has limited reporting capabilities and staff spend several hours modifying reports to meet City-wide reporting needs.
- Employees are required to manually enter odometer information at the pump to fuel vehicles and equipment. The manual entry results in odometer reading errors that must be manually corrected in the Fuel Warehouse and in FASTER in order to bill departments for the fuel purchased and monitor fuel inventory accurately.

Per *Ordinance 27107-09-2024, Section 5*, the Fiscal Year (FY) 2025 adopted budget for the Fleet & Equipment Services Fund was \$43,726,070.00. This M&C recommends an increase in appropriations of \$1,285,720.00 for an adjusted FY2025 budget of \$45,011,790.00

Below is a breakdown of costs for the new Fleet and Fuel Management System. Because implementation is expected to last between nine and twelve months, a 25% contingency amount is included in the \$1,285,720.00 to account for any unexpected costs and price increases until the new Fleet and Fuel Management System is fully implemented.

### **Fleet Management System**

Description	Quantity	Total
Perpetual Software License	5,200 Units	\$263,031.45

Annual Software Maintenance (1 <sup>st</sup> Year)		\$52,606.00
Project Management, Training and Support Services		\$172,467.60
<b>TOTAL</b>		<b>\$488,105.05</b>

**Fleet Management System – Fuel Focus**

<b>Description</b>	<b>Quantity</b>	<b>Total</b>
Perpetual License – All sites	20 Licenses	\$63,554.20
Annual Software Maintenance (1 <sup>st</sup> Year)		\$12,789.92
Hardware – Southside Service Center		\$33,590.24
Hardware – James Ave Service Center		\$61,952.69
Hardware – Southeast Service Center		\$28,770.64
Hardware – Brennan Service Center		\$25,863.96
Hardware – North Service Center		\$85,038.51
Hardware – Mobile Fuel Trucks		\$27,713.04
Project Management, Training and Support Services		\$201,197.26
<b>TOTAL</b>		<b>\$540,470.46</b>

**Total Fleet and Fuel Management System Costs**

<b>TOTAL</b>		<b>\$1,028,575.51</b>
<b>25% Contingency</b>		<b>\$257,143.88</b>
<b>Total Funding Needed</b>		<b>\$1,285,719.39</b>

Funding is available for appropriation in the net position balance of the Fleet & Equipment Service Fund. The available net position as of the end of January 2025 was \$7,065,629.80. The required reserve requirement is \$4,275,115.80, resulting in excess net position in the amount of \$2,790,514.00. The excess net position after this M&C will be \$1,504,794.00.

The action in this M&C will amend the Fiscal Year 2025 Adopted Budget as approved in connection with Ordinance 27107-09-2024, Section 5. Internal Service Funds, as listed on page 340.

Fund / Department	FY2025 Adopted Budget	Authority	Budget Adjustment	Revised FY2025 Budget
<b>Budget Category</b>				
<b>Equipment Services Fund</b>				
<b>Revenues</b>				
Charges for Services	\$43,622,603.00			\$43,622,603.00
Use of Money and Property	\$39,557.00			\$39,557.00
Other Revenue	\$35,669.00			\$35,669.00
Sales of Capital Asset	\$13,834.00			\$13,834.00
Salvage Sales	\$14,407.00			\$14,407.00
Use of Net Position		This M&C Rec 1	\$1,285,720.00	\$1,285,720.00
<b>Total Revenues</b>	<b>\$43,733,559.00</b>		<b>\$1,285,720.00</b>	<b>\$45,011,790.00</b>
<b>Expenditures</b>				
Property Management	\$42,751,158.00			\$42,751,158.00
Transfer to General Fund	\$79,993.00			\$79,993.00
Transfer to Capital Fund	\$894,919.00	This M&C Rec 1	\$1,285,720.00	\$2,180,639.00
<b>Total Expenditures</b>	<b>\$43,726,070.00</b>		<b>\$1,285,720.00</b>	<b>\$45,011,790.00</b>

The additional funding was not included in the Fiscal Year 2025-2029 Capital Improvement Program (CIP) because the Property Management Department is using available net position. The action in this M&C will amend the FY2025-2029 Capital Improvement Program as approved in connection with Ordinance 27107-09-2024 as follows:

Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Additional Appropriations	Project Total
60201 – Fleet Capital Projects Fund	P00040 – Equipment Repair	\$894,919.00	This M&C Rec 2	\$1,285,720.00	\$2,180,639.00

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in net position within the Fleet & Equipment Serv Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Fleet Capital Projects Fund for the Equipment Repair project. Prior to any expenditure being incurred, the Property Management Department has the responsibility of verifying the availability of funds.

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