FEATURE

INTERVIEW: Tom Wieczorek, Fleet Officer, City of Austin, Texas

by: Seth Skydel

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As the state capital and fourth largest city in the Lone Star State and the 17th largest city in the US, Austin, Texas boasts a population of more than 650,000. That figure, however, does not include all of the city's rapidly expanding metropolitan area-- one of the fastest growing in the country that is now home to more than 1.2 million people.

The Central Texas municipality is not just popular for its state and county government activities and jobs, however. Austin's metropolitan area is also packed with recreational activities-- the city is the self-proclaimed Live Music Capital of the World—and frequently ranks high on lists of best cities for its reasonable cost of living and friendly business atmosphere.

Serving the City of Austin's residents and businesses is a fleet operation consisting of 4,500 vehicles managed by Tom Wieczorek, Fleet Officer. Wieczorek has been with the City of Austin fleet for seven years and in fleet and equipment management for more than 30 years.

Prior to working for Austin, Wieczorek served for ten years as Director of Maintenance for Los Angeles Unified School District, which has a similar fleet of about 4,500 vehicles including 1,800 school buses. Before that he worked for Ryder Truck Rental and Gelco Truck Leasing in various capacities from Maintenance Director to District Manager at several locations around the country. On an industry basis, Wieczorek is a member of the National Association of Fleet Administrators (NAFA), the Society of Automotive Engineers (SAE) and has been a member of the American Trucking Associations (ATA).

Recently, Tom Wieczorek discussed the City of Austin's Fleet Services operation with Utility & Telecom Fleets:

What services does the City of Austin's Fleet Services operation provide and who are the department's customers?

Fleet Services purchases, maintains and sells all of the vehicular equipment for the City Of Austin (COA). We also provide a rental pool and manage taxi services for the Mayor, Council Members and the City Manager, and maintain and operate our own fuel infrastructure. Our customers include Public Safety (Police, Fire and Emergency Medical Services), Solid Waste Services (refuse and recycling collection, street sweeping and land fill operations), all utilities (Water Utility, Electric Utility and Public Works), as well as all other city support services (Watershed Protection, Zoning, Library, Neighborhood Housing, etc.).

Who else is on the fleet management team and what are their roles and responsibilities?

Irvin Schmidt, Service Center Operations Manager, manages our shop operations. Jennifer Walls is our Administrative Manager. In addition to other duties, she oversees equipment acquisition and replacement, equipment auctions, the vehicle rental pool and taxi. Mike Hendon is our Financial Manager.

Please provide details on the fleet, including vehicles and specialized equipment.

The COA fleet of 4,500 pieces of equipment consists of a very wide range of vehicles. For example, we have more than 1,500 pick-up trucks, automobiles, air compressors, welders, forklifts, tractors, lawn maintenance equipment and other support vehicles. There are also1,200 utility vehicles including service trucks, backhoes, graders, dump trucks, trailers, tractors and bucket trucks, approximately 750 police cars, 125 rubbish and recycling collection trucks, 80 pieces of fire apparatus, 60 ambulances, 50 specialty vehicles such as sewage

pumpers and vactors, 50 street sweepers, 80 motorcycles and over 250 pieces of construction equipment such as cement mixers, tractors and trailers, bulldozers, heavy backhoes, bulldozers, and road building equipment.

Are any vehicles or equipment leased? Why is owned or leased equipment the most effective choice for your operation?

At this time we do not lease any equipment, with the exception of a couple pieces of specialty landfill equipment. COA average annual use of equipment is small and most vehicles can have an economic life expectancy of ten or more years. Most leasing companies would want to turn over the equipment sooner than that to recover residual value. We have determined that age alone is not the best way to measure equipment longevity. Through life cycle cost analysis we have found that most of our equipment has a longer life span and there is an overall annual costs savings by keeping it longer. Our maintenance program is geared to that process.

Can you explain how you cost justify that decision?

As an example, the average service truck in our fleet, a Ford F350 diesel, travels about 10,000 to 12,000 miles per year. The truck is built to have a 150,000-mile service life and cost $35,000. To lease it for seven years with a residual value of $10,000 would cost $3,600 per year. Based on our usage and maintenance program this vehicle should operate efficiently for 12 years in our fleet at a cost of $2,400 per year and still have a residual value of $6,000. Our experience shows that maintenance costs only increase 15% or $270 per year on average in the five or more years after the initial seven-year period, not including the cost of money. We also know that some of these vehicles may not reach the 150,000-mile plateau until longer than 12 years. Should we keep the vehicle longer, the annual cost improves without appreciably impacting maintenance costs.

Is the fleet standardized and if so why is this important?

We are required to purchase on a low bid basis so it is somewhat difficult for us to develop specifications that would point to a specific brand of vehicle. Serious consideration is always placed on products we find to be reliable, however. On heavy and specialized equipment we try to spec the same major components such as engines, transmissions, air conditioning, starters, brakes, suspensions, etc. Smaller vehicles such as cars and pickup trucks we spec the same to the extent possible. It is important to try and standardize to minimize inventory diversity and to expedite replacement parts. Another factor is technician and operator familiarity and training.

What trade cycles are in place and how are they determined?

Replacement cycles are determined by the application of the vehicle as well as the type. For example, a sedan used by a meter reader could have a life of 125,000 miles while we would schedule a police car for replacement at 80,000 miles. We also carefully monitor the fleet's age mix to ensure we have 33% each of new, middle aged and older vehicles. This is to maintain consistent and predictable maintenance costs and reliability.

On an individual basis, when a vehicle meets the criteria for replacement, the service center responsible for its maintenance brings it in for a thorough inspection. The service center's management works with the user to determine the vehicle's condition and maintenance records are reviewed. The service center manager can decide to recommend to the department to keep the vehicle longer or replace it, based on his findings. The importance of the equipment to the services provided by a department is also a critical factor in the decision.

On a fleet basis, we send a monthly list of equipment eligible for replacement to each service center. A report is completed and sent back to us and to the user department indicating vehicles that need replacement, could be delayed another year and may have their life extended two or more years. At the end of the year, during the budget cycle, the cumulative list of vehicles is reviewed and—based also on the replacement money available-- we determine what vehicles are to be replaced.

Please discuss the alternative fuel programs you have in place.

The COA is very concerned with emissions. Historically, the city's alternative fuel program has focused on Liquefied Propane Gas (LPG) for vehicles where it is practical, mostly pickup trucks and vans. We have several hundred vehicles that use LPG and are fueled at five city owned and operated LPG stations. The equipment at those facilities was engineered and designed for us by Clean Fueling Technologies, a subsidiary of CleanFUEL USA, which is a partnership between propane marketers and propane refueling equipment manufacturers.

We are also purchasing hybrid vehicles where it is practical and currently operate about 40 hybrids from Honda, Toyota and Ford. At this time as well, we are looking very seriously into Compressed Natural Gas for heavy equipment. Locally, emissions concerns are focused on NOx reduction. Biodiesel doesn't lower NOx and currently available technology for retrofitting diesel engines is expensive and not totally proven. Additionally, supplies of Ultra Low Sulfur Diesel (ULSD) that is required for EGR and particulate trap engines are not readily available at this time. When supplies of ULSD become reliable we will purchase diesel engines with the newest emissions technology and explore retrofit products.

A serious for concern of COA is alternative fuel diversity because future supplies of fossil fuels are dubious. We believe that COA needs to begin to diversify our energy requirements. There is current proven technology for us to invest in a CNG infrastructure and CNG powered heavy trucks. This technology will also lead to hydrogen fuel cells. Austin Energy, for example, is actively pursuing plug-in hybrid technology by working with suppliers and placing experimental vehicles in its fleet.

Please describe your maintenance operation, including the number of facilities, size of staff, technician skill levels and training programs.

COA operates six full service shops, one make ready/auction facility, an in house training center and one satellite maintenance location. Collectively, we have 100 technicians in various skill levels, mostly journeymen. We have a trainer in our administrative offices who keeps up with current technology and is charged with determining needs and bringing in appropriate training if he cannot provide it himself. We have also contracted with Austin Community College to provide specific in-depth training we find necessary and we regularly take advantage of vendor training that is offered. Wherever possible we include training for operators, technicians and parts people in our specifications for new equipment.

Are you using a computerized management information system? How is it used and how does it benefit your equipment and maintenance programs?

We use the AssetWorks Fleet Focus/M4 fleet information system. The program is a valuable tool that helps us determine if our life cycle is on track and is the key to controlling all fleet operations. We need to constantly monitor our performance to remain competitive and adjust our operations to inevitable changes. Its functions also include tracking maintenance costs, preventive maintenance scheduling, replacement notification, maintenance trends, rental, technician productivity and efficiency. We also maintain and operate our own fuel infrastructure that includes an automated card system at 40 fuel sites around the city. This system updates vehicle mileages in our fleet management system as they are fueled.

Are you outsourcing any services?

We prefer to repair and maintain in-house what we know and understand. The most important function of our shops is to perform detailed preventive maintenance inspections that, to the extent possible, ensure that the equipment goes from PM to PM without failure. At the same time, we also make as many scheduled repairs as possible. What we outsource are engine, transmission and differential overhauls, electrical component repair and rebuilding, accident and glass repairs and heavy bucket truck hydraulic work. Repairs on some specialty equipment, such as road pavers and chip spreaders, are outsourced because we have relatively few in the fleet and vendors are more familiar with this type of equipment than our technicians.

What parts programs do you have in place?

The AssetWorks M4 program provides purchasing and inventory control. Parts inventory levels and processes are managed by the individual service centers but contracts, price negotiations and procedures are established by Fleet Services and consistently monitored.

Please describe your tire programs.

Tires are maintained centrally to insure optimum recapability, warranty recovery and run outs. Our central tire shop stages a bank of mounted tires at every service center location based on the equipment maintained at each facility. As a service center uses the mounted tires, replacements are ordered and delivered by the tire shop. The used tires are taken back to the tire shop for repair, recapping, adjustment or disposal. The tire shop values used tires based on casing value and remaining 32nds of tread. The vehicle cost record is credited for that value and the used tire is placed back into inventory for reuse wherever practical. This system accurately identifies tire costs based on use. Having a centralized control system helps us get maximum use and best control of tire costs.

How important are supplier relationships to the success of your operation and its equipment and maintenance programs?

Working with vendors is critical to our operation. Because of the diversity of our fleet we cannot possibly inventory all the replacement parts necessary for all repairs. Making sure those parts are available or can be expedited is key to keeping our average daily downtime or out-of service under 5%, our current level. We need to pay particular attention to critical equipment such as utility maintenance and emergency vehicles. Also, because of the lack of spare high cost vehicles, repair expediency is crucial.

We also need to consider changing technology. Vendor relations are therefore especially important as our fleet is replaced. One key element in good vendor relations is paying our bills. Close attention is paid to accounts payable. We try to get all invoices paid within 30 days of receipt. Our current average is under 25 days from invoice date. It helps when we are seen as a large customer that assists a company's cash flow by being a prompt payer.

Are there any specific issues you have to address when managing a complex mix of vehicles and equipment?

Sound management and accountability are very important. The management team needs to know what costs are and how the fleet is performing. Specific objectives and performance measures that can be communicated throughout Fleet Services are essential. All personnel in the service centers must also have an understanding of our expectations. People need to know where they're going, how to get there and when they've arrived.

It is also important to keep like vehicles together in the same shop—for example, police cars and automobiles in one shop, garbage trucks and related equipment in another and utility vehicles in another. There are several reasons for this including it is easier to determine budgets, establish expectations and control maintenance cycles, maintain inventory control and levels, tooling, technician familiarity and training, and last but not least, customer relations.

We believe that all Fleet Services personnel need to understand the requirements of each department and the equipment they service. A solid line of communication with department supervisors and equipment operators is very important to the successful accomplishment of our mutual goal-- providing necessary services to the citizens of Austin.

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