



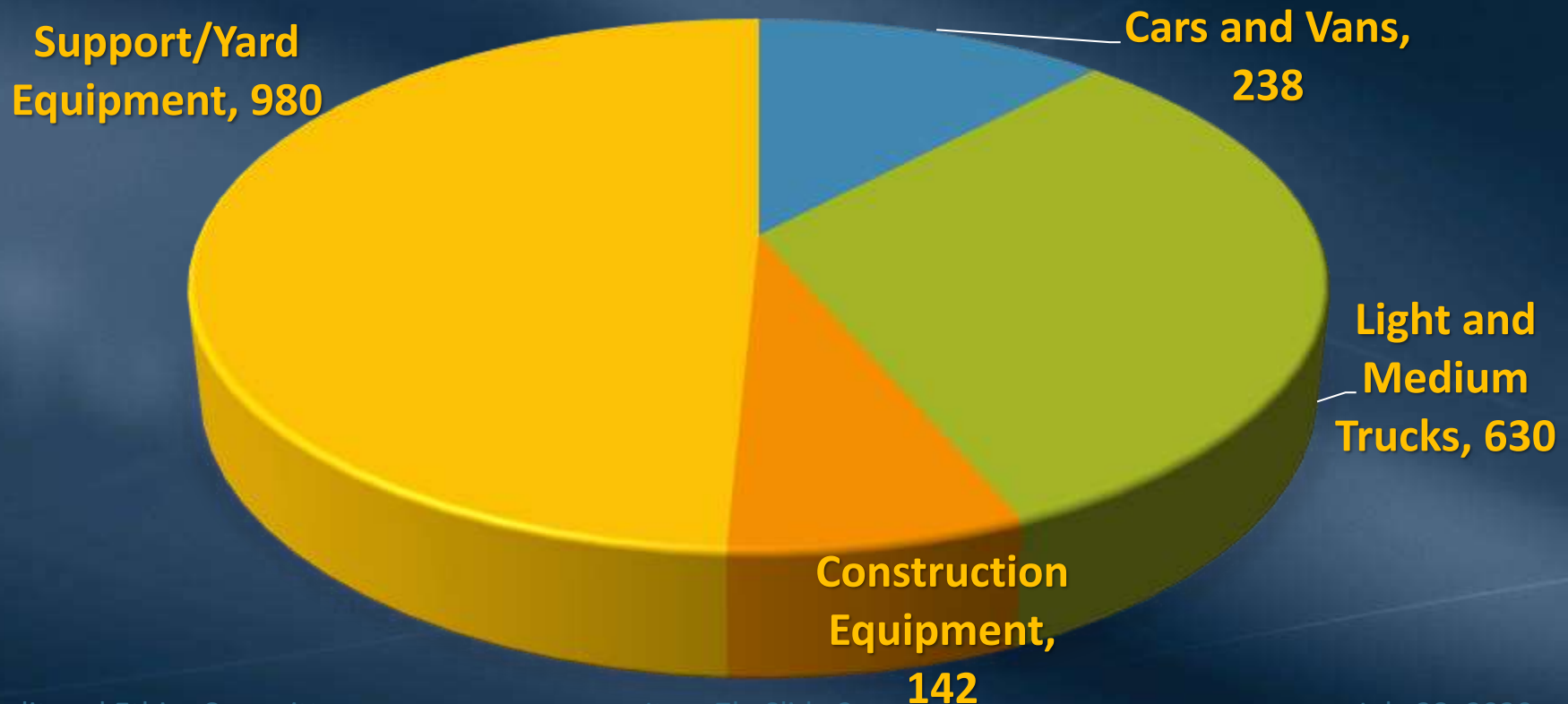
Management Response to Audit of Fleet Management and Maintenance

Audit and Ethics Committee
Item 7b
July 28, 2020

Background

Fleet Services & Assets

- Metropolitan has a total of 1,990 fleet assets and a staff that manages fleet inventory, provides support (such as fuel) and performs maintenance



Background


Fleet Services & Assets (cont.)

- Provides support throughout Metropolitan's service area with maintenance facilities at each treatment plant, Headquarters, and at desert facilities
- For 2019 Fleet Services staff:
 - **Handled over 6,100 transportation orders**
 - **Performed over 9,800 maintenance work orders**
- The unit is impacted by changing business drivers with an overall 15% increase in vehicle repairs over the last few years as vehicle condition indexes have increased, reflecting aging equipment in need of replacement

Background: Managing Fleet Assets

- Condition Index (CI) is based on age, miles/hours, service severity, reliability, maintenance costs, condition, and utilization
 - Fleet assets include cars, vans, trucks, construction and support equipment (e.g., generators)
 - As the condition index for an asset increases, maintenance and downtime costs increase
 - Ideally, a CI of 28 or greater indicates the asset should be replaced

Fiscal Year	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Condition Index	28	29	29	32	31	32	34



Fleet Audit Covered Several Key Areas

- Discrepancies between Oracle Asset System and Maximo Maintenance Management System
 - Asset data discrepancies have already been addressed
 - Data integration issues will take some time to evaluate and implement
- Compliance with policies and procedures
 - Work order and vehicle assignment form issues have already been addressed
 - Updates to procedures and processes have begun
- Fleet tracking and monitoring
 - Expanded use of GPS data will be evaluated

Maximo and Oracle Systems

- IBM Maximo is Metropolitan's computerized maintenance management system used to plan, schedule and report maintenance
 - Contains asset information, maintenance plans, frequencies, and labor work orders
- Oracle is Metropolitan's core financial system
 - General ledger, accounts payable and receivable, purchasing, and inventory
 - Generally tracks assets greater than \$5K

Data Integration Across Systems

- Maximo is linked to other enterprise databases for productivity reasons
 - Peoplesoft: Assign asset responsibility for maintenance
 - Worktech: Timekeeping information to track labor hours, etc.
- Maximo can be linked to Oracle since both systems track asset information
 - Oracle is focused on financial management
 - Maximo is focused on maintenance management
 - Different levels of detail and data standards for these different purposes

Maximo Going Forward

Implement improvements as part of a broader asset management program underway

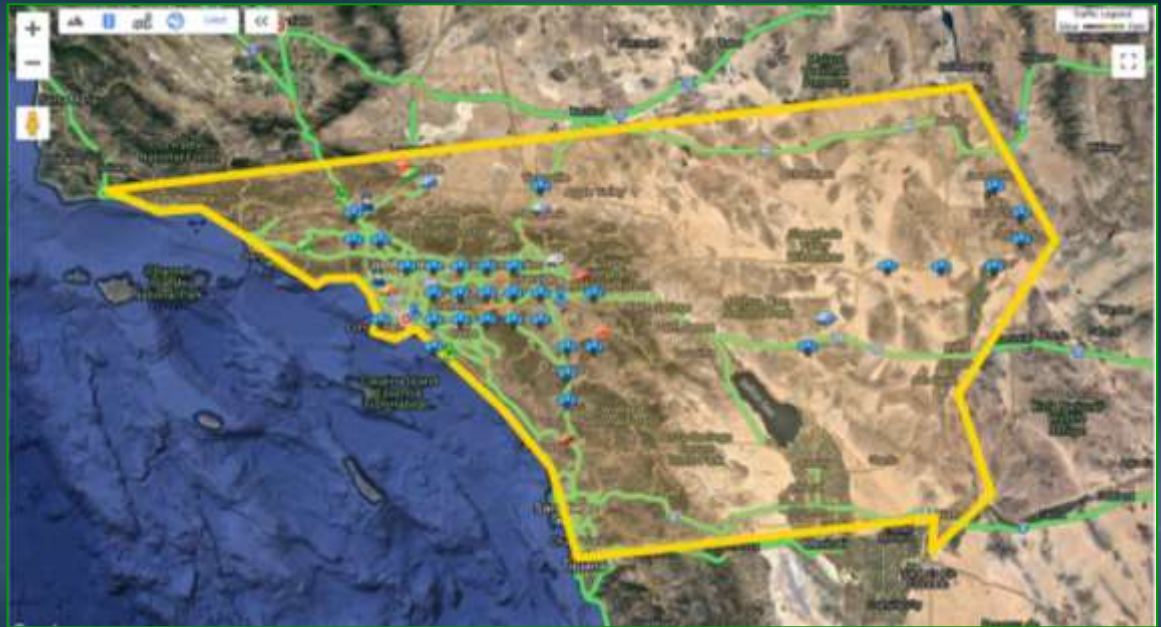


GPS Vehicle Tracking

- First used in 2008 as a security tool for monitoring chlorine deliveries
- Switched to Fleet Complete system in 2018
 - 500+ vehicles monitored
 - Real time location, speed, drive time
 - Fuel usage and miles per gallon
 - Maintenance and vehicle problem alerts
 - 5-year agreement
- Vendor stores data in their own data warehouse

Current GPS Vehicle Tracking Uses

- Exception Reports & Fleet Service Actions
 - Excessive Speed – staff and manager notified
 - Outside Geo-Fence – manager called to verify reason
- Safety & Loss Prevention
- Maintenance



GPS Vehicle Tracking Going Forward

- System can generate a high volume of raw information that requires additional automation to efficiently review and avoid erroneous alerts
- Goal is to expand feature usage while managing expected benefits
- Re-evaluate the use of a tighter Geo-Fence
- Develop new reports and alerts, such as abnormal vehicle use reports to managers

