



# *City of Albuquerque*

## **Office of Internal Audit**

### THIRD FOLLOW-UP ALBUQUERQUE FIRE RESCUE - FLEET MAINTENANCE REPORT NO. 20-12-102F October 23, 2019

#### **INTRODUCTION**

The Office of Internal Audit (OIA) performed a third follow-up of Performance Audit No. 12-102, Albuquerque Fire Rescue Department (AFR) – Fleet Maintenance. The purpose of the follow-up is to report the progress made by the AFR in addressing the audit findings and recommendations, which remained “In Process” or “Not Implemented” after the second follow-up.

The scope was limited to actions taken to address the audit recommendations from the second follow-up report dated December 9, 2015 through September 23, 2019. A follow-up is substantially less in scope than an audit. Follow-up procedures rely on the department providing the current status and supporting documentation for addressing the recommendations.

#### **BACKGROUND**

For over 100 years, Albuquerque firefighters have worked to prevent fires from occurring, rescued citizens, and saved valuable property from fires. While this is an incredible achievement – firefighting is not the only discipline AFR excels in. Rather, Albuquerque firefighters provide an unparalleled, all-hazardous response to the community. To be more aligned with department’s roles and how it wants to be perceived, in FY2018, Albuquerque Fire Department rebranded itself and formally changed its name to “Albuquerque Fire Rescue.”

AFR’s Fleet division is made up of a fleet manager, three fleet mechanics, one service writer and a clerical assistant. Fleet personnel are responsible for the repair and maintenance of all fire apparatus. All are trained, certified, and experienced in mechanical diagnostics, repair and maintenance of front-line emergency apparatus, and the complementary systems with which today’s fire apparatus are equipped. Fleet personnel provide 24-hour coverage, so that units needing attention are back in service as soon as possible. Apparatus are serviced in the AFR Fleet maintenance facility. The shop owns four portable lifts, each with the lifting capacity to work on the heaviest of trucks. The large parking area provides for storage of spare units and the ability to accomplish annual pump testing of all certified pumpers. The program provides an outstanding service resource to keep AFR’s emergency fleet in full readiness.

#### **SUMMARY**

Of the four recommendations remaining in the second follow-up, all have been fully implemented or resolved.

The status of each recommendation is identified by the symbols in the following legend:

-  Fully Implemented  
  Resolved  
  In Process  
  Not implemented

Recommendation	1
Original Report Recommendation	AFR should: <ul style="list-style-type: none"> <li>• Strive to obtain applicable EVT technician levels for fleet mechanics outlined by NFPA 1071.</li> <li>• Ensure that factory warranties will not be voided as a result of fleet maintenance technician knowledge or lack of certifications.</li> </ul>
Status as of First Follow-Up	 In Process  All AFR mechanics are manufacturer and ASE certified; two of the three mechanics also have some level of EVT certifications as outlined in NFPA 1071. Additionally, the fleet supervisor has both operational and managerial EVT certifications. A plan for escalating levels of certifications and/or specialized training is currently being developed and should be in place by the last quarter of FY2014. When implemented, the certification levels will ensure adequate and appropriate training is specific to and advantageous for AFR's continued need to hire and retain qualified mechanics.
Status as of Second Follow-up	 In Process  AFR has developed a Fleet Management Oversight Committee which has the task of establishing benchmarks for achieving required certifications over the next two years.
Current Status	 Fully Implemented  AFR has two mechanics and the Fleet Specialist who possess EVT certifications outlined by NFPA 1071. Copies of all certifications were provided. EVT certifications will ensure that factory warranties are not voided as a result of maintenance technician knowledge or lack of certifications.

<b>Recommendation</b>	<b>2</b>
Original Report Recommendation	AFR should: <ul style="list-style-type: none"> <li>• Utilize City software systems to create and implement a comprehensive preventive maintenance and repair program that ensures compliance with factory warranties, NFPA standards and City regulations.</li> <li>• Create and implement documentation retention policies and procedures that are aligned with NFPA standards and State regulations for AFR vehicles, especially emergency vehicles.</li> <li>• Create and maintain AFR’s Standard Operating Guidelines to include all vehicles maintained by the department.</li> </ul>
Status as of First Follow-Up	 In Process  AFR does not currently utilize Fleet Focus (City's fleet maintenance software) to its full capacity but continues to expand on its use of the system for tracking fuel and maintenance costs, which will help facilitate a comprehensive preventive maintenance and repair program. A service writer position has been added to the AFR Fleet program to assist with activities and operations including tracking vehicle maintenance, maintaining logs and records, and verifying invoices, warranties, and rebates.  Document retention policies and Standard Operating Guidelines, updated in 2010, regarding the maintenance of AFR fleet apparatus are in place; however, these guidelines address the most critical emergency response vehicles but do not address support vehicles maintained by the department.
Status as of Second Follow-up	 In Process  AFR has initiated a service request and work order generation trial in Fleet Focus, once the trial is complete the Standard Operating Guidelines will be implemented.
Current Status	 Fully Implemented  AFR now utilizes Fleet Focus to maintain maintenance records and to track costs. Standard Operating Guidelines for preventive maintenance and vehicle inspections were updated in 2015 and an Informational Memo was issued in 2019 to include all vehicles maintained by the department.

<b>Recommendation</b>	<b>3</b>
Original Report Recommendation	AFR should: <ul style="list-style-type: none"> <li>• Create and implement comprehensive policies and procedures that ensure vendor part and service costs are reasonable and in compliance with established contracts.</li> <li>• Ensure that all outsourced vehicle maintenance and repair invoices are reviewed and approved by AFR’s fleet maintenance supervisor to ensure reasonableness and contractual compliance before payment.</li> <li>• Recover sales tax overcharges from vendors that are charging tax in addition to labor rates.</li> <li>• Utilize contract clauses that allow AFR to capture recurring cost savings by furnishing vehicle parts needed for outsourced maintenance and repair services.</li> </ul>
Status as of First Follow-Up	<p> In Process</p> <p>The department is attempting to implement an inventory system with related accounting strings to track the usage and resulting costs of parts used for apparatus maintenance and repair. Through full use of FleetFocus, the AFR service writer will be able to track and verify cost savings, warranties, rebates, and parts furnished for in-house repairs, as well as repairs performed by outsourced vendors. The fleet maintenance supervisor is required to review and sign-off on all invoices prior to submitting the invoices to AFR Fiscal for further processing.</p> <p>With regard to sales tax overcharges, the Fire Chief at the time of the original audit findings decided that no further action was to be taken. The department will, however, ensure that all future charges are in full compliance with vendor contracts and the City's purchasing guidelines.</p>
Status as of Second Follow-up	<p> In Process</p> <p>DFAS - Fleet Management is assisting AFR in developing procedures to address parts and service costs.</p>
Current Status	<p> Fully Implemented</p> <p>Policies and procedures were implemented April 8, 2019 and provided to OIA. AFR continues to work with DFAS Fleet Management, if necessary. AFR’s invoices are reviewed by the Battalion Chief and Fleet Specialist to ensure accuracy and that work is performed within the scope of each contract. Vendor changes have been made to ensure competitive pricing and work</p>

	<p>quality. There is a service writer and administrative assistant who work with division staff to ensure compliance.</p> <p>As reported in the first follow-up, the Fire Chief at the time of the original audit findings decided that no further action was to be taken regarding sales tax overcharges. OIA considers this to be resolved.</p> <p>Also reported in the first follow-up, by using FleetFocus, the AFR service writer is able to track and verify cost savings, warranties, rebates, and parts furnished for in-house repairs, as well as repairs performed by outsourced vendors. OIA considers this to be resolved.</p>
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<b>Recommendation</b>	<b>5</b>
Original Report Recommendation	AFR should ensure priority objectives are submitted by the due dates outlined within the City's <i>Approved Budget</i> .
Status as of First Follow-Up	<p> Not Implemented</p> <p>AFR has not yet fully submitted Priority Objective 4 from FY2009 to the City Council via Executive Communication.</p> <p>As detailed in the City's on-line reporting program, submission of the preventive maintenance report as required by FY2009 Priority Objective 4 was delayed due to various reasons (continued research, examination of return on investment, and a comprehensive assessment of AFR's fleet). As reported in FY2013 Annual Objectives, AFR was to submit the final report by the end of the 2nd quarter of FY2013.</p>
Status as of Second Follow-up	<p> Not Implemented</p> <p>AFR states that the Executive Communication will be submitted upon completion of the recommendations in Findings 2 and 3.</p>
Current Status	<p> Resolved</p> <p>FY2009 Priority Objective 4 was completed and has been in effect since FY2013. Due to change in upper management and staff, submission of the report to City Council via Executive Communication was overlooked. AFR stated they have no record of communications prior to FY2019, but will ensure that future reports will be submitted to City Council via Executive Communication by the due dates.</p>

Third Follow-up  
Albuquerque Fire Rescue - Fleet Maintenance  
October 23, 2019

20-12-102F

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