



City of Albuquerque

Office of Internal Audit

FOLLOW-UP OF ALBUQUERQUE FIRE DEPARTMENT
FLEET MAINTENANCE
REPORT NO. 14-12-102F
June 18, 2014

INTRODUCTION

The Office of Internal Audit performed a follow-up of Audit No. 12-102, Albuquerque Fire Department (AFD) – Fleet Maintenance.

Follow-up procedures are substantially less in scope than an audit. The objective of an audit follow-up is to report on the status of corrective action regarding the audit report's findings and recommendations. We limited the scope to actions taken to address the audit recommendations from the date of the final report, June 27, 2012 through April 1, 2014. Follow-up procedures rely on the department providing the current status and supporting documentation for addressing the recommendations.

BACKGROUND

AFD's fleet maintenance is a program within the Fire Logistics Division. The purpose of the Logistics Division is to "support AFD personnel by providing them with safe, well-maintained vehicles, personal protective equipment, special operations equipment, emergency medical supplies, as well as a safe, healthy, comfortable working environment so that they are able to perform their tasks as effectively and safely as possible."

AFD's diverse fleet is separately maintained by the fire department. AFD fleet maintenance operations were transferred from the City of Albuquerque's (City's) fleet management division in FY2000. The fleet maintenance program consists of one fleet maintenance supervisor and three mechanic III positions. The fleet maintenance program performs maintenance activities in-house, commercially, and in the field. According to the City's FY2013 Comprehensive Annual Financial Report, AFD maintained a total of 36 rescue vehicles (ambulances), 52 fire engines/ specialty units, and 115 support units (car, truck and SUVs).

SUMMARY

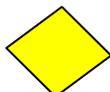
The recommendations are in the same order as they appeared in the audit report dated June 27, 2012. The status of each recommendation is identified by the symbols in the following legend:



Fully Implemented



Resolved



In Process

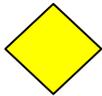


Not implemented

Three of the five recommendations are in process, one recommendation has been resolved, and one recommendation has yet to be implemented, as detailed below. Although progress has been made, there is still opportunity for improvement pertaining to AFD's fleet maintenance program.

Recommendation #1: AFD should:

- Strive to obtain applicable EVT technician levels for fleet mechanics outlined by NFPA 1071.
- Ensure that factory warranties will not be voided as a result of fleet maintenance technician knowledge or lack of certifications.



In Process

Status: All AFD 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 AFD's continued need to hire and retain qualified mechanics.

Recommendation #2: AFD should:

- 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.
- Create and implement documentation retention policies and procedures that are aligned with NFPA standards and State regulations for AFD vehicles, especially emergency vehicles.
- Create and maintain AFD's Standard Operating Guidelines to include all vehicles maintained by the department.



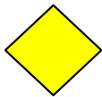
In Process

Status: AFD does not currently utilize FleetFocus (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 AFD 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 AFD 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.

Recommendation #3: AFD should:

- Create and implement comprehensive policies and procedures that ensure vendor part and service costs are reasonable and in compliance with established contracts.
- Ensure that all outsourced vehicle maintenance and repair invoices are reviewed and approved by AFD's fleet maintenance supervisor to ensure reasonableness and contractual compliance before payment.
- Recover sales tax overcharges from vendors that are charging tax in addition to labor rates.
- Utilize contract clauses that allow AFD to capture recurring cost savings by furnishing vehicle parts needed for outsourced maintenance and repair services.



In Process

Status: 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 AFD 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 AFD Fiscal for further processing.

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.

Recommendation #4: AFD should perform an analysis to determine if the current fleet maintenance facility is sufficient to meet the needs of the department's diverse fleet.



Resolved

Status: AFD has performed an analysis of its current fleet maintenance facility. The facility was built in the 1930s and has structural and infrastructure issues. Rehabilitation, estimated at \$1.5 million, could correct the issues but would not result in an adequate or efficient facility. Construction of a new facility, comparable in size, is an estimated \$5 million. The department included the acquisition of a new facility in the City's FYs 2009, 2011, 2013 General Obligation Bond program requests, but has yet to be funded. However, it remains a significant component of the department's long-term master plan.

Recommendation #5: AFD should ensure priority objectives are submitted by the due dates outlined within the City's *Approved Budget*.



Not Implemented

Status: AFD has not yet fully submitted Priority Objective 4 from FY2009 to the City Council via Executive Communication.

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 AFD's fleet). As reported in FY2013 Annual Objectives, AFD was to submit the final report by the end of the 2nd quarter of FY2013.