



Lexington-Fayette Urban County Government
OFFICE OF INTERNAL AUDIT

INTERNAL AUDIT REPORT

DATE: April 26, 2012

TO: Jim Gray, Mayor

CC: Richard Moloney, Chief Administrative Officer
Sally Hamilton, Commissioner of General Services
Jane Driskell, Commissioner of Finance & Administration
Clay Mason, Commissioner of Public Safety
Jamshid Baradaran, Director of Facilities & Fleet Management
Ronnie Bastin, Chief of Police
Phyllis Cooper, Director of Accounting
Susan Straub, Communications Director
Urban County Council Members
Internal Audit Board Members

FROM: Bruce Sahli, Director of Internal Audit

RE: Fleet Fuel Card Audit

Background

LFUCG has contracted with SpeedwaySuperAmerica LLC (SSA) and Riley Oil, Inc. to provide gasoline and diesel for all LFUCG fleet vehicles. Purchases from these two companies are made via fuel cards assigned to specific LFUCG vehicles, with the cards being activated by Personal Identification Numbers (PINs) assigned to authorized users. When a fuel purchase occurs, an odometer reading must be entered on the fuel pump keypad for usage tracking purposes. The purchases are then processed in the respective vendor's automated purchasing system and are paid for by the Division of Facilities & Fleet Management. Purchase costs are allocated to the various Divisions based upon the fuel card usage of their assigned vehicles. Fuel purchases during FY 2011 totaled \$5,145,809.

Scope and Objectives

The general control objectives for the audit were to provide reasonable assurance that:

- Vendor billings for LFUCG purchases of diesel and gasoline are accurate and properly supported
- Fleet card purchases are effectively monitored by management to ensure compliance with LFUCG policies and procedures
- Fleet card purchases are reasonable in nature
- LFUCG requests to discontinue fleet cards are processed in a timely manner by vendors
- Taxable Fringe Benefits are properly reported for take home vehicles
- Accurate and timely reimbursement was obtained from the Drug Enforcement Agency for their use of LFUCG Police vehicles

Audit results are based on observations, inquiries, transaction examinations, and the examination of other audit evidence and provide reasonable, but not absolute, assurance controls are in place and are effective. In addition, effective controls in place during an audit may subsequently become ineffective as a result of technology changes or reduced standards of performance on the part of management.

The scope of audit included transactions occurring during fiscal year 2011.

Statement of Auditing Standards

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

Audit Opinion

In our opinion, the controls and procedures provided reasonable assurance that the general control objectives were being met. Opportunities to enhance controls are included in the Summary of Audit Findings.

Priority Rating Process

To assist management in its evaluation, the findings have been assigned a qualitative assessment of the need for corrective action. Each item is assessed a high, moderate, or low priority as follows:

High - Represents a finding requiring immediate action by management to mitigate risks associated with the process being audited.

Moderate – Represents a finding requiring timely action by management to mitigate risks associated with the process being audited.

Low - Represents a finding for consideration by management for correction or implementation associated with the process being audited.

SUMMARY OF AUDIT FINDINGS

Finding #1: Underutilization of Fleet Vehicles

Priority Rating: High

Condition:

An examination of fuel purchase activity noted 20 out of 35 vehicles tested (57.1%) having fewer than 7,500 miles for the period July 1, 2010 through June 30, 2011. One vehicle had no fuel purchases for the entire period. In addition, 19 out of 86 take home vehicles reviewed (22.1%) reported less than 7,500 miles during the reporting period November 1, 2010 through October 31, 2011. See Exhibit #1.

Effect:

Underutilization could indicate that opportunities exist to sell some older fleet vehicles, producing an influx of cash and a reduction of fleet maintenance costs.

Recommendation:

Fleet Management should work with the various Division Directors to identify the reasons for the apparent underutilization, and evaluate the cost versus the benefit of retaining these vehicles in the LFUCG fleet or re-assigning or selling them.

Deputy Director of Fleet Management Response:

- 1) Two times per fiscal year Fleet Management will report to Divisions vehicles with low usage. In addition the “Vehicle Low Usage” reporting will require a Divisional response to explain the low usage and possibly justify the need to retain the vehicle in question. See example of Vehicle Low Usage reporting at the end of the audit report.
- 2) Fleet Management suggests the creation of a Vehicle Acquisition and Utilization Committee to review all Divisional requests for vehicle replacements and additions to their fleet. Furthermore the Divisions with low usage vehicles would be required to explain to the Committee why the vehicle should be retained in the Division’s fleet.
- 3) The Vehicle Acquisition and Utilization Committee should consist of a representative from the CAO’s Office, Department of General Services, and Department of Finance.

Director of Facilities & Fleet Management Response:

I concur with the Deputy Director’s response.

Commissioner of General Services Response:

I concur with the Director’s response.

Finding #2: Fuel Reimbursement Applied to Incorrect Fund

Priority Rating: High

Condition:

The Division of Police submitted fuel charges, vehicle rental costs, and overtime charges to outside agencies for reimbursement of costs associated with certain taskforces. The original purchase of fuel and rental vehicles was charged to Fund #1101 for the Division of Police. However, the reimbursement of fuel costs incurred was applied to Fund #1131 Police Confiscated Fund.

Effect:

Fuel cost for the Division of Police is overstated, and the reimbursement of fuels costs is not properly applied against the cost it is intended to offset.

Recommendation:

All reimbursements should be charged to the Fund and account of initial purchase in accordance with Generally Accepted Accounting Principles.

Chief of Police Response:

The Division of Police does submit fuel charges and vehicle rental costs for reimbursement in regards to those costs associated with the IRS Task Force. As part of that reimbursement process an oversight incurred and the fuel cost reimbursed funds were applied incorrectly to Fund #1131 instead of Fund #1101. Journal entries have been made to place the reimbursement for the fuel costs of \$4,353.75 associated with the IRS Task Force from January 2009 through September 2011 from Fund #1131 to Fund #1101, the account of initial purchase, in accordance with generally accepted accounting principles. There have been no expenditures with the IRS Task Force since September 2011. Moving forward, the Division of Police will ensure that the reimbursed funds are posted to the appropriate account.

Commissioner of Public Safety Response:

I concur with these findings.

Finding #3: Fuel Cards Assigned to Non-Fleet Vehicles Need Improved Tracking
Priority Rating: High

Condition:

Several years ago, the Division of Police requested a number of fuel cards for the purpose of fueling vehicles that were either provided to them by a DEA Taskforce or obtained from a car rental business in order to conduct the DEA Taskforce work. Sometime thereafter, work with the DEA Taskforce ceased. However, Fleet Services had not been notified of the conclusion of the Taskforce work. Fleet Management indicated the Division of Police still has possession of some of these fuel cards and is using them for other activities, including the use of loaned vehicles to attend a conference in Washington, D.C. and work on an Internal Revenue Service Taskforce. While it is recognized that these are legitimate activities that would require a fuel card to be issued to Police personnel, this is not the primary reason these cards were temporarily issued several years ago.

Effect:

Because these cards were assigned to individuals and not vehicles, Fleet Management cannot effectively monitor their use. In addition, since these cards are not used on a regular basis, the likelihood that they could be lost or stolen increases.

Recommendation:

All fuel cards assigned to the Division of Police that are not currently in use should be returned to Fleet Services. Fleet Services should develop a procedure for issuing such cards in the future, which should include an anticipated special program start and completion date that can be monitored and followed up on if the cards are not returned on or near the anticipated completion date. The disconnect between Fleet Management's understanding of the use and whereabouts of the cards with the Chief of Police's finding response as stated below further demonstrates the need for and value of developing such a procedure.

Deputy Director of Fleet Management Response:

1. Division requesting a Rental Vehicle Fuel Card must do so via email to Fleet Management. In addition the request must provide a brief description of why the Rental Fuel Card is needed.
2. Upon issuance of the Rental Vehicle Fuel Card, Fleet Management will process the form labeled "FLEET MANAGEMENT RENTAL VEHICLE FUEL CARD TRACKING & MONITORING FORM". See example of this form at the end of the audit report.
3. Fleet Management will post on its Outlook the "anticipated return date" of the Rental Vehicle Fuel Card for monitoring purposes.

Director of Facilities & Fleet Management Response:

I concur with the Deputy Director's response.

Commissioner of General Services Response:

I concur with the Director's response.

Chief of Police Response:

A statement in the Condition section of Finding #3 states, "The Division of Police still has possession of some of these (i.e. DEA Task Force) fuel cards and is using them for other activities, including the use of loaned vehicles to attend a conference in Washington, D.C. and work on the Internal Revenue Service Taskforce." This statement is not accurate and the Division Police would like to clarify this statement so that the final report is correct. The Division of Fleet Services obtained fuel cards for use by task forces, rental vehicles, and vehicles loaned by dealerships. These cards have been inaccurately associated with a DEA Task Force for some time. This pool of fuel cards, each beginning with the code 09, is retained by Fleet Services until issued to a member of the Division of Police for an authorized purpose. The Division of Police does not maintain a pool of fuel cards and does not issue fuel cards. During the fuel card audit, all but four of the "09" group of cards were in the possession of Fleet

Services. Two of the cards remaining in use by the Division of Police were for undercover rental vehicles, had not been used since 2010, and were deactivated when they could not be located. One card remains in use by the IRS Task Force and one card is in use at the Police Range. The Police Range fuel card has been submitted to Fleet Services to exchange for an equipment fuel card. Personnel who need a fuel card in order to use vehicles rented or on loan from a dealership must sign out the “09” fuel card from Fleet Services.

To clarify the examples used in the report, in May 2011, two fuel cards were signed out from Fleet Services by the Traffic Section in order to fuel trucks loaned by a local dealership that pulled police motorcycle trailers to Washington, D.C. Fleet Services records indicate that those fuel cards were promptly returned to Fleet Services following the trip in May 2011. The IRS Task Force card was signed out from Fleet Services and remains in active use by that task force. As the report indicates, these cards were used for legitimate law enforcement activities.

Moving forward, the Lexington Division of Police has implemented a policy (see attached at the end of the audit report) which requires all requests for fuel cards used for rental vehicles, loaner vehicles, and maintenance equipment to first be submitted to the Bureau of Administration for approval, before submitting the request to Fleet Services. The Bureau of Administration is responsible for ensuring fuel cards are returned to Fleet Services in a timely manner. This policy will be incorporated in to the agency’s policy system with a future amendment of General Order 73-3, Operation and Maintenance of Home Fleet Vehicles to ensure proper protocol is followed.

Commissioner of Public Safety Response:

I concur with these findings.

Finding #4: Inaccurate Odometer Entries Noted

Priority Rating: High

Condition:

Odometer entries made at the point of purchase provide a significant source of information from which various analyses can be performed to determine that LFUCG fuel purchase activity is appropriate and fuel consumption is reasonable (e.g., Miles Per Gallon analysis). We examined a sample of LFUCG fuel purchase activity for the period July 1, 2010 through June 30, 2011 to evaluate the reliability of fuel purchase odometer entries. Of the 35 vehicles tested, 20 (57.1%) had evidence of inaccurate odometer entries. See Exhibit #2.

Effect:

The absence of reliable odometer entries limits management's ability to effectively monitor fuel purchases for reasonable and appropriate activity, and could allow inappropriate purchases to remain undetected.

Recommendation:

It is recommended that a policy be developed stating that all employees responsible for purchasing fuel for LFUCG vehicles must provide accurate odometer entries on a consistent basis. Management should consider appropriate disciplinary action for noncompliance with this requirement.

Deputy Director of Fleet Management Response:

- 1) Fleet Management will create a FLEET POLICY MEMO mandating drivers accurately input their vehicle's odometer reading at the time of fueling.
- 2) The FLEET POLICY MEMO will be distributed to Commissioners and Division Directors requesting they present the FLEET POLICY MEMO to their employees in a staff meeting and document the FLEET POLICY MEMO distribution via an "employee meeting record".
- 3) Effective Immediately Fleet Management will distribute the FLEET POLICY MEMO to every new employee requesting a PIN. Employees will be required to sign and date a form stating they have received the FLEET POLICY MEMO before a PIN will be issued.
- 4) FLEET POLICY MEMO is provided at the end of the audit report.

Director of Facilities & Fleet Management Response:

I concur with the Deputy Director's response.

Commissioner of General Services Response:

I concur with the Director's response.

Finding #5: Mileage Logs Not Maintained and Submitted To Accounting
Priority Rating: High

Condition:

We noted that 11 of 22 (50%) employees who reported personal use of a fleet vehicle did not submit their mileage logs to the Division of Accounting as supporting evidence for the computation of Taxable Fringe Benefits reportable on their W-2's. In addition,

one employee assigned a take-home vehicle did not maintain a mileage log for the reporting period tested.

Effect:

Failure to submit mileage logs to the Division of Accounting annually is a violation of CAO Policy #3. Failure to maintain accurate mileage logs is a violation of the IRS tax code and CAO Policy #3.

Recommendation:

The requirement to accurately maintain mileage logs and submit them to the Division of Accounting on an annual basis should be consistently adhered to. Management should consider appropriate disciplinary action for noncompliance with this requirement.

Division of Accounting Response:

Per CAO Policy #3.C.8., “a copy of the monthly logs must be submitted along with the Employee Report of Vehicle Use to the Division of Accounting by November 1 of each year”. Accordingly, the Division of Accounting emails requests for documentation beginning November 1 to appropriate personnel and payroll coordinators. The reporting period is based on the Federal Fiscal Year calendar of November 1-October 31. Starting November 20, 2012, the Division of Accounting will email late notices, when applicable, to the appropriate Division Directors and Commissioners to indicate noncompliance with CAO Policy #3.C.8.

Commissioner of Finance Response:

This issue will be raised to the Commissioner’s level by myself in reviewing the appropriate response to the Division’s request for information during our regular meetings. In addition an education session will be added to the Department Director’s meeting agenda at the appropriate time to address this issue.

Finding #6: Inefficient Fuel Usage

Priority Rating: High

Condition:

We noted 17 out of 35 (48.6%) vehicles tested exhibited inefficient fuel usage as compared to manufacturer’s fuel mileage data. Several factors could contribute to inefficient fuel usage including idling, lack of proper maintenance, and age of the vehicle. Since most of the vehicles on this list are Police Cruisers, it is possible that on-duty idling of these vehicles was necessary and appropriate. See Exhibit #3.

Effect:

Inefficient fuel usage results in additional cost to LFUCG.

Recommendation:

Fleet Services should review these vehicles to ensure they are receiving the proper maintenance. Older vehicles should be evaluated to determine if they should be replaced with newer, more fuel efficient models. In addition, employees should be reminded to avoid unnecessary idling.

Deputy Director of Fleet Management Response:

- 1) Fleet Management's "preventive maintenance" standard is all Public Safety vehicles receive a PM (Preventive Maintenance) every 4 months or 5,000 miles, whichever occurs first. All other LFUCG vehicles receive a PM every 6 months or 7,500 miles, whichever occurs first. **Please refer to Fleet's Exhibit # 3** which reflects proper "preventive maintenance" being performed per Fleet Management's established PM standard.
- 2) Fleet Management will communicate via email to Division Directors LFUCG's "No Idling" Policy. **See "NO IDLING" Policy attached.**
- 3) Fleet Management agrees with Internal Audit's recommendation of replacing older vehicles with newer, and more fuel efficient models. However, during the past two budget cycles no funding has been made available to purchase light vehicles due to economic constraints.

Director of Facilities & Fleet Management Response:

I concur with the Deputy Director's response.

Commissioner of General Services Response:

I concur with the Director's response.

Finding #7: Process Needed to Document Communication of Inaccurate Odometer Entries

Priority Rating: Moderate

Condition:

Inaccurate odometer entries identified by Division of Facilities and Fleet Management personnel are communicated to the responsible Division via telephone. This process does not provide a documentation trail.

Effect:

Without proper documentation, the ability to objectively identify and discipline repeat violations is compromised.

Recommendation:

The communication of inaccurate odometer entries to the responsible Divisions should be documented. E-mail is an effective means to communicate such entries, either as the primary source of communication or as a follow up to a telephone call. In addition, a tracking mechanism such as an Excel spreadsheet should be implemented to identify repeat violations and report this to management.

Deputy Director of Fleet Management Response:

- 1) Fleet Management has implemented a tracking and communication tool to the Divisions which have drivers inputting inaccurate odometer readings at time of fueling.
- 2) The communication to the Division is via email and occurs either weekly or bi-weekly, depending upon receipt from the fuel vendor prior to uploading to Fleet Management's database. **See attached examples of communication to Divisions for inaccurate odometer readings.**

Director of Facilities & Fleet Management Response:

I concur with the Deputy Director's response.

Commissioner of General Services response:

I concur with the Director's response.

Finding #8: Possible Excessive Personal Use of Take-Home Vehicle
Priority Rating: Moderate

Condition:

We identified one take-home vehicle where the personal use of this vehicle was classified as restricted, but the user reported 4,000 other personal miles (this excludes commuter miles) for the reporting period November 1, 2010 through October 31, 2011. Per CAO Policy #3 (Vehicle Use and Assignment Policy), restricted take-home assignment limits personal use to expedient stops on the direct route to and from home.

Effect:

Excessive personal use of a restricted use vehicle results in increased fuel cost to LFUCG and is a violation of CAO Policy #3.

Recommendation:

Fleet Management should inquire into the use of this vehicle to determine if there has been a violation of CAO Policy #3.

Deputy Director of Fleet Management Response:

Fleet Management will bring Finding # 8 to the employee's Division Director's attention to take applicable action. Per CAO Policy # 3, Part IV- Misuse of Government Vehicles and Related Penalties:

Division directors are responsible for ensuring compliance with established policies and procedures concerning use of LFUCG vehicles.

- A. All complaints or allegations of misuse of government vehicles must be logged and investigated by the division director with notification of results forwarded to the respective department commissioner and the Commissioner of General Services.
- B. Employees found in violation of established policies and procedures governing use of LFUCG vehicles will be disciplined according to the LFUCG Uniform Disciplinary Code and specific **penalties outlined in this policy**.
- C. Employees found in violation of section III A, B, or C (Vehicle Use and Driver Responsibilities) of established take-home and home-fleet policies and procedures shall be subject to the following penalties:
 - 1. First Offense - Take-Home or Home-Fleet privileges will be revoked for a period of not less than two weeks. During this period, the employee is still responsible for their normal after hours responsibilities.

In addition, Fleet Management will share with the employee's Division Director that the Division might want to review the employee's current Take-home classification to see if the classification should be changed based on the after hour duties of said employee.

Director of Facilities & Fleet Management Response:

I concur with the Deputy Director's response.

Commissioner of General Services Response:

I concur with the Director's response.

EXHIBIT #1

Underutilized Vehicle List

Unit #	Division	Model Year	Unit Make	Unit Model	Mileage
1066	Parks	1999	Dodge	Stratus	2,913
1073	CE	1999	Dodge	Stratus	6,953
1714	Coroner	1998	Ford	E 350	4,263
6134	Police	2002	Ford	Crown Victoria	327
6157	Police	2002	Ford	Crown Victoria	862
6183	Police	2002	Ford	Crown Victoria	2,091
6317	Police	2003	Chevy	Astro Van	1,233
6333	Police	2004	Ford	Crown Victoria	6,499
6570	Police	2007	Ford	Crown Victoria	0
7122	ENG	2003	Honda	Civic	3,785
7236	Sewers	2005	Ford	F 150	5,415
7300	Sewers	2006	Ford	Ranger	7,131
7313	Waste	2007	Toyota	Prius	6,070
7334	Sewers	2007	Ford	F 150	415
7408	Police	2007	Ford	E 350	5,944
7473	YS	2009	Ford	E 350	1,756
8022	Sewers	2001	Inthr	4700	2,962
8089	Traffic	2004	Inthr	4300	3,985
8111	Fire	2001	Inthr	4700	310
8255	Fire	2006	Freight	MT55	71
Take Home Vehicles					
0397	Police	2000	Ford	Crown Victoria	3,541
0488	Police	1998	Ford	Explorer	4,894
6072	Police	2001	Dodge	1500	354
6418	Police	2005	Ford	Crown Victoria	519
6533	Police	2007	Ford	Crown Victoria	5,340
6786	Police	2009	Ford	Crown Victoria	3,901
6858	CAO	2011	Toyota	Camry	4,473
6877	PS	2011	Toyota	Camry	3,712
7011	Jail	2000	Chevy	Blazer	2,883
7032	Fleet	2000	Dodge	3500 Van	1,522
7059	S&R	2001	Ford	F 350	1,223
7112	Traffic	2002	Ford	E 350	5,243
7239	CE	2005	Ford	F 150	1,017
7240	S&R	2005	Ford	F 150	3,930
7276	Jail	2006	Ford	Crown Victoria	6,077
7277	Jail	2006	Ford	Crown Victoria	4,520
7460	S&R	2008	Ford	Explorer	3,788
7472	S&R	2008	Ford	F 350	938
7546	Coroner	2009	Chevy	1500 Van	4,610

EXHIBIT #2

Odometer Miskey List

Unit #	Division	Model Year	Unit Make	Unit Model	# of Miskeys
1066	Parks	1999	Dodge	Stratus	2
1073	CE	1999	Dodge	Stratus	4
6134	Police	2002	Ford	Crown Victoria	2
6157	Police	2002	Ford	Crown Victoria	2
6169	Police	2002	Ford	Crown Victoria	1
6333	Police	2004	Ford	Crown Victoria	4
6347	Police	2004	Ford	Crown Victoria	9
6349	Police	2004	Ford	Crown Victoria	3
6409	Police	2005	Ford	Crown Victoria	4
6410	Police	2005	Ford	Crown Victoria	7
6554	Police	2007	Ford	Crown Victoria	2
6627	Police	2008	Ford	Crown Victoria	4
6652	Police	2008	Ford	Crown Victoria	4
6787	Police	2009	Ford	Crown Victoria	1
7122	ENG	2003	Honda	Civic	1
7278	Jail	2006	Ford	Crown Victoria	1
7505	Fire	2009	Chevy	Suburban	7
8089	Traffic	2004	Inthr	4300	2
8111	Fire	2001	Inthr	4700	3
8251	Fire	2006	Freight	M2	4

EXHIBIT #3
Inefficient Fuel Usage List

Unit #	Division	Model Year	Unit Make	Unit Model	Average MPG
1066	Parks	1999	Dodge	Stratus	20.5
1073	CE	1999	Dodge	Stratus	18.1
6134	Police	2002	Ford	Crown Victoria	6.7
6157	Police	2002	Ford	Crown Victoria	10.1
6169	Police	2002	Ford	Crown Victoria	9.3
6183	Police	2002	Ford	Crown Victoria	7.6
6333	Police	2004	Ford	Crown Victoria	8.1
6347	Police	2004	Ford	Crown Victoria	12.0
6349	Police	2004	Ford	Crown Victoria	8.1
6409	Police	2005	Ford	Crown Victoria	11.9
6410	Police	2005	Ford	Crown Victoria	8.9
6627	Police	2008	Ford	Crown Victoria	8.6
6652	Police	2008	Ford	Crown Victoria	9.8
7313	Waste	2007	Toyota	Prius	39.0
7473	YS	2009	Ford	E 350	8.4
7505	Fire	2009	Chevy	Suburban	8.6
8111	Fire	2001	Inthr	4700	2.2

EXAMPLE

Vehicle Low Usage Analysis

Selection Criteria-----note per Management Partners 2007 Audit "Low Use" benchmark was established at 2,400 miles annually for sedans and 3,600 miles annually for pickups

Vehicle Type : Various

Date from : 09/01/2011

Date to : 02/29/2012

Unit #	Model year	Unit Make	Unit Model	Division	Vehicle Type	Miles traveled between Sep 2011 thru Feb 2012, 6 months	Division Comment why vehicle has "low usage" compared to benchmark of 2,400 miles annually for sedan and 3,600 miles annually for pickup
06117	2002	NISSAN	MAXIMA	Police	Mid-Size Auto	33	
07042	2000	FORD	TAURUS	Fire	Mid-Size Auto	173	
00999	1999	DODGE	STRATUS	Fire	Mid-Size Auto	379	
07045	2000	FORD	TAURUS	Parks Maintenance	Mid-Size Auto	551	
00488	1998	FORD	EXPLORER	Police	Mid-Size SUV 4wd	269	
00476	1999	FORD	EXPLORER	Police	Mid-Size SUV 4wd	578	
07447	2009	FORD	ESCAPE	Water Quality	Compact SUV 4wd	51	
07386	2007	FORD	ESCAPE	Engineering Services	Compact SUV 4wd	116	
07387	2007	FORD	ESCAPE	Engineering Services	Compact SUV 4wd	500	
01871	1999	DODGE	1500 PKUP	Police	1/2 Ton 2wd Pickup	0	
07228	2005	FORD	F150 PKUP	Community Corrections	1/2 Ton 2wd Pickup	189	
06072	2001	DODGE	1500 PKUP	Police	1/2 Ton 2wd Pickup	226	
01932	1999	DODGE	1500 PKUP	Waste Management	1/2 Ton 2wd Pickup	271	
07522	2009	FORD	F150 PKUP	Fire	1/2 Ton 2wd Pickup	366	
01874	1999	CHEVY	S10 PKUP	Family Services	1/2 Ton 2wd Pickup	387	

FLEET MANAGEMENT RENTAL VEHICLE FUEL CARD TRACKING & MONITORING FORM

Rental Fuel Card Number _____

Issued Date _____

Division Issued to _____

Rental Fuel Card received by _____

Employee receiving fuel card Employee ID Number _____

Brief Description of why Rental Fuel Card is needed _____

Anticipated Rental Fuel Card Return Date _____

Fleet Services Rep Issuing Rental Fuel Card _____



Lexington-Fayette Urban County
Division of Police
MEMORANDUM
Lexington, Kentucky

DATE OF ISSUE
March 28, 2012

EFFECTIVE DATE

NUMBER
BOA:12-019

TO:
Bureau Commanders

SUBJECT:
Fuel Card Procedure

FROM:
Assistant Chief Robert Stack
Bureau of Administration

Please inform all personnel with a LFUCG fuel card that the following procedure is effective immediately:

- Fuel cards are assigned to the vehicle or equipment and cannot be loaned to another person.
- A vehicle fuel card cannot be used to purchase fuel for power equipment (e.g., lawn mower). A special equipment fuel card must be obtained for this purpose.
- LFUCG cards cannot be used to fuel a personal vehicle.
- Fuel cards should be treated like a credit card and individual PIN numbers should not be stored with the card. If the fuel card or PIN are lost or stolen, the loss must be reported as soon as possible to the employee's supervisor, Fleet Services, and Bureau of Administration for deactivation and replacement.

Requests for temporary fuel cards for a non-LFUCG vehicle (e.g., rental car) must be forwarded to the Bureau of Administration, along with the attached Fleet Management Rental Vehicle Fuel Card Tracking Form. This form will be placed in the Resources folder. It is the responsibility of the person issued a temporary vehicle card to return it to the Technical Services Unit when no longer needed. Technical Services will document the return of a loaner vehicle card to Fleet Services.

Robert Stack

Assistant Chief Robert Stack

cc: Chief Bastin
David Loney, Fleet Services
File

FLEET POLICY MEMO-----INPUTTING ACCURATE ODOMETER READING AT TIME OF FUELING

PURPOSE

The purpose of this policy memorandum is to establish the responsibility for accurately inputting an odometer reading at time of fueling. It is the responsibility of the driver. The absence of reliable odometer readings limits Fleet Management's ability to 1) effectively monitor fuel purchases for reasonable and appropriate activity, 2) set accurate preventive maintenance scheduling dates, and 3) adequately monitor a vehicle's fuel efficiency (miles per gallon).

DISTRIBUTION

All Commissioners and Division Directors

PROCEDURE

The LFUCG contracts with commercial vendors for fuel. Contact your supervisor or Fleet Management for a list of current participating stations. In order to obtain fuel you must have the vehicle fuel card, a **Personal Identification Number (PIN)** and the **correct odometer reading of the vehicle**. Always make sure the fueling station you have selected is a participating station before you fuel. Gas purchased out of the network will not be reimbursed by Fleet Management.

At the fuel pump, first swipe the vehicle fuel card, then enter your vehicle's odometer reading and finally enter your 6 digit PIN. Take your time when entering your odometer reading and PIN. **It is the responsibility of the driver to accurately input the vehicle's odometer reading at the time of fueling.** The odometer reading you input is programmed to be in a "reasonableness" range since the last fueling. If you fail to input the correct odometer reading then the fueling system will give you an error message **"INVALID ODOMETER"**. You will be denied fuel. It then becomes incumbent upon you to actually look at the vehicle odometer again for verification.

Depending on the fuel vendor Fleet Management receives either weekly or bi-weekly fuel transactions to upload into our fleet database. For every fuel transaction which falls outside the "reasonableness" odometer range Fleet Management receives an error message "INVALID ODOMETER". Every "INVALID ODOMETER" reading must be researched and corrected before the fuel file upload to the Fleet Management database will occur. This fuel reconciliation research takes many man hours.

Each applicable Division Director receives a listing of all "INVALID ODOMETER" readings along with the driver's name. For repeat offenders Fleet Management requests the Division Director take appropriate disciplinary action under the LFUCG Uniform Disciplinary Code and/or appropriate disciplinary action under applicable Collective Bargaining Agreements to address "INVALID ODOMETER" readings.

Please note---while Fleet Management has no direct authority to take appropriate disciplinary action for a Division's driver, Fleet Management reserves the right to de-activate a driver's PIN for failure to comply with this policy statement.

EXAMPLE

FLEET MANAGEMENT
EXHIBIT # 3-----REFLECTING THAT PROPER PREVENTIVE MAINTENANCE IS
PERFORMED PER FLEET MANAGEMENT'S PM STANDARD
Inefficient Fuel Usage List

Unit #	Division	Model Year	Unit Make	Unit Model	Date of PM Performed	Date of PM Performed	Odometer Reading as of March 24, 2012
1066	Parks	1999	Dodge	Stratus	7-Oct-11	4-Mar-11	51,536
1073	CE	1999	Dodge	Stratus	2-Mar-12	9-Sep-11	70,214
6134	Police	2002	Ford	Crown Victoria	29-Dec-11	15-Aug-11	23,618
6157	Police	2002	Ford	Crown Victoria	5-Dec-11	24-Jun-11	105,657
6169	Police	2002	Ford	Crown Victoria	2-Mar-12	7-Nov-11	96,317
6183	Police	2002	Ford	Crown Victoria	8-Mar-12	19-Oct-11	82,788
6333	Police	2004	Ford	Crown Victoria	27-Apr-11	27-Dec-10	103,099
6347	Police	2004	Ford	Crown Victoria	27-Jan-12	7-Oct-11	94,512
6349	Police	2004	Ford	Crown Victoria	13-Jan-12	13-Sep-11	100,805
6409	Police	2005	Ford	Crown Victoria	20-Jan-12	13-Sep-11	105,824
6410	Police	2005	Ford	Crown Victoria	4-Jan-12	23-Aug-11	78,020
6627	Police	2008	Ford	Crown Victoria	14-Mar-12	9-Nov-11	41,479
6652	Police	2008	Ford	Crown Victoria	3-Jan-12	22-Aug-11	46,354
7313	Waste	2007	Toyota	Prius	14-Oct-11	14-Mar-11	27,997
7473	YS	2009	Ford	E 350	17-Feb-12	23-Aug-11	8,243
7505	Fire	2009	Chevy	Suburban	4-Jan-12	20-Sep-11	70,203
8111	Fire	2001	Inthr	4700	24-Jan-12	29-Apr-11	16,259

Notes----

PM = preventive maintenance

Fleet Management's preventive maintenance standard-----all Public Safety vehicles have a PM performed every 4 months or 5,000 miles, whichever occurs first; all other vehicles have a PM performed every 6 months or 7,500 miles, whichever occurs first.

Fire Department performs and sets their PM standards for Fire Department vehicles.

Unit 6333 was removed from service on September 29, 2011 due to a wreck. Currently in the Police

Impoundment Lot which wreck is being investigated.



Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Newberry
Mayor

NO IDLING POLICY

Guidance for implementing this policy is given below. For situations where guidance is not provided, employees are expected to use good judgment in determining whether vehicles and equipment should be allowed to idle.

GENERAL REQUIREMENT FOR VEHICLES AND EQUIPMENT

All LFUCG gasoline and diesel powered vehicles and equipment shall idle only as necessary to perform required duties or essential functions. Idling vehicles can create opportunities for theft as well as safety concerns and are not to be left unattended as this violates local ordinances. Sec. 18-111.1 of Ord. No. 113-70, § 2, 5-28-70 states “It shall be unlawful to leave the key in the ignition of a motor vehicle while said vehicle is left parked, standing or otherwise unattended on the streets or public thoroughfares within the urban county limits.”

EXCEPTIONS

Exceptions to this policy are allowed under the following circumstances. These exceptions do not apply when idling is done solely for the convenience of the vehicle operator.

- (1) Vehicles are allowed to idle when forced to remain motionless because of on-road traffic, an official traffic control device or signal, or at the direction of a law enforcement official.
- (2) In cold or hot weather, vehicles may idle when operating defrosters, heaters, and air conditioners as needed to maintain visibility and create an appropriate work environment inside the vehicle. Vehicle operators are encouraged to only idle vehicles for the minimum amount of time needed to maintain visibility and create the appropriate work environment. During mild weather, vehicle operators are encouraged to “roll down or roll up the windows” as opposed to idling the vehicle and running the air conditioner or heater.
- (3) A police, fire, ambulance, other emergency or law enforcement vehicle or any vehicle being used in an emergency capacity, may idle while at an emergency scene, in training mode, or when transporting patients/persons. Ambulances may also idle as needed to maintain the environment of the patient compartment of the ambulance.
- (4) The engine is idling for maintenance, diagnostic, or inspection purposes (to include inspections conducted by the vehicle operator).

(5) Idling is necessary to power hydraulic, mechanical or electrical operations (e.g. hoist, lifts, compactors, hydraulic tools, inverters, or similar equipment).

(6) Idling is necessary to “warm up” diesel engines. In these situations, idling shall be restricted to the minimum time needed.

IDLE REDUCTION TECHNOLOGIES

The LFUCG will explore the use of cost-effective idle reduction technologies that support this policy and will employ these technologies when practical.

RESPONSIBILITIES

Each employee of the Lexington-Fayette Urban County Government has a responsibility to follow this policy. LFUCG Commissioners and Directors shall have the responsibility to ensure that employees are made aware of this policy as well as steps they can take to reduce unnecessary idling. The Division of Environmental Policy will provide assistance in efforts to educate employees. Departments/Divisions are free to develop additional policies and procedures to minimize unnecessary idling of LFUCG vehicles should they so choose.

EMAIL COMMUNICATION TO DIVISION FOR INACCURATE ODOMETER ENTRIES

Attached for your review is an excel spreadsheet highlighting 15 Riley Oil fuel transactions that have to be reconciled before we can upload the Riley Oil file into Fleetwave.

Note that odometer entries made at point of purchase provide a significant source of information from which various analyses can be performed to determine that LFUCG fuel purchase activity is appropriate and fuel consumption is reasonable.

We receive fuel upload files from

- 1) Riley Oil which is **a weekly upload** and it is for diesel and bio-diesel use. The main users of Riley Oil are Streets & Roads and Solid Waste.

There are many reasons for fuel reconciliation; however, the NUMBER 1 reason is an "invalid odometer reading". As you can see from the attached Riley Oil fuel file upload there are 15 reconciliations and all are related to "invalid odometer reading".

The research to resolve fuel reconciliations can use many man hours. In addition the fuel reconciliations have to be resolved quickly in order to pay the fuel bill submitted by each fuel provider.

We ask for your help in this matter to communicate and re-emphasize to your drivers the need to input correct odometer readings at each fueling.

Comparing this recon with the last 3 Riley Oil fuel recon, we have several repeat offenders. The offenders are identified per the attachment.

Please note---while Fleet Management has no direct authority to take appropriate disciplinary action for a Division's driver failure to input a correct odometer reading at time of fueling, Fleet Management reserves the right to de-activate a driver's PIN for repeat failures to input a correct odometer reading at time of fueling.

Your cooperation in this matter will be greatly appreciated.