

Building consensus into informed fleet purchase decisions



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DECIDING WHAT TO BUY WITH LIMITED FUNDING CAN be challenging today, but as a fleet professional, I believe that it is incumbent upon us to eliminate preferential treatment for departments/divisions when making decisions about purchasing new vehicles. Many years ago I enjoyed watching *Dragnet* and remember a famous quote from Sgt. Friday: “Just the facts, ma’am, just the facts.”

In the pursuit of fairness and doing the right thing, we need to make decisions about replacements based upon the facts. This can occur only if one takes an unbiased approach to purchases in any given year.

As fleet professionals, we should follow a few very important steps towards purchases:

Know and understand the duty cycle of the organization’s assets by having meaningful dialogue with end users regarding daily usage of the assets. Include supervisors/management in an effort to understand usage for vehicles/equipment. Drill into your fleet management information systems to confirm what the end user agency has articulated. In other words: Trust, but verify!

Once we understand duty-cycle, we can then work toward establishing a unilateral replacement standard within the fleet. The end result of the RS is the establishment of a fleet life-cycle. In effect, these two are the same. Establishment of the RS should not happen in a vacuum and must be done with departmental buy-in based upon discussions related to industry “best practices” as well as your fleets’ duty-cycle. Now you are on the road to using empirical data to make decisions within your fleet. Remember, one manages a fleet based upon exception. Establish the rules, then manage by exception by dealing with the outliers as necessary.

The key to driving a successful RS is using simple replacement criteria.

- Any unit greater than 10 years old should be targeted. This timeline may vary for larger heavy-duty equipment such as an excavator or a 5-yard articulated loader.
- Any unit that exceeds 100,000 miles
- Any unit with life-to-date maintenance costs that exceed capitalized/acquisition cost
- Any unit beyond its life cycle, or established RS, parameters

Such units are candidates for disposal, as you may have reached a point of diminishing return. There is little to no benefit in expending good money into a bad unit. Typically maintenance and/or repair costs for assets outside their RS or LC only increase with age. Expenses for over-LC assets simply do not decrease unless utilization decreases — but that is a different story for another day. If the unit is underutilized, then one must ask, “Do you really need this unit in fleet?”

These four criteria are easy to remember. Any simple database program or FMIS can use one or all of them to establish replacement recommendations. This takes the guessing out of who gets their vehicles replaced first! It also takes the monkey off your back in terms of dealing impartially and equally with all divisions/departments. Most people will understand the logic behind that.

Now that you have all the answers and you have developed a buy plan for the annual expenditures for vehicles, it is mission-critical that you have a one-on-one dialogue with each user agency. Quite often you may find an agency using a specific vehicle that simply does not fit its need or application. For example, we had the recreation and parks department using aged 12-passenger vans for recreational facilities when what they really needed were ADA-compliant transport buses with the ability to move children with special needs. This resulted in the replacement of the van with a much more expensive transit bus that was almost twice the price.

Again, it is our job as fleet professionals to help end user agencies meet the application with the need. In terms of budgeting, this can work for us and against us. Don’t worry, just do it! It’s important that fleet hear, listen and respond accordingly to the user agency by asking several key questions. How have you made due in the past? What is the application of the requested asset change? What is the impact for the requirements of the user agency towards meeting its mission?

You may not like what the agency has to say, but you must hear it out and respond accordingly for the right fit. In doing so the user understands that he has a voice in the purchase and that fleet really does care about that department’s mission. The process is called building consensus, and it gives credibility to both the process and fleet. Yes, it works!

Finally, the proposed buy-plan then becomes a document that can be presented with confidence. The plan establishes that not only have you vetted the needs of the entire fleet, but you have done your homework by bringing the user agencies into the process and that both fleet and the user agency are in agreement. **M**