
M E M O R A N D U M

DATE: October 11, 2002
TO: Salt Lake City Council Members
FROM: Michael Sears, Budget & Policy Analyst
RE: **Management & Performance Review of the Salt Lake City Fleet Division, Report and Presentation of Part II**

The Council contracted with Apex Corporation for the Salt Lake City Fleet Division Management & Performance Review. Apex Corporation completed the review as specified in the contract with the City. Part I results were presented by Apex Corporation during the April 9, 2002 Council work session meeting. Both the presentation and the written report emphasized that although opportunities exist for operation improvement the Fleet Division is well managed.

Responses from the Administration were presented to the Council during a briefing on May 16, 2002. During the briefing, the Public Services Department expressed support for the recommendations in Part I and indicated that they had begun implementing the recommendations. The Council requested that the Administration make a presentation on the implementation in November or December of 2002 so that the Council can get an idea of what progress is being made.

During the May 16, 2002 briefing the Council also instructed Apex Corporation to continue with Part II of the Management & Performance Review. Apex Corporation has provided for Council review the attached final report for Part II of the Management & Performance Review. Part II consists of benchmarking the City's Fleet operation against private shops and developing a set of general implementation strategies and a sample Request for Proposal (RFP) that the City could consider. The RFP would be used if the City decides to outsource the Fleet Division function or engage in a competitive bidding process.

The Part II report did not recommend that the City consider outsourcing, but did suggest an implementation strategy if the City were to engage in outsourcing of current City functions. Other divisions and programs in the City can use the sample management and maintenance RFP that was prepared with slight modification. As the sample RFP is written, it enables the City to evaluate options by seeking proposals for outsourcing all fleet operations.

Apex Corporation has indicated to Council staff that if the City were to pursue outsourcing of any or all of the fleet operations, it would take at least one year for all of the recommendations in Part I to be implemented and that it could take several more months to gather reliable measurement data. The transmittal from the Administration recommends that the implementation of the Part I findings and recommendations continue and that discussion about initiation of an outsourcing plan be delayed until sufficient data is available.

The Council may wish to accept the report from Apex Corporation as final and encourage the Administration to continue with the improvements suggested in Part I of the Management & Performance Review. The Council may also wish to confirm that it would like an update on continued implementation of the findings and recommendations in November or December of 2002. During the update, the Council could discuss with the Administration estimates of when an outsourcing plan could be put together and whether or not the Council is interested in pursuing outsourcing of the Fleet Division.

cc: Cindy Gust-Jenson, Rocky Fluhart, David Nimkin, Rick Graham, Kevin Bergstrom, Lamont Nelson, Steve Fawcett, Gordon Hoskins, Laurie Dillon, Susi Kontgis and Kay Christensen