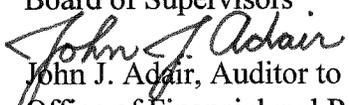


FAIRFAX COUNTY, VIRGINIA

MEMORANDUM

TO: Board of Supervisors .  
FROM:  John J. Adair, Auditor to the Board  
Office of Financial and Programs Auditor  
DATE: March 29, 2005  
SUBJECT: Quarterly Status Report on Operations

**EXECUTIVE SUMMARY**

Our April 2004 Quarterly Status Report discussed issues regarding the County's vehicle fleet. Based on our report, the Board of Supervisors requested that staff conduct a review of policies and practices regarding the fleet, including a review of the size of the fleet with additional analysis of those vehicles being under-utilized.

County staffs completed their review this quarter and determined that 117 vehicles should be returned to the Department of Vehicle Services for rotation, reassignment or sale. Of this total, 17 have been redirected to agencies to address critical requirements that would have otherwise resulted in new vehicles being required for the fleet in FY 2005 or FY 2006. The remaining 100 vehicles will be designated as surplus and removed from the fleet.

The Department of Management and Budget estimated that this action will result in one-time savings of \$1.2 million, with ongoing annual savings of approximately \$250,000 in maintenance and replacement requirements.

A newly created Fleet Utilization Management Committee will, among other things, evaluate the need for fleet additions and will monitor low-utilization vehicles, whose continued use must be justified annually.

During this quarter, we looked at the utilization of Government Center Campus space by County agencies. Facilities Management Department staff prepared a space utilization report addressing this issue that highlights areas of potential improvement.

We also continued our review of County property owned by the Board of Supervisors in order to categorize an inventory of such property by its actual and potential use.

We plan to complete our review of Board-owned property during the next quarter.

## **REVIEW OF THE COUNTY'S VEHICLE FLEET**

Our April 2004 Quarterly Status Report discussed issues regarding the County's vehicle fleet, including the need to determine whether agencies have enough vehicles to accomplish their missions, but not more than needed. Based on this report, the Board of Supervisors, on April 19, 2004, directed County staff to conduct a review of the current and projected fleet size.

Staff was asked to develop a written policy and implementation process for agencies to follow in determining vehicle requirements, and a procedure to annually assess the appropriateness of vehicle assignment. Staff also was to develop policies and procedures requiring additional sharing of vehicles within and among departments, and encouraging the use of personal vehicles on a reimbursable basis where feasible. This work was to be completed prior to the Board's consideration of the FY 2006 budget.

In January 2005, the County Executive sent a memo to the Board of Supervisors that summarized the review conducted by staff, provided an analysis of the vehicle fleet, and discussed the return of under-utilized vehicles and the establishment of a new fleet utilization policy.

Among other things, the County Executive said that 117 vehicles that had been under-utilized were to be turned in to the Department of Vehicle Services by February 4, 2005. Of this total, 17 are being redirected to address critical agency requirements that would have otherwise resulted in new vehicles being required for the fleet in FY 2005 or FY 2006. The remaining 100 vehicles will be designated as surplus and removed from the fleet.

One-time savings of approximately \$1.2 million will result from the contraction of these vehicles, with ongoing annual savings of approximately \$250,000 in maintenance and replacement requirements.

### **Results of County's Review Of Vehicle Fleet**

A January 10, 2005 memo from the County Executive to the Board of Supervisors provided an analysis of the County's vehicle fleet. It also discussed the return of under-utilized vehicles to the Department of Vehicle Services, and the establishment of new fleet utilization policy.

The memo said that as of June 2, 2004, the County maintained 5,870 pieces of equipment. Of this total, 3,565 were assigned to County agencies, and 2,305 to the County's Public Schools.

Of the 3,565 pieces of equipment assigned to County agencies, 591 were non-motorized or off road equipment, such as mowers, trailers and snow plow blades, and 699 were specialized vehicles such as dump trucks, wreckers and specialized fire apparatus.

After deducting the non-motorized and off road equipment, and the specialized vehicles, the total number of vehicles assigned to County agencies totaled 2,305.

From June 1999 to June 2004, the total increase in the pieces of equipment maintained by the County increased by 713 units. However, 311 were attributable to the Public Schools; 301 to Public Safety Agencies; 47 to the Park Authority; and 54 were attributable to all other agencies.

The County Executive's memo concluded that clearly the driving factors in fleet growth over the 5-year period from June 1999 to June 2004 are increases in Public School and Public Safety vehicles, which accounted for almost 86% of the growth. The memo further concluded that growth in other areas has been minimal, and substantial efforts have been made to limit the amount of new vehicles to those of a critical nature.

#### **Return of Under-Utilized Vehicles**

The County Executive's memo said that under-utilized vehicles had been reviewed. Such vehicles take up a disproportionate amount of costs, including maintenance requirements, replacement contributions, and staff time compared to the amount of use they receive.

In response to the Board's directive to analyze those vehicles being under-utilized, each County agency was provided a list of their low usage vehicles, defined as those which had accumulated fewer than 4,000 miles between June 1, 2003 and June 1, 2004. The total number of such vehicles was 444, excluding vehicles that went into service during that period. Of this total, 88 were assigned to the Public Schools, and 20 assigned to volunteer fire departments.

A list of the 88 vehicles assigned to Public Schools has been forwarded to the Superintendent of Schools who will make recommendations concerning their status to the School Board.

County agencies were asked to justify the continued ownership of the remaining 336 vehicles despite their low usage and determine whether any of them could be turned in to the Department of Vehicle Services.

On October 12, 2004, impacted agencies received a preliminary list of vehicles to be turned in and were given the option of appealing the decision, especially if there was important information that should be considered. Consideration was given to all responses.

As a result of this review, 117 of the 336 vehicles with low usage were recommended for rotation, reassignment, or sale. These vehicles were to be turned in to the Department of Vehicle Services facility that maintains them as soon as possible.

Of this total, 17 vehicles are being redirected to address critical agency requirements that would have otherwise resulted in new vehicles being required for the fleet in FY 2005 or FY 2006. The remaining 100 vehicles will be designated as surplus and removed from the fleet.

According to the County Executive's memo, the reduction of vehicles was done in a manner that seeks to minimize the impact on the day-to-day operations of County agencies.

The remaining low-utilization vehicles that are not recommended for contraction at this time were left in the fleet for one or more of the following reasons:

- The vehicle was the only one at a satellite facility that requires a car.
- It was shown that the low FY 2004 usage was an anomaly, initial mileage data was incomplete, or the data reviewed was incomplete,
- Other similar vehicles are being removed from an agency fleet, thus causing the projected use on the vehicle retained to be substantially higher, or
- Other compelling reasons such as the potential for serious client-related impact.

The memo stated that one-time savings of approximately \$1.2 million will result from the contraction of these vehicles, with ongoing annual savings of approximately \$250,000 in maintenance and replacement requirements.

### **New Fleet Utilization Policy**

The County Executive's memo to the Board of Supervisors also discussed two Procedural Memorandums. The first formalizes a new Fleet Utilization Policy, while the second updates criteria and procedures concerning County vehicle use and assignment policies.

The Fleet Utilization Policy establishes new guidelines concerning agency requests for fleet additions including a review by the recently created Fleet Utilization Management Committee. The Committee will be evaluating and making the decision on the need for fleet additions to ensure that the assignment of a vehicle is the most cost-effective means of accomplishing the mission.

The Committee also will monitor low-utilization vehicles, and make recommendations and/or decisions as appropriate to retain, reassign, eliminate, or assign them to a motor pool.

For the period of July 1, 2004 through June 30, 2005, vehicles that are driven fewer than 5,000 miles will be considered low-utilization vehicles and their continued use must be justified annually. The decision to increase the standard from 4,000 to 5,000 miles is to bring the County more in line with other jurisdictions in the Metro area, as well as the Commonwealth of Virginia and the Federal Government. This threshold will be reviewed annually to determine if adjustments are needed.

The Committee also has responsibility for reviewing any “take home” vehicle requests.

We believe that the actions taken by the County regarding its vehicle fleet, including the revision of its policies and procedures and the creation of a Fleet Utilization Management Committee, provide greater control over the fleet while ensuring that individual departments and agencies have the necessary vehicles to support their missions.

#### **SURVEY OF LEASING AND PROPERTY MANAGEMENT OPERATIONS**

In our November 2004 report, we discussed our survey of the Facilities Management Department's (FMD) operations involving space used by County agencies located at the Government Center Campus. FMD staff told us they were reviewing space utilized by County agencies, and we agreed that after they completed their review we would meet with them to discuss the results of this review.

This quarter, FMD staff told us they reviewed the space utilization in three County buildings that comprise the Government Center Campus. These three buildings, the Government Center Building, Herrity Building and Pennino Building contain about 1.2 million gross square feet of space. The three buildings house 3,172 staff positions.

The process of the study involved development of a questionnaire to get the basic space elements of each agency, such as staff, filing, storage, conference, training and support spaces. Representatives from 51 agencies filled out the questionnaires in January and February 2004.

One of the questions FMD wanted to answer was how did the County compare to industry standards? They found that the average usable square footage for County employees in the Government Campus buildings was 264. This was considerably lower than the 339 square feet per office worker found being used by the Building Owners and Managers Association, and the 351 square feet cited by the International Facility Management Association.

The 264 usable square feet per person average for County employees situated in the Government Campus complex ranged from an average of 220 square feet in the Pennino Building, to 258 in the Herrity Building, to 290 square feet in the Government Center Building.

### **Space Utilization Rate**

In attempting to answer the space utilization question “How efficient are we?” the study found that the County’s space utilization rate of 93.5% was lower than the industry standard of 97%.

Based on 100% occupancy, the total potential number of positions that could occupy space in the three Government Center Campus buildings would be 3,392. The study found there were 3,172 staff positions, consisting of 2,855 full time, 62 part time, 135 job share, and 120 vacant positions. Vacant positions are approved positions which are in the process of being filled.

Dividing the 3,172 staff positions by the 3,392 potential positions (representing 100% occupancy) results in a determination that the County had a space utilization rate of 93.5%.

### **Spare Workspaces**

The difference between the 3,172 staff positions in the 3 Government Center Campus buildings and the 3,392 workspaces representing 100% occupancy is 220. The study classified these 220 workspaces as spare, or unused. Essentially, spare workspaces represent an empty work area with no occupant, and are providing no support function.

Further, taking the 220 spare workspaces, and subtracting 102 workspaces needed for future growth, the study arrived at a figure of 118 spare workspaces to reclaim.

Using the Campus average of 264 square feet per position, and multiplying it by 118 spare workspaces led to a conclusion that there were 31,152 usable square feet that needs to be reclaimed or used more effectively.

The study found that the 118 spare workspaces and 31,152 square feet of space were scattered throughout the three buildings of the Campus and divided among 38 agencies. However, a total of 7 of the 38 agencies had 157 of the 220 spare workspaces

### **Study Recommendations**

The study contained a number of recommendations, including that:

- Further study be undertaken regarding the feasibility of reclaiming space in those 7 agencies with 157 spare workspaces.
- This additional study address urgent space needs of the Office of Transportation, the Department of Information Technology, Park Authority, Libraries and others, and to “right size” agencies currently located on the Government Center Campus where possible.

In addition, since it was found that 175 workstations were being used for functions other than as workstations (such as for copy and printer stations, libraries and storage) and the systems furniture in these workstations was not being used to the best advantage in all cases, the study recommended that:

- A review of each agency in which this condition occurs should be made, and changes in furniture and equipment be made as reconfigurations occur.

Since the County space standards currently have three different size work stations, and since 40% of the 460 requests in FY 2004 for reconfigurations were due to the workstation not being the correct size, the study recommended that:

- A universal workstation be designed to replace three that presently exist. The stations will be changed out as reconfigurations occur or as systems replacement is carried out.

Because there is a lack of storage space at the Archives, the study found that 1105 boxes are stored in office space. The study recommends that:

- The 1105 boxes be taken out of office space, Archive capacity be expanded, records be digitized, and County record management policy be reviewed.

The study noted that the FMD currently is reviewing space at the Warehouse which will help identify issues in Archives. The review already has shown a shortfall of 23,000 square feet in the Warehouse.

The study addressed the issue of conference and training rooms, both those that are shared and those that are dedicated to a specific agency. The study recommended that:

- Conference spaces that were once shared and have now been taken over by agencies be reclaimed, and the establishment of shared training rooms be promoted to limit creating training spaces within agency office space.

For the short term, the study made recommendations that, if implemented, would result in the more effective use of current space, thus reducing dependency on leased space.

For the long term, the FMD staff would like to complete a space study of the County's remaining 1.8 million square feet of administrative buildings, but this study is not as yet funded.

FMD also wants to:

- Put in place new processes to have the current most up to date information on space, building systems, and personnel locations.
- Review selected agencies to verify their space locations match their programmatic needs.
- Review space standards and develop a "universal" workstation.
- Develop a plan to increase the conference center and/or shared conferencing.

To implement the recommendations, FMD said that:

- Space management procedures need to be formulated and communicated to the agencies.
- A procedural memorandum should be developed for space management.
- There needs to be a commitment to provide adequate money and staff to implement the recommendations.

We believe the FMD review has been helpful in setting out conditions that require remedies, and the recommendations that would resolve these conditions.

#### **REVIEW OF PROPERTY OWNED BY THE BOARD OF SUPERVISORS**

In November 2004 the Board of Supervisors' Audit Committee requested that we look at County property owned by the Board. Specifically, they asked that we inventory the property and categorize it as to actual or potential use.

Our review focused only on property titled in the name of the Board of Supervisors. As of January 1, 2004, the Board of Supervisors owned approximately 750 parcels situated on 4,406 acres of land. While 138 of the parcels had improvements on them, the remaining 612 were vacant.

These 750 parcels did not include the land owned by County agencies such as the Park Authority and the Department of Housing and Community Development, or public school property.

During this quarter, we worked with County staff to categorize and analyze the parcels owned by the Board of Supervisors. This report contains our observations on the properties and suggestions for maintaining, improving, and updating the inventory of Board-owned property in the future.

### **Categorizing and Analyzing Board-Owned Property**

The Property Management Branch of FMD was the first place we visited. That Branch had developed a real estate program about 20 years ago, working with the Tax Administration Department, to identify real estate owned by the Board of Supervisors.

This listing of Board-owned properties maintained by the Property Management Branch was sorted by tax map ID number. Property Management staff said they used this data in conjunction with tax maps and zoning maps to assist the Supervisors, County staff, and citizens who requested information about property. Staff said they began their research by identifying an approximate location by address which got them to the tax ID number, which most people do not know. Once they had the exact Tax ID number defined, a wealth of information was available through their property listing and county resources.

With a great deal of assistance from the Department of Information Technology, we used data from the Property Management Branch and Department of Tax Administration's Office of Assessments' files to categorize and analyze the property owned by the Board of Supervisors.

We asked the Department of Information Technology to download the real estate tax records for the 750 parcels of Board-owned property onto an Excel spreadsheet

We used several sources of information to analyze and research each property. Each property's physical characteristics were reviewed through online access to the real estate assessment records and tax maps in the Geographic Information System. We also used Official Zoning Maps of Fairfax County for many properties. Some properties were also traced to Land Records and Deeds in the Fairfax County Court's Public Access Network (CPAN) system.

We obtained information from County staff regarding the use of various parcels. These agencies included the County Attorney's Office, Department of Housing and Community Development, the Planning and Development Division of the Park Authority, the Land Acquisition Division of the Department of Public Works and Environmental Services (DPWES), and the Property Management Branch of the Facilities Management Department.

Using all of the above sources of information we categorized the County-owned property titled in the Board of Supervisors name. For each property, the inventory includes the

parcel identification number, tax district, total acres, legal description, and location description. In addition, we attempted to classify each parcel by its use. This is important for any future determination of how the property may be maintained, reused, or disposed of.

**Observations Regarding the  
Inventory of Board-Owned Properties**

Observations we made regarding the properties include the following:

- In November of 2004, with the approval of the Board of Supervisors, 12 parcels totaling 505.4 acres were transferred to the Park Authority.
- An additional 72 parcels totaling 486.2 acres have been identified by the Park Authority for “potential” park use. Park Authority Staff are in the process of visiting these sites to determine which are actually suitable for park use. A list will be brought to the Board of Supervisors for approval.
- The Department of Housing and Community Development has reviewed the Board-owned inventory of 750 properties and has identified 181 properties totaling 1384.36 acres for potential affordable/workforce housing. A large portion of the properties identified already have improvements on them, therefore the acreage identified should be viewed as an indication of land co-use. After this process, the housing staff will focus on identifying potential co-locations with other facilities such as schools, parks, libraries and fire stations.
- Although there are approximately 600 vacant parcels of land, there are very few vacant parcels with a large amount of acreage.
- The largest single category of vacant properties is Street & Right Of Way parcels. These 204 parcels, adjacent to or in streets and roads, generally are small.
- Other vacant parcel categories include Stormwater Management easements, Walkway and Trails, Conservation Areas, and Open Space.
- Some County parcels with improvements appear to have more acreage than is needed for the facility. For example, the County may need 5 acres for a Fire Station but could only purchase a much larger lot in the area where the station is needed. Some of this excess acreage could possibly be used for other County purposes such as affordable housing or parks.
- Some properties are vacant with no apparent plans to use them and might be considered as surplus.

## **The Next Steps in Managing and Using the Board-Owned Property Inventory**

In meetings with County staff, a number of issues appeared to warrant further discussion and review. The primary issues include determining:

- Whether the inventory of Board-owned property should be enhanced and updated periodically by a County agency; and
- Whether the County should have a Senior Real Property Committee to ensure the effective management of Board-owned and other County property.

### **Maintaining the Inventory Of Board-Owned Property**

The categorization of each Board-owned property was being reviewed by several agencies at the time our report was issued to ensure they were correct. We know that some of the properties are not yet properly categorized. For example, as pointed out to us by Property Management Branch staff, while the use descriptions were in many cases determined by the language cited in the deed, in some cases, the actual utilization of a property over a long term of ownership by the County can be very different based on the County's needs and objectives for a parcel.

Staff cited the Lewinsville Senior Center, which used to be a public school but was converted to a Senior Center over 15 years ago. Staff said the same type of thing had occurred with the James Lee Community Center, which also had been a school.

In addition to making these types of modifications, County staff may want to add additional data elements to the inventory. For example, it may be desirable to include street addresses, or estimated market value, or a different type of classification.

The County needs a comprehensive and accurate real property inventory, including use descriptions, as part of a proactive business-like approach to real property management. Quality real property information is essential to making sound and economical decisions. The inventory should be kept current by updating it with additions and deletions as they occur.

### **Creating a Senior Committee To Ensure Effective Property Management**

In discussions with the County's Chief Financial Officer, we were advised that the County is considering creating a committee to oversee the Board-owned and other County properties. The committee could oversee and coordinate the acquisition, maintenance, reassignment, and disposal of County-owned real property.

We think this is an excellent idea. The Federal Government has established a Senior Real Property Officer within each Federal Agency and created a high level Federal Real Property Council which will serve as a working group to facilitate the success of all of the agency's Asset Management Plans. Property Officers and the Council have been tasked to develop a property inventory and facilitate more effective management of real property.

The creation of the County committee and its composition has not yet been determined, but it may include representatives from agencies that own land, such as the Park Authority and Department of Housing and Community Development. It may also include representatives from the County Executive's office, the Property Management Branch of FMD, and the Land Acquisition Division of DPWES.

This committee could oversee and direct the development of the inventory of County-owned property. This would include such things as what data elements to include, how often to update the inventory and what kind of categorization to use for the parcels.

This committee could encourage responsible stewardship in the management of County-owned property and provide consistent guidelines for property acquisition, reassignment, and disposal.

The committee could develop criteria and options for determining which properties are considered "excess" or "surplus". They could also oversee decisions regarding how such properties should be treated, including transfers of excess property to other County agencies for a different use, or selling parcels deemed as surplus.

**WORK TO BE PERFORMED**  
**DURING THE NEXT QUARTER**

The issues regarding Board-owned and other County property will require discussion and agency cooperation before they can be resolved. During the next quarter, we will work with County staff as they attempt to resolve them.