

Response to Questions on the FY 2011 Budget

Request By: Supervisor Cook

Question: What cost savings, if any would be recognized by contracting out to the private sector for the maintenance of vehicles?

Response: While the County performs the majority of vehicle maintenance services in-house, several services are already contracted out to outside vendors, including repairs such as upholstery, glass replacement, most body and paint repairs and engine/transmission replacements. Department of Vehicle Services' (DVS) experience has shown that partial privatization of these type of repairs is more cost effective than performing them in-house. During FY 2008 and FY 2009 an annual average of \$3,413,744 of County vehicle maintenance cost was accomplished by private vendors. This amount accounts for over 10 percent of the total costs of vehicle maintenance.

In August 1993, the County conducted a pilot test to evaluate the concept of providing routine preventive maintenance of police vehicles at or near the site where they were assigned. The test resulted in retaining all vehicle maintenance of police vehicles in-house because in most cases repairs, in addition to the privatized routine preventive maintenance services, were also required. Since these types of repairs resulted in County maintenance shop visits, vehicle off station time increased and the maintenance cost and time of the police officers' efforts to get their vehicle maintained increased. In addition, two other pilot privatization efforts involving full maintenance and services for a number of school buses and Solid Waste tractors and trailers were attempted. These did not succeed partially because of increased cost but mostly due to unacceptable quality of work.

In March 1994, after extensive work with an outside consultant, the Board of Supervisors decided to fully privatize one of the County's four vehicle maintenance facilities. The privatization effort encompassed maintenance and repair services for 1,000 County vehicles, including 590 school buses. This contract, which was originally signed as a 3 year contract, only lasted from March 1 until July 15, 1994, when the Board terminated the contract due to unacceptable maintenance/repair quality and the contractor's failure to provide a sufficient number of vehicles available on a daily basis for customer's use, in accordance with the provisions of the contract.

In summary, the County has found that partial privatization of certain functions is cost effective and continues this practice; however, previous attempts at more fully privatizing maintenance services did not result in cost savings or delivery of required services within acceptable time frames. In addition, some County Departments (particularly Public Safety agencies) are cautious about non-County employees maintaining their vehicles because of the specialized and sensitive equipment in the vehicles, and the need to ensure that officers and citizens' safety is not compromised.

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