As a department, fleet represents a large part of a government agency—both operationally and budgetarily. Over the past few years, when faced with budgetary constraints, aging equipment, growing need for emergency responsiveness and reducing workforce, government teams are becoming creative in managing their fleet operations.

Versatility in equipment purchases
As the early morning sun rises above Knoxville, Iowa’s, downtown square, city street crews are already hard at work. During the summer, the early morning duties may include transporting water to care for flowers on the square and then transitioning later in the year to winter duties by sweeping paths for pedestrians around City Hall and Knoxville Recreation Center. The unique distinction? The city uses the same piece of equipment for both duties, by changing the attachments.

Contracting with Bobcat, an American-based manufacturer of farm and construction equipment, the department purchased the Toolcat five-oldstyle/six.oldstyle/zero.oldstyle/zero.oldstyle utility work machine, as its five Bobcat attachments allow the city to use one piece of equipment to provide multiple services for its 7,000 residents. By standardizing on a specific piece of equipment, with a strategically selected set of attachments, city crews can perform a wide range of tasks, including street and cemetery maintenance, playground installations and snow/ice removal, to help stretch a publicly funded budget.

“When you’re a municipality running on the taxpayers’ dollars, you try to give them the best possible service you can for the least amount of money,” said Kevin DeLong, Knoxville’s cemetery and streets supervisor. “In selecting this particular piece of equipment, with its compact size and versatility, we have also saved labor costs, because this equipment can go into places that we used to manually shovel or sweep.”

On a recent project, the Toolcat machine’s bucket transferred loads of wet concrete to a crew working to secure footings on the installation of playground equipment at the recreation center. DeLong stated, “We couldn’t get a large concrete truck close to the footings, but this machine is small enough to move the concrete into the playground area where we can shovel it out and fill the holes around the posts. “We clean out the bucket, and when the concrete dries, we’ll use it again to spread our wood chips.”

By purchasing multiuse equipment, productivity remains consistent after the construction and growing season with other grounds maintenance projects and snow and ice removal on sidewalks around city parks and municipal buildings.

Renting instead of purchasing?
While purchasing equipment has been a traditional ownership approach, sourcing heavy or specialized equipment can often be complicated. Balancing the initial purchase, with the costs of ongoing maintenance, the typical government budgetary philosophy has been that owning is cheaper than renting. However, depending on an
Rentals make perfect sense when related to a one-time event. For example, think summer festival at a city park or a graduation at a public high school gymnasium. Renting ground or floor protection might be the best option. Even if those events occur year after year, labor should be factored into the total cost. Renting may save personnel costs since the vendor is responsible for delivery, installation and removal. Technology changes might be another reason to lease. For instance, there may be a push for a new technology — electric cars or solar-powered equipment — by the city council. The fleet manager may pursue a lease option to ensure that the acquired vehicles or equipment actually meet the needs of the organization. It also provides time for mechanics to come up to speed and be trained to handle any maintenance issues.

If a specialized piece of equipment is required for a single job, then renting may make sense. For example, when light bulbs burn out in a historic city hall building entry, it might be easier to replace them with a single-man lift. If the lift is primarily used for this job, it’s probably more expedient to rent. According to Sunbelt Rentals, one of the easiest rental justifications is when equipment is required for a specialized need within a specific timeframe.

Natalia Welch, director of Government Sales, stated, “Over the past few years of attending fleet conferences, I have witnessed greater numbers of fleet directors seeking information on leasing equipment. The idea of renting is becoming a growing area of interest.”

**Retiring older equipment — More bang for the buck**

On the other end of the procurement spectrum is the ultimate retirement of outdated equipment that can no longer be used. Some organizations use internal resources to auction or dispose of no longer useful equipment. However, the recent trend is contracting with a supplier with exposure to a national network to bring in more bidders to the process. This provides opportunities to increase revenues that may be used toward new purchases.

The Henry Miller Reclamation District #231 in Dos Palos, Calif., found themselves with several vehicles and pieces of equipment that were cleared as surplus and no longer needed by the district. While the district used a local auctioneer in the past, Executive Assistant Palmer McCoy wanted to research ways to expand their outreach and possibly increase revenues. Hearing about GovDeals through its affiliation with the California Special Districts Association, McCoy opted to try a new route by transitioning to an online auction process.

Coordinating with the GovDeals team, the district quickly gathered photos and brief descriptions of the items to be auctioned, uploaded the assets to the online site and set auction dates and pricing requirements.

Over a period of two weeks, the district successfully sold 32 of the 35 listed items in the first round. The auction drew an average of 605 visitors, with total revenues resulting in a sum of more than $100,000; assets ranged from a 1983 Caterpillar 120G motor grader, with a final bid of $24,600, to a 100-gallon drum mounted on a trailer, which sold for $5. Winning bidders, coming as far away as Georgia and Minnesota, retrieved all sold items from the Dos Palos location within two weeks of the auction closing.

According to McCoy, “The operational support made the whole process simple, from easy setup and use of the online site, to having the option of passing on the fee to the buyer. In addition, by GovDeals advertising a few of our items in other publications, the auction was a much bigger success than we had imagined.”

A growing phenomena in government contracting is the use of cooperative contracts. Already solicited and awarded, these contracts offer more “bang for the buck” by leveraging the spend of multiple agencies to drive savings. And contract choices have grown exponentially over the past decade.

Ronnie Barnes, from HGACBuy, stated, “The growth in the cooperative purchasing market has resulted in more choices in manufacturers/brands, models, configurations, fuel types and accessories than ever before. These choices allow fleets to maintain continuity as well as offer opportunity to change over to something new and different. Several cooperative purchasing programs have staff available to be responsive to questions and to guide fleet managers through the process.”

With little time to research, and many choices in cooperative contracts, the ultimate task of choosing the best fit may be daunting for the first time. New companies are developing strategies to review and select the best contract based on the organization’s needs. One such company, COProcure, was founded with the goal of assisting in that selection process.

Founder Mariel Reed stated, “There’s so much opportunity to use technology to enable stronger collaboration and innovation in public procurement. Technology has a critical role to play in unleashing the full power of cooperative purchasing and its positive impact for public employees, businesses and taxpayers across the country.”

Tammy Rimes, MPA, is a keynote speaker, procurement consultant and executive director of the National Cooperative Procurement Partners, or NCPP. She served as former purchasing agent for the city of San Diego and implemented its first environmentally preferred purchasing program. She served during one of Southern California’s largest emergencies — the 2007 Witch Creek Fires, which raged for 17 days and destroyed over 2,000 homes and structures. Free educational materials on emergency preparedness, cooperative contracts and a free webinar series are available at www.NCPPAssociation.org.