

**REVIEW OF FIRST VEHICLE SERVICES CONTRACT  
(RFP-602896-17/BJC)**

**REPORT NO. 113020**

**DISTRIBUTION LIST**

Mr. Lee Constantine	Chairman
Mr. Bob Dallari	Commissioner
Ms. Andria Herr	Commissioner
Ms. Amy Lockhart	Commissioner
Mr. Jay Zembower	Commissioner
Ms. Nicole Guillet	County Manager
Mr. Joe Abel	Deputy County Manager
Ms. Teri Porter	Commission Records



**DIVISION OF INSPECTOR GENERAL**  
**Grant Maloy, Clerk of the Circuit Court and Comptroller**  
**Seminole County, Florida**

December 4, 2020

The Honorable Chairman and Members of the Board of County Commissioners

We have completed the enclosed review of First Vehicle Services Contract (RFP-602896-17/BJC). We would especially like to acknowledge Mr. Joseph Routt, Fleet Manager, and the entire Fleet Division for their assistance with the review.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William Carroll".

William Carroll, CPA, CFE, CIG, CIGA,  
Inspector General  
Division of the Inspector General

Approved by:

A handwritten signature in black ink, appearing to read "Grant Maloy".

Mr. Grant Maloy  
Clerk of the Circuit Court and Comptroller



Review Report No. 113020  
Review of First Vehicle Services Contract  
(RFP-602896-17/BJC)

**GRANT MALOY**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

William Carroll, CPA, CFE, CIG, CIGA  
Inspector General

Auditor Assigned:  
Timothy Tschappat, CFE, CIA, CIGA

Division of Inspector General  
Seminole County Clerk of the Circuit Court and Comptroller



# Table of Contents

## INTRODUCTION

Background.....2  
 Audit Objective .....3  
 Methodology and Scope.....3  
 Overall Evaluation.....3

## OPPORTUNITIES FOR IMPROVEMENT

1. *Adherence to maintenance schedules ensures contract compliance*  
 Recommendation.....5  
 Management Response.....5

2. *Maintenance records should be complete, accurate, and up to date*  
 Recommendation.....6  
 Management Response.....6

3. *Adherence to Contract Standards*  
 Recommendation.....7  
 Management Response.....7

4. *Portion of Safety Checklist not Performed*  
 Recommendation.....9  
 Management Response.....9

5. *FVS Annual Reports Not Submitted Per the Contract*  
 Recommendation.....10  
 Management Response.....10

## BACKGROUND

At a Special Meeting on August 8, 2017, the BCC specifically directed the County Manager's Office to outsource the maintenance services for the Fire Department's Heavy Response Equipment to First Vehicle Services, Inc. (FVS). The suggested projected cost to the County over a five (5) year period was about \$6 million dollars.

Thus, on December 1, 2017, the County negotiated and signed a 5-year agreement with FVS for an estimated cost of \$7.5 million dollars. The current Fire Department's fleet to be serviced under this contract included:

- Eight (8) Woods Trucks;
- Four (4) Towers;
- Twenty-eight (28) Fire Engines;
- Thirty-one (31) Rescues;
- Three (3) Tankers;
- One (1) Dive Unit;
- Two (2) Squad Units;
- One (1) Service Vehicle;
- One (1) Mobile Command Unit;
- One (1) Parade Unit;
- One hundred fifteen (115) On-Board Child Equipment; and
- One hundred fifty-six (156) Pieces of Shop Equipment

The number of units is an estimate at the time of signing the contract. The quantities could possibly fluctuate higher or lower over the 5-year period.

Payments to FVS for the period December 2017 through September 30, 2020, totaled \$3,941,585.70. Some of the payments remitted to FVS were for the cost incurred for standard contract maintenance (Target) and other payments were determined to be for additional non-contract services (Non-Target):

- Target: \$3,626,839.43
- Non-Target: \$280,745.88
- Transition Cost: \$34,000.39

The Fleet Services Division is a part of the Public Works Department and has the overall responsibility for the County's fleet management program. They directly oversee, not only all of the maintenance activities of FVS, but also service the entire fleet.

In support of this initiative, this audit focused on the preventative maintenance costs and services (target) of the Fire Department Equipment that is noted above. The audit included testing for compliance with the County policy and terms and conditions of the contract. The results of the audit are included in the report that follows.



## **Audit Objective**

The objective of this review is to determine if the administrative controls over the contract are adequate and effective; and, there is compliance with Seminole County Policies and Procedures and the terms and conditions of the contract.

## **Methodology and Scope**

All invoices, contract workorders, and scheduled preventative maintenance for the period January 2017 through February 2020 were subject to our review. We judgmentally selected the records for thirty (30) Fire Department vehicles for detailed testing. The review did not include any unscheduled Non-Target costs incurred under the contract.

The review included the following:

- Compliance with Term Contract RFP-602896-17/BJC relative to Preventative Maintenance;
- Vehicle Asset list from J.D. Edwards;
- FASTER Software - Report Module;
- Checks issued to First Vehicle Services, Inc. between June 2018 and April 2020;
- Verification that supporting documentation (work orders, invoices, etc.) were complete, accurate, and compliant with policy; and
- Adherence with Seminole County policies, procedures, and applicable State laws

## **Overall Evaluation**

FVS is for the most part compliant, with the terms and conditions of the contract as it relates to preventative maintenance costs and services. The scope of this audit did not include non-contract services so we will not form an opinion on these services. There are, however, a few areas that require management attention:

- Adherence to maintenance schedules ensures contract compliance;
- Maintenance records should be complete, accurate, and up to date;
- Adherence to Contract Standards;
- Portion of Safety Checklist not Performed; and,
- FVS Annual Reports Not Submitted Per the Contract

## OPPORTUNITIES FOR IMPROVEMENT

### *1. Adherence to maintenance schedules ensures contract compliance.*

There are two types of preventative maintenance (PM) service. The first is a quarterly service (PM A) and consists of an oil change with a new oil filter and the mechanic completes a 12-item safety checklist. There are also nine additional inspections, tests, maintenance, and/or repairs that are required per the contract. Overall, FVS performs over 100 checks, inspections, and services during the PMA.

The second type of preventative maintenance is referred to as PM C. The PM C is performed annually and includes all of the PM A services, but is much more extensive to include eight additional inspections, tests, maintenance and/or repairs. The specific tests performed are included within the contract.

We noted that preventative maintenance services were performed more than 30 days after the due date and were considered late for 63 of 417 (15%) preventative maintenance services conducted on Fire Department vehicles and equipment. In discussions with Fleet management, they recognize that PM's can't always be performed every 120 days, so a 30-day window is used to accommodate the maintenance garage schedule.

The contract (page 59) states that:

"[p]reventive Maintenance will be performed on all Seminole County Fire Departments vehicles/equipment per manufactures specifications and the COUNTY may however, choose to use the schedules below if manufactures specifications are not available or the COUNTY determines that the schedules below are more appropriate for some equipment. Some examples of equipment that will be serviced according to the schedules below are priority vehicles and small equipment."

<b>Priority Equipment</b>	<b>Time Interval</b>
PM A	150 hours / 120 days / 5000 miles
PM C	Yearly

Fleet management meets daily with FVS to discuss the preventative maintenance schedule and the status of vehicles currently in the garage. Adhering to the preventative maintenance schedule in the long term might save the County money by reducing equipment downtime and extending the service life of vehicles. Also, maintenance not performed in a timely manner might jeopardize the safe operation of the emergency vehicle and might endanger the occupant's lives.



## Recommendation

FVS should follow the contract maintenance schedule and continue to notify Fleet of possible compliance issues.

## Management Response

First Vehicle has been instructed to adhere to the Contracted Maintenance Schedule as stated in section VI.C of the contract. Any issues (E.g. Covid-19) relating to the ability to meet that requirement needs to be communicated immediately to the Seminole County Fleet Manager.

### *2. Maintenance records should be complete, accurate, and up to date.*

The purpose of having a preventative maintenance program is twofold. The first is to schedule and perform routine maintenance and the second, is to keep accurate records of past inspections and service reports.

Administrative Code 34.25.D(1), in part, requires the following:

- (1) The Public Works Department shall generate a monthly vehicle report inclusive of accumulated vehicle mileage, monthly mileage, and fuel cost per mile. The report will be submitted to Department Directors for their review.

In support of this, Fleet relies on the preventative maintenance records maintained by FVS. As emergency vehicles and equipment are serviced, FVS is responsible for updating the County's FASTER System (Fleet Database). This includes the current odometer reading. As preventative maintenance is performed on vehicles, the servicing technicians are required by the contract to record the odometer reading on the PMI and Servicing Worksheets.

#### (a) Odometer Readings

We selected 30 emergency vehicles and reviewed the preventative maintenance worksheets for compliance with the terms of the contract. Noted below are the results of the tests of the odometer readings.

Odometer readings on the PMI and Servicing Worksheets for twenty-four (24) of fifty-nine (59) preventative maintenance services were not updated in the fleet database.



# of Preventative Maintenances Tested	Odometer Reading Updated	Odometer Reading Not Updated
59	35	24

Having current odometer readings recorded on preventative maintenance records ensures that utilization reports from FASTER are accurate, up-to-date, and useful information so that Fleet can provide effective recommendations to management.

(b) Oil Changes

We noted for 44 of 58 (76%) preventative maintenance (PM) services reviewed; oil changes could not be verified for 6 of these 44 PM services, indicating that they were not performed at the time of the PM service.

The PM worksheet was not properly filled out showing evidence that services related to lubrication and oil changes were conducted. Further review of these worksheets noted that engine oil and filters were included in the parts used section of the work order for 38 of the 44 PMs indicating that oil changes were conducted, but not properly documented and initialed by the technician. Oil changes for the other 6 PMs could not be verified.

Fleet management stated that they have brought this to the attention of FVS and requested that the forms be completed accurately.

**Recommendation**

Fleet should notify FVS of the discrepancies and FVS should provide additional training to its employees.

**Management Response**

**Odometer Readings** - As noted, the PMS generated by the FASTER software system utilizes time as well as mileage element to generate a PM. The time element is the main driver in maintaining a fleet that typically operates at lower mileages such as the Fire Department. First Vehicle has been instructed to properly input the mileage data into FASTER. Fleet will be randomly auditing the in-target work sheets and forms to ensure proper documentation as well as ensuring proper documentation of the process.

**Oil Changes** - As noted, 6 units were serviced excluding the oil and filter change out, one was a clerical error in FASTER, the other 5 vehicles experienced extremely low mileage. As such, the vehicles did not trip the mileage requirement for the fluid change according to the manufacture specifications. This issue first came to light 11/1/2019 and First Vehicle was instructed to address the fluid and filter change regardless of the current mileage. Due to the time line on this review it recognized this event, in addition Fleet will be randomly auditing the in-target work sheets and forms to ensure proper documentation as well as ensuring proper documentation of the process.

### *3. Adherence to Contract Standards.*

Six (6) of thirty (30) Fire Department vehicles noted during the preventative maintenance services that the tire tread depths were below the contracted standard or the tires experienced significant wear in a short amount of time.

Maintenance records also indicated that two vehicles had treads at or below the 6/32" minimum standard and new tires were not reflected on the servicing worksheets as installed at the time the depth was recorded.

Also, tires for four other vehicles experienced significant tread wear in relatively short periods of time. In some cases, tread depths were worn down by 50% within three to four months. One vehicle replaced all six tires and within eight months the treads for two tires were worn to 6/32" and 5/32" and required another replacement.

The contract addresses tread depth as part of the Safety Checklist that is required with every preventative maintenance service. In part, it states on page 57 that the "[t]read depth of all tires shall be recorded, tread depth of six thirty-seconds of an inch (6/32") shall be maintained."

By measuring and recording the tire tread depths, and replacing tires that do not meet the contracted minimum standard of 6/32", the contractor can ensure compliance with the terms and conditions of the contract.

#### **Recommendation**

Fleet should notify FVS of the discrepancies and require that they replace tires when the tread depth is at or below the specified minimum standard.

#### **Management Response**

As noted, the findings are indicating that on four of the units reviewed, while still maintaining the correct operational standard, did show poor performance on over-all tire life. Various factors impacting this could be; operating a vehicle in a high demand response, the GVW of the vehicle corresponding with the load rating of the tires, tire air pressure, suspension alignment of the vehicle, along with the chemical composition of the tires themselves. Seminole County Fleet has notified First Vehicle of these findings and will be working with First Vehicle to ensure all of the



specifications and standards are met as well as exploring options on the rubber compounds of the current tires in use.

Also noted, First Vehicle has been made aware of the documentation discrepancies regarding tire replacements when performing PMS. Seminole County Fleet has instructed First Vehicle to provide additional training to their staff as needed to ensure compliance. In addition Fleet will be randomly auditing the in-target work sheets and forms to ensure proper documentation as well as ensuring proper documentation of the process.

#### *4. Portion of Safety Checklist not Performed*

The Safety Checklist is comprised of twelve inspections that are to be performed during all scheduled preventative maintenance, one of which is for the Re-gen system.

According to Fleet Management and other experts in the Fleet Management industry, the Re-gen system burns off the soot on a clogged diesel particulate filter (DPF). Soot burns off naturally when the vehicle is in motion; fuel is injected into the DPF, which raises the temperature to burn away soot. There are times when this active regeneration is simply not enough and a forced re-gen is required. When there is too much soot buildup, the vehicle is no longer operable and the driver will have to pull over and perform a forced re-gen, which is time consuming when minutes and seconds count during an emergency response. Forced re-gens should be performed during the preventative maintenance when the vehicle is already off the road to prevent experiencing downtime during an emergency.

The Re-gen system inspection and the corresponding proactive cycle do not appear on the PMI and Servicing Worksheets used by FVS. The Re-gen system check is item 1.H. of the Safety Checklist on Attachment-B of the contract.

The contract states "1.H. Re-gen system to be inspected, maintained, and proactively cycled. DEF fluids should be inspected and topped off." (Page 57)

By performing a proactive re-gen cycle during the scheduled preventative maintenance, FVS and the Fleet Department can reduce the possibility of an inoperable vehicle during a crisis due to excessive soot buildup.

## Recommendations

1. We recommend that FVS add the Re-gen requirement to all PMI and Servicing Worksheets.
2. We recommend that that the above worksheets record the Re-gen flow rates before and after the proactive cycle. This could indicate whether other factors should be considered for causing the system to operate poorly

## Management Response

As noted, the previous PM sheet listed "check and refill components with the appropriate types and amounts of fluids" which included the DEF container. Likewise the previous PM sheet listed "Check Engine for fault for Codes" which included scanning the system for any re-gen codes. While these line items still exist and have relevance, fleet has incorporated the recommended changes into the revised PM sheet dated 10/13/2020, which specifically states " Successful Re-gen" also specifically stated is the before and after flow rates of the re-gen system.

### *5. FVS Annual Reports Not Submitted Per the Contract*

Section VIII.J. of Fleet Management and Maintenance Services states,

"On the first anniversary of the effective date of the Agreement and every other anniversary date thereafter, the Provider will submit to the COUNTY a written annual report that summarizes the year's activity in the format agreed upon by the Provider and the COUNTY. The Provider will provide a statement indicating the solvency of the Provider as part of the annual report. This may take the form of a standard issued certified corporate report or certified statement of the Provider's financial condition. The Provider will also include in the annual report the results of the annual customer satisfaction survey, required in the Quality Assurance Program previously discussed, in a format acceptable to the COUNTY."

Annual reports for 2018 and 2019 were not submitted to the County as required by the contract.

The annual report summarizes the year's activity. The report should also include a statement as to the solvency of the Provider and the results of the annual customer satisfaction survey.

The annual report should be submitted each year by the Agreement's anniversary date, which is December 1st. The 2019 Annual Report was prepared and received on October 5, 2020.

Requiring FVS to submit an annual report keeps the contractor in compliance with the terms of the contract.



## **Recommendation**

FVS should be required to submit an Annual Report, in accordance with the terms and conditions of the contract.

## **Management Response**

As noted, FVS is required to submit an annual report. While the solicitation of the annual customer survey was performed, following through on providing Seminole County the annual report in a timely manner was not.

Additionally, as noted, the annual report summarizes the monthly reporting reviewed monthly by Seminole County Fleet Maintenance, the annual report is a summary of the previous 12-months. FVS has been made aware of the issue and going forward will provide the annual report in accordance with the contractual guidelines.