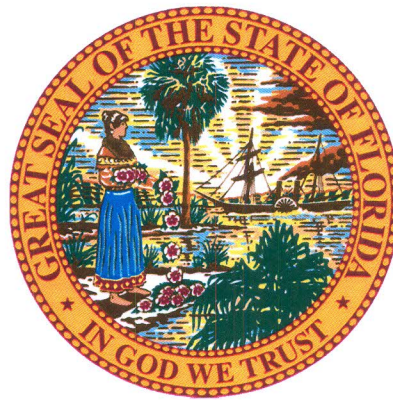


**MARYANNE MORSE
THE CLERK OF THE CIRCUIT COURT AND COMPTROLLER
SEMINOLE COUNTY FLORIDA**

**SPECIAL REVIEW
OF
SMALL TOOLS AND EQUIPMENT**

Report No. 040516



*Prepared by:
The Office of the Clerk of the Circuit Court and Comptroller*

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MARYANNE MORSE
Clerk of the Circuit Court and Comptroller
Seminole County, Florida

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Special Review of Small Tools and Equipment

Background

Small tools and equipment are generally low priced items in inventory, and are not accounted for and controlled in the same way as large dollar items (i.e. capital assets). These items are usually bought with PCARDS (Purchasing Cards). The buying process is not as scrutinized as with capital items; and, as such, there may be more items purchased than really needed.

Below is a categorizing of the different types of property the county owns. Seminole County owns and maintains the following. They are:

- 1. Tangible Personal Property** - Property that is identifiable, which has a value of \$1,000.00 or more, and an expected life of one year or more. Included in this category are such items as office equipment, office furniture, tools, equipment, vehicles, and heavy industrial equipment. It also includes specialized tools that the county uses in its day to day operations. As of September 30, 2015, county financial records reported \$135.5 million in tangible personal property;
- 2. Low-priced Items (Operating Expense)** – Property valued at less than \$1,000.00. These items are considered an “operating expense” to the county and therefore are not capitalized. Moreover, these items are not individually tracked on the county property ledgers; and, as a result, the county does not know for sure the exact value of this property.
- 3. Real Property**— Property that includes real estate owned by Seminole County, (i.e. land, buildings) and also property to which “value” is being added, in other words, construction in progress. The costs incurred to build a road for example or major building. As of September 30, 2015, county financial records reported \$1,860,679.7 million in Real Property.

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Contracted Maintenance

The county has a formal contract with Serco Inc. to keep all of the small tools and equipment in accordance with the manufacturer's specifications.

This 5 year contract with Serco Inc. (RFP-601340-12/BJC) was signed on September 21st, 2012, to maintain approximately 2,135 vehicles and equipment for a firm fixed priced contract of about \$3.8 million per year.

The contract allows the price to be adjusted based on the total equipment to be serviced. Thus, it is to the county's benefit to buy only the tools and equipment that it actually needs.

In the report that follows, exhibits are presented that illustrate a need for changes in the business process. A system that ensures that tools and equipment are tracked allows the government to be more efficient and effective.

The Division Manager of Fleet and Facilities has been actively working with his staff to prepare for upcoming bid negotiations. Significant steps are being taken to better define all contract requirements to minimize the price of the next awarded contract. The Office of the Clerk of the Circuit Court and Comptroller are in complete support of the initiatives being studied.

Scope and Objectives

The scope of this review includes the policies, procedures, and controls over small tools and equipment. The departments included in this review are: (1) Environmental Services; (2) Leisure Services; (3) Public Safety; and, (4) Public Works.

County records indicate that collectively these departments have more than 1,000 pieces of small tools and equipment with an estimated value of over \$2.6 million.

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We evaluated the following possible issues:

- The costs associated with purchasing small tools and equipment collectively are significant;
- There might be unnecessary costs incurred to maintain tools and equipment not being used;
- Items are generally purchased informally (on purchasing cards) independent of Purchasing;
- There might or might not be a formal county policy to inventory and track;
- No requirement to formally account and reconcile the records;
- There might be unnecessary rental expenses for common equipment already owned by the County; and,
- County might or might not have a centralized warehousing function to manage its resources.

The basis of this review was to evaluate: (1) the total small tool being purchased by each department and the associated controls; (2) if the maintenance costs could be reduced by establishing a smaller population of equipment to be serviced; and, (3) if divisions had effective procedures to monitor and account for tool needs.

Overall Evaluation

In our opinion, the internal controls over small tools and equipment require improvement. Written policies and procedures, and, controls do not ensure an effective management of what the county owns.

Some departments have openly admitted that they do not have a formal process to track, reconcile, and maintain an accurate accounting of what is under their responsibility. Staff also indicated that there is no requirement to assess the physical condition of all of the equipment on a regular basis. By not doing this assessment, there might be equipment that is inoperable and needs to be sent to

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Fleet for auction or disposal. Verifying the physical condition of each item is required as part of the Florida Administrative Code 691-73.006.

To establish effective internal controls, each division should develop internal procedures that address: (1) ordering new tools; (2) maintenance (and manufacturer's warranties); and, (3) useful life policies for effective administration.

In the report that follows we discuss this process in more detail.

Opportunities for Improvements

No. 1 Reevaluate small tool and equipment purchases.

Small tools and equipment for the purpose of this review include any and all electrical and gas powered tools and equipment. County records indicate that there is approximately 1,000 items in the custody of Public Safety, Public Works, Leisure Services, and Environmental Services.

For the purposes of this review, we considered all of the small tools and equipment collectively, and then compared it with the total number of employees currently on the payroll for Public Service, Public Works, Leisure Services and Environmental Services Department. This is to determine if the tooling to employee ratio was realistic.

We estimated based on job classifications (with a trade classification) that there are a total of 534 employees and 1,013 small tools and equipment (refer to Exhibit B through K).

If one was to distribute the entire inventory of 1,013 small tools and equipment to the employees, it would mean that each employee (1,013 tools /534 employees) would have available about 2 small tools and equipment at any one time. The point being made here is that it may not be practical to have this many

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tools and equipment in inventory and other less costly options should be considered.

Take another example, there are a total of 157 chainsaws for 534 employees. This would mean that for every 3.4 employees ($534/157$), there is a chainsaw available for their use.

The county also has issued contracts for tree service. Specifically, from 2004 to February 2016, the county paid \$423,687.20 to A Budget Tree Service Inc. and \$5,434,524.29 to Lewis Tree Service, Inc. With some services being outsourced, there may not be a need to have so many saws in inventory.

Preventative Maintenance Contract

Seminole County has a 5 year contract with Serco Inc. (RFP- 601340-12/BJC) dated September 21st, 2012. The county pays about \$3.8 million annually for Serco to maintain its entire fleet. The contract is priced based on the population of items to be serviced. When the initial baseline was submitted to Serco Inc to price out the contract, there was a total of 2,135 items presented as an initial baseline. This baseline included 49 items that were inactive. Also, as a point for discussion, the county also provided this same baseline to other contractors to bid out the contract.

It appears that the 49 items noted below (Exhibit A) should have been excluded from the baseline listing submitted to companies making proposals to the county. By backing out the 49 items from the 2,135 (2.3%) would mean that it might be possible to reduce the proposal by \$87,400 ($\$3.8 \text{ million} \times 2.3\%$) per year. Over a five year contract it might be possible to save \$437,000 ($\$87,400 \times 5 \text{ years}$).

With that being said, Serco after reviewing the baseline submitted by the county may have factored in that there was many inactive and/or obsolete items that would not require preventative maintenance service and may have considered this in their pricing proposal.

EXHIBIT A

List of Items listed as inactive (included in Bid Package)

BCC NO.	YEAR	MAKE	MODEL	STATUS
00659	2000	INTERNATIONAL	4700 Crew Dump	Inactive
01022	2000	FORD	Ranger	Inactive
01371	2000	FORD	F150 Regular	Inactive
04134	1997	PACE	Trailer	Inactive
04517	2003	FORD	Explorer	Inactive
04923	2003	FORD	F150 Ext Cab	Inactive
07256	2006	MACK	REFUSE TRAILER	Inactive
07417	2006	INTERNATIONAL	7600RoadTractor	Inactive
19211	1994	BOMFO	Mower	Inactive
19232	1994	HOWARD PRICE	ROTAVATOR 30-30	Inactive
19634	1994	ECHO	Chain Saw	Inactive
23061	1997	FORD	F150 Regular	Inactive
23154	1997	FORD	Explorer	Inactive
24338	1998	DISC.	HARROW	Inactive
80222	1996	ECHO	Blower	Inactive
80245	1996	STIHL	Chain Saw	Inactive
80300	1997	STIHL	Chain Saw	Inactive
80324	1997	RYOBI	Weedeater	Inactive
80400	1998	STIHL	Chain Saw	Inactive
80441	1999	TANAKA	Edger	Inactive
80524	2001	HOMELITE	Chain Saw	Inactive
80545	2001	ECHO	Blower	Inactive
80555	2001	STIHL	Chain Saw	Inactive
100071	2003	ECHO	Blower	Inactive
100101	2004	STIHL	Pole Chain Saw	Inactive
100195	2006	ECHO	Edger	Inactive
100244	2007	ECHO	Blower	Inactive
100248	2007	ECHO	WEEDEATER/TRIMM	Inactive
100249	2007	ECHO	WEEDEATER/TRIMM	Inactive
100308	2008	ECHO	Blower	Inactive
100330	2008	ECHO	BackPack Blower	Inactive
100421	2010	STIHL	Chain Saw	Inactive
780684	2008	STIHL	CONCRETE SAW	Inactive
GEN018	2000	CATERPILLAR	175kwGenerator	Inactive
GEN021	1998	CUMMINS	300 KW GENERATO	Inactive

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GEN022	1998	CATERPILLAR	565 KW GENERATO	Inactive
GEN036	2000	ONAN	750 KW GENERATO	Inactive
GEN039	1998	ONAN	750 KW GENERATO	Inactive
GEN040	1999	DETRO	60 KW GENERATOR	Inactive
GEN043	1998	SPECTRUM	30 KW GENERATOR	Inactive
GEN066	1998	SPECTRUM	30 KW GENERATOR	Inactive
GEN067	1998	SPECTRUM	60 KW GENERATOR	Inactive
GEN071	1998	CATERPILLAR	ENGINE DIRECT P	Inactive
GEN097	1998	CATERPILLAR	ENGINE DIRECT P	Inactive
GEN099	1998	CUMMINS	100 KW GENERATO	Inactive
GEN193	2009	TRADE	45kwGenerator	Inactive
GEN194	2010	TRADE	60KW	Inactive
GEN195	2008	TRADE	45kwGenerator	Inactive
r80456	1999	SCOT	Mower	Inactive

Short term rentals

During 2015, we noted that there was approximately \$50,000 spent on common equipment and tool rentals. Although this is not a significant amount of money to spend, it might be possible to use some of the tools from other divisions that are not being used. We understand that some items in inventory are clearly earmarked for emergency and not available for sharing. However, there might be some opportunities for loaning some items on a short term basis.

To even consider this option, each division would first need to: (1) have the visibility of what is actually on-hand in the various locations throughout the county; and, (2) know what is available to borrow on a short term basis.

In Part 2 of this report (see page 17 Exhibit G), we provide some possible examples of rentals to the tools commonly used throughout the county to illustrate the tools rented may have already been available without renting.

Also presented is a comparison of the number of tools by department and by type (See Exhibit B, C, D, E and F on pages 10-16). We also reviewed the employees' job types/classifications within the department to compare the total number of equipment and tools with the number of employees in the divisions.

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The analysis that follows illustrates the need for the county to reevaluate its purchases and consider if a uniform warehousing system is feasible.

By not having a consistent system there are opportunities for buying more than needed and not controlling the tools and equipment within the assigned responsibility.

There are three parts to our analysis that are presented below.

1. PART 1 - This section includes the total small tools and equipment for the four departments and the age of the equipment. (See Exhibit B on page 10 through Exhibit F on page 16.)
2. PART 2 - This section includes examples of short term rentals compared to items already available in stock at a county warehouse. (See Exhibit G on Page 17).
3. PART 3- This section is an analysis of chainsaws in stock at the divisions. This is to illustrate the need for a central warehouse function to provide the county with more visibility. (See Exhibits H through L on pages 19-21.)

PART 1

The following Exhibits are included to present an analysis of small tools and equipment by department and by age.

Exhibit B	All Four Depts	See page 10
Exhibit C	Environmental Services	See Page 12
Exhibit D	Leisure Services	See Page 14
Exhibit E	Public Safety	See Page 15
Exhibit F	Public Works	See Page 16

Note: *There are many items included in the exhibits that follow are between 15 and 31 years old. These items may or may not be functional.*

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PART 1

Exhibit B – Small Tools and Equipment Combined for All Four Departments-Ages

Description:	Total	Under 5 Years Old	5 - 15 years old	Over 15 Years Old
Aero-vator	2		1	1
Air Compressors	33	9	18	6
Air Hammer	1	1		
Augers	7	1	4	2
Blowers/Backpack	86	38	40	8
Blower Cart/Goat	6	3	3	
Blower Vent	2		2	
Box Blade	2			2
Broom/Sweepster	1		1	
Brush Cat	1		1	
Brush Cutter/Chipper	5		4	1
Chemical App	4		4	
Concrete Mixer	6		6	
Concrete Vibrators	1			1
Cutter Rotary	1		1	
Digger Hole	1		1	
Drain Cleaner	1		1	
Drill Gas	2			2
Edgers	25	10	8	7
Foggers Colt	4		4	
Forklift	2		1	1
Generators	148	21	107	20
Golf				
Carts/Gator/ATV/Mule/Grizzy	40	10	27	3
Grinder Curb	1		1	
Groomers Field	5	2	3	
Jack Hammer	2		1	1
Lift	2		2	
Light Tower	7	2	2	3
Prism Light	1		1	
Military 6X6 (Antique)	2			2
Motor Outboard15	2		1	1
Mowers/Hog/Turf/Chopper	46	12	28	6
Multiquip SDW-225ss	1	1		
Paint Sprayer	2		1	1
Pavement Breaker	2			2

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Description	Total	Under 5 Years Old	5- 15 Years Old	Over 15 Years Old
Plant Cutter	4	2	2	
Plate/Imp Compactor	6	2	2	2
Press Hyd	1			1
Pressure Washers	18	0	14	4
Price HR30-60RO-Howard	1			1
Pro Sweep	1		1	
Pruner	7		7	
Pump Water/Floto	52	17	14	21
Rammer/Jumping	2		1	1
Rake Attachment	1		1	
Roll Staircase	1		1	
Saw Cement/Concrete	52	22	23	7
Saw Chainsaws	157	49	72	36
Saw Circular/Cut-off	23		19	4
Saw Pole Chainsaws	30	14	13	3
Saw Quikvent/Vent	29	9	19	1
Saw Rescue	34	3	31	
Saw Sawzall	1		1	
Shredder	1			1
Sidewalk Grinder	4	4		
Smoke Ejectors	32	8	19	5
Sod Cutter	3	1	1	1
Sprayers	10		6	4
Spreader	2	2		
Surface Cleaner	1	1		
Tamper	1		1	
Tanker 6000 Gallons	1			1
Tiller/SRM Cultivator	3	1	2	
Tracaire Earator	2	1		1
Tractor	10	3	6	1
Trailer Boat	1		1	
Trimmer Hedge	40	18	18	4
Vacuum	3		3	
Verticutter	1		1	
Walk Behindsaw	1		1	
Weedeater	19	7	10	2
Welder	3			3
Well Wizzard	1		1	
Total	1,013	274	565	174

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PART 1

Exhibit C - Environmental Services Small Tools and Equipment – Ages

Description:	Total	Under 5 Years Old	5 to 15 Years Old	Over 15 Years Old
Air Compressors	21	8	10	3
Auger	2		2	
Blowers/Backpack	6	1	4	1
Broom/Sweepster	1		1	
Concrete/Cement Saws	11		6	5
Concrete Mixer	1		1	
Cutter Rotary	1		1	
Digger Hole	1		1	
Edgers	1		1	
Generators	21		18	3
Jack Hammer	1			1
Light Tower	2		1	1
Maxi Lift	1		1	
Motor	1			1
Mowers	11	2	9	
Mule	6	1	4	1
Chainsaws	14	6	4	4
Saw CutOff	9		5	4
Pavement Breaker	2			2
Plate Compactor	1			1
Pole Chainsaws	1	1		
Press Hyd	1			1
Pressure Washers	6		3	3
Pruner	1		1	
Pump Water	17		3	14
Rake Attachment	1		1	
Rammer Diesel	1			1
Roll Staircase	1		1	
Smoke Ejector	1	1		
Tamper	1		1	
Tanker 6000 Gallons	1			1

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Description	Total	Under 5 Years Old	5 to 15 Years Old	Over 15 Years Old
Tiller	1		1	
Tractor	4		3	1
Trimmer Hedge	7	5	2	
Weedeater	4		4	
Welder	2			2
Well Wizzard	1		1	
Total	165	25	90	50

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PART 1

Exhibit D – Leisure Services Small Tools and Equipment - Ages

Description:	Total	Under 5 Years Old	5 to 15 Years Old	Over 15 Years Old
Aero-vator	2		1	1
Air Compressors	2		1	1
Augers	3	1	2	
Blowers/Backpack	24	12	10	2
Blower Cart/Goat	6	3	3	
Box Blade	2			2
Brush Cutter/Chipper	5		4	1
Drill Gas	2			2
Edgers	12		5	7
Generators	3		3	
Golf				
Carts/Gator/ATV/Mule	17	5	11	1
Groomers Field	5	2	3	
Mowers/Hog/Zeroturn	27	9	14	4
Pole Chainsaws	5	1	2	2
Pressure Washers	6		6	
Pro Sweep	1		1	
Pruner	5		5	
Pump Water	5	4	1	
Chainsaws	23	5	15	3
Saw Vent	1		1	
Sod Cutter	1	1		
Sprayers	4		2	2
Spreader	1	1		
Tiller/SRM Cultivator	2	1	1	
Tracaire Earator	2	1		1
Tractor	6	3	3	
Trimmer Hedge	22	7	11	4
Vacuum	1		1	
Verticutter	1		1	
Weedeater	6		4	2
Total	202	56	111	35

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PART 1

Exhibit E – Public Safety Small Tools and Equipment - Ages

Description:	Total	Under 5 Years Old	5 to 15 Years Old	Over 15 Years Old
Air Compressors	2		2	
Blowers/Backpack	16	8	7	1
Blower Vent	2		2	
Generators	53	6	43	4
Golf				
Carts/Gator/ATV	11	2	8	1
Light Tower	4	2	1	1
Prism Light	1		1	
Military 6X6	2			2
Mower	1		1	
Pump Water/Floto	17	7	9	1
Chainsaws	40	4	24	12
Saw Cutt- off/Circular	10		10	
Saw Vent/Quikvent	28	9	18	1
Saw Rescue	34	3	31	
Saw Sawzall	1		1	
Multiquip SDW- 225ss	1	1		
Smoke Ejector	31	7	19	5
Total	254	49	177	28

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PART 1

Exhibit F – Public Works Small Tools and Equipment-Ages

Description:	Total	Under 5 Years Old	5 Years to 15 Years Old	Over 15 Years Old
Air Hammer	1	1		
Air Compressors	8	1	5	2
Augers	2			2
Blowers/Backpack	40	17	19	4
Brush Cat	1		1	
Concrete Mixer	5		5	
Chemical App	4		4	
Concrete/Cement Saws	41	22	17	2
Concrete Vibrator	1			1
Drain Cleaner	1		1	
Edgers	12	10	2	
Foggers Colt	4		4	
Forklift	2		1	1
Generators	71	15	43	13
Golf Carts/Grizzly/Mule	6	2	4	
Grinder Curb	1		1	
Jack Hammer	1		1	
Lift	1		1	
Light Tower	1			1
Motor Outboard15	1		1	
Mowers/Hog/Chopper/Turf	7	1	4	2
Paint Sprayer	2		1	1
Plant Cutter	4	2	2	
Plate/Imp Compactor	5	2	2	1
Pole Chainsaws	24	12	11	1
Pressure Washers	6		5	1
Howard Price HR30-60RO	1			1
Pruner	1		1	
Pump Water	13	6	1	6
Rammer/Jumping	1		1	
Chainsaws	80	34	29	17
Saw Cutoff	4		4	
Shredder	1			1
Sidewalk Grinder	4	4		

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Description	Total	Under 5 Years Old	5 to 15 Years Old	Over 15 Years Old
Sod Cutter	2		1	1
Sprayers	6		4	2
Spreader	1	1		
Surface Cleaner	1	1		
Trailer Boat	1		1	
Trimmer Hedge	11	6	5	
Vacuum	2		2	
Walk Behindsaw	1		1	
Weedeater	9	7	2	
Welder	1			1
Total	392	144	187	61

PART 2

Exhibit G – Tools and Equipment Rentals

DESCRIPTION	Rental Expenses	Per Fleet Records – Items Owned by Seminole County
Air Compressor	\$ 286.43	33
Air Hammer Chisel/Moill Pt	\$ 123.00	1
Auger /Head /Bit	\$ 285.50	7
Cars Golf	\$ 1,348.00	10
Excavator	\$ 4,404.72	15
Generator	\$ 8,089.58	321
Hammer Breaker	\$ 138.00	2
Loader	\$11,240.00	21
Manlift/Boom Lift	\$ 8,956.38	3
Mower	\$ 2,636.00	52
Skidsteer	\$ 3,369.98	8
Stump Grinder	\$ 7,121.51	3
Tiller	\$ 378.25	3
Trailer	\$ 30.00	77
Trencher /Ditch Witch	\$ 346.50	3
Total	\$48,753.85	

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PART 3

(Chainsaws in Stock by Department)

The county has in its official records a total of 157 chainsaws. The saws are distributed to several different divisions. The following Exhibits H to K, illustrate the number of chainsaws in relation to the number of employees.

Exhibit H - Environmental Services	See Page 19
Exhibit I - Public Works	See Page 19
Exhibit J – Leisure Services	See Page 20
Exhibit K – Public Safety	See Page 20
Exhibit L – Average Age of Chainsaws	See Page 21

PART 3

Exhibit H – Environmental Services (Chainsaws to Employee Ratio)

ENVIRONMENTAL SERVICES			
<i>Division</i>	<i># of Employees</i>	<i># of Chainsaws</i>	<i># of Chainsaws Per Employee</i>
Water Management	40	12	0.30
Wastewater Management	22	1	0.05
Landfill Operations	18	1	0.06
Total	80	14	0.18

Exhibit I – Public Works Department (Chainsaws to Employee Ratio)

ROADS			
<i>Division</i>	<i># of Employees</i>	<i># of Chainsaws</i>	<i># of Chainsaws Per Employee</i>
District 1 & 4	20	24	1.20
District 2 & 3	13	14	1.08
District 5 & Asphalt/Drainage	<u>19</u>	<u>12</u>	<u>0.63</u>
Total – Roads	52	50	0.96
STORMWATER	20	17	0.85
INSPECTORS	6	3	0.50
PW – FACILITIES	19	3	0.16
PW – STORAGE	<u>3</u>	<u>7</u>	<u>2.33</u>
Total - All Public Works	100	80	0.80

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Exhibit J – Leisure Services (Chainsaw to Employee Ratio)

LEISURE SERVICES			
<i>Division</i>	<i># of Employees</i>	<i># of Chainsaws</i>	<i># of Chainsaws Per Employee</i>
Natural Lands	1	3	3.00
Passive Parks	8	13	1.63
Red Bug Lake Park	4	3	0.75
Sanlando Park	5	1	0.20
Sylvan Lake Park	3	2	0.67
Soldiers Creek Park	1	1	1.00
Total	22	23	1.05

Exhibit K – Public Safety (Chainsaws to Employee Ratio)

PUBLIC SAFETY			
<i>Division</i>	<i># of Employees</i>	<i># of Chainsaws</i>	<i># of Chainsaws Per Employee</i>
All	332	40	0.12

We also looked at the average age of all of the chainsaws to get an idea of how many might be obsolete and no longer functional. In Exhibit L that follows there are 38 of 157 (24%) are age 15 to 31 years old.

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Exhibit L – Average age of Chainsaws

Age	# of Chainsaws
Under 5 Years Old	49
5 years to 9 years Old	32
10 years to 14 years old	38
15 years to 19 years old	30
20 years to 31 years old	<u>8</u>
Total	<u>157</u>

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The Office of the Clerk of the Circuit Court and Comptroller

Current Status

1. Some divisions are reviewing their current equipment and many items have already been sent to Fleet to be sent to auction or removed from inventory. There needs to be a consistent and objective process to: identify the items to be salvaged; and to identify objectively what new items need to be procured.
2. The Division Manager of Fleet and Facilities and the Purchasing Manager are in the process of developing a revised RFP for upcoming contract negotiations for fleet maintenance.

Recommendations

1. Update County Manager Policies Manual to address responsibilities at the division level to provide an internal inventory record of small tools on hand, assignment, and location. This policy needs to address how each division is to handle warranty issues and assignment of preventative maintenance responsibilities.

Management Response (to #1)

Seminole County endeavors to provide transparency and diligence in managing its inventory control systems. We concur with the Clerk's recommendation of system improvements within the divisions and offer to further investigate areas of improvement that may be applicable.

Audit Comment

There are many long term benefits of having an organized plan. The County needs to establish effective internal controls that address: (1) ordering new tools; (2) maintenance (and manufacturers warranties); and (3) useful life policies for effective administration. We continue to recommend that the County Manager's Policy be updated to include responsibilities at the division level. Please provide copies of revised policies and procedures no later than May 31, 2016.

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Recommendation

2. Establish an object account or subsidiary ledger to account for small tools and portable equipment purchases to provide added visibility and description of what has been purchased by each division.

Management Response (to #2)

"In reviewing the implementation of an object account or subsidiary ledger against the desired expectation of visibility, the County respectfully disagrees that this would provide the targeted goal."

Recommendation

3. Each division should schedule an annual review of its small tools and equipment which includes documenting the physical condition of each item and date the physical condition was reviewed.

Management Response (to #3)

The County concurs with the Clerk's recommendation. Several departments are already involved with annual tool reviews with the Clerk's office and the remaining will strive to include all departments in the future. The Fleet / Facilities Division has sent out an inventory which includes all small tools to each Department for review as of 2/11/16.

Audit Comment

This is a step in the right direction. Please kindly furnish a copy of the annual inventory schedule and the completed inventory report (with the appropriate backup) so that we can monitor completion of this action.

Recommendation

4. Implement a uniform warehousing system throughout the county that provides for a consistent process among all divisions. Departments should explore the possibility of sharing tooling and equipment to reduce costs to the taxpayers.

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Management Response (to #4)

"In reviewing the implementation of a uniform warehousing system throughout the County as a means of providing consistency, we respectfully disagree that this would provide the targeted goal. In addition, the possibility of sharing tools across functions would generate additional cost due to increased fuel consumption due to dispersed work sites, reduce productivity from added windshield time, and greater administration oversight in tracking and reconciling."

Audit Comment

The County needs to be able to determine the tools that they have on hand and how often, if ever, these tools are used. With a uniform system, the county will have a better handle of the tools being used and if some may be obsolete and no longer needed. The JD Edwards Inventory Module currently in use by Environmental Services provides this detailed tracking information.

Having a centralized system provides visibility and management has the capability to transfer tools to different departments if needed. We are not suggesting that all of the tools are stored in one location but the County has a system to identify exactly the tools on hand and the frequency of use by employees. Having this information available can be useful in ordering of new tools.

Management Response (from page 5)

"Seminole County elects to utilize the most efficient or applicable tool or resource for the task at hand. In the case of a tree service in lieu of county owned chain saws, the two items in many cases are not directly interchangeable. The selection of a tree service is dependent on the size and location of the tree to be removed. In most cases safety measures, equipment and expertise is needed by a specialist. Some examples include a tree located under a power line, close proximity to a wall, roof or vehicular traffic. Other examples include large caliber trunks or extensive root systems. These scenarios could not be effectively, efficiently, or safely addressed by a chain saw designed by the manufacturer for routine small caliber cuts. Therefore the two methods are used independently and appropriately to ensure safety and minimal risk."

All Fire Department Engine Companies, Tower/Ladder Companies, and Squad Company carry a minimum of (3) saws and some specialized units carry four saws.

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Many times these circular saws carry metal and wood cutting blades which require two different saws plus a vent saw for sole purpose of cutting roofs/walls and a regular chain saw for different functions on various emergency scenes. Additional chain saws are on are brush/woods trucks that conduct wildfire operations and prescribed burns. We also additionally carry a cache of special length tree saws for use during hurricane season and peak wildfire seasons when we upload additional emergency units for deployments. In addition, we carry a small cache of all saws for reserve status to replace units when first line units are out of service for repairs or routine maintenance.

We believe are numbers are consistent with the minimum number of units to maintain our emergency readiness response and efficiency and currently offer no adjustments to our inventory. We also carry inventory numbers on these units and sticker them according to what unit they are carried on for the purpose of tracking. All other small equipment listed on page (15) is required equipment for our mission of delivering emergency services during normal operations, peak times and special events experienced throughout the year. We are experiencing a reduced need for portable generators in the future as we replace our frontline Engines and Tower/Ladders as we have moved to hydraulic generator on the new units and we will be surpluses older units as they are replaced by new apparatus.

Though the County agrees with the Clerk's position on providing the most accurate data when soliciting for our Fleet Maintenance bid, we respectfully disagree with the analysis regarding potential savings.

The Clerk's report illustrates (49) items that were deemed obsolete when this bid was advertised though in actuality, it appears through research only (6) items were obsolete at the time the bid was posted by Purchasing on 1/19/2012 at 7:00 p.m. and could be reduced to (2) depending on when the list was pulled from the FASTER system in bid preparation. Per the bid agreement in Section 2.1, "the COUNTY may add or delete additional Vehicles to the listing of Vehicles in accordance with the terms of this Scope of Services; provided, further, however, that upon any increase/decrease in the number of Vehicles which exceeds two percent (2%) of the latest annual inventory, the parties agree to a cost adjustment at a rate of the average yearly unit maintenance cost (parts and labor combined) for the particular classification of vehicle(s); provided, further, however, that all reviews for adjustments shall be accomplished on an annual basis after the yearly inventory has been issued by the County and agreed upon by the Contractor;". In this case, the County would not have gained or lost money for the taxpayer due to these parameters within the contract."

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Audit Comment

We agree there are many situations that require a professional tree service company for safety reasons. We do not take exception to this practice.

The issue in this report is more focused on the number of saws available in the department measured against the number of employees. For example, in Exhibit J (on page 20), there were 23 chainsaws in stock to support 22 Leisure Services employees. In Exhibit I (on page 19) there are 80 chainsaws to support roughly 100 employees.

We understand, in theory, the thought process for using tree companies versus using staff. The point being made is that if tree companies are being used on a regular basis, there may not need to be so many saws on hand.

The Public Safety Department presented justification for the chain saws and equipment to support their mission but there was no response from Leisure Services or Public Works.

As far as the list of inactive items submitted for the bid submittal. The point here is that staff really needs to take a close look at the items being submitted for bid to minimize the cost of the contract. The issue has been discussed with management and we believe they understand and are taking the proper steps.

The bottom line here is that if the county knows there is an upcoming bid on Fleet it needs to closely evaluate what is going to be maintained by the Fleet Services contractor.