



# PROPERTY EDUCATION ROUNDUP

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*Value Through Professional  
Asset Management*

# Fleet Management as a Property Activity

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*Time/Date of Session*

*Summary/ Additional Information*

# Sandia Labs Fleet Services

- Part of the Facilities Infrastructure Maintenance Group
  - Annual operating budget of ~\$10.5M
    - Roughly half for operations and maintenance, rest for GSA leases
- Three managers, 42 staff members
  - Mechanics
  - Support Technicians
  - Admin staff
  - Matrixed IT Support Staff
- Responsible for the entire life cycle of vehicles, motorized, and trailing equipment for all Sandia sites
  - Last valued at ~\$63M (leased vehicles not included)



# Fleet Composition

- 898 motor vehicles
- Fleet size is capped by NNSA
  - 870 are leased through the General Services Administration
    - Passenger vehicles, light duty trucks, and maintenance/utility bodies
  - 28 are Agency-Owned
    - Specialty vehicles not available through GSA Leasing
      - Garbage trucks
      - Street sweeper
      - Dumpster hauler
      - Roll-Off Container truck
      - Bucket/Hi-Line trucks
      - Sewer vac trucks



# Fleet Composition

- Large number of motorized and trailing equipment pieces
  - ~1,900 across all sites
  - Material handling equipment (forklifts, telehandlers)
  - Generators
  - Light plants
  - Electric carts/Low Speed Vehicles (over 600)
  - Aerial/boom lifts
  - Trailers of all shapes and sizes
  - Yellow iron
    - Motor graders, wheel loaders, backhoes, cranes, etc.
  - Lots of “one-off” stuff (i.e. mobile fall protection)



# Fleet Administration

- As a federal fleet, we are subject to the Code of Federal Regulations in how we manage the fleet.
  - 49 CFR 102-34 (Motor Vehicle Management)
  - 49 CFR 109 (DOE Property Management Regulations)
- Also subject to Executive Orders & Directives
  - Recent Gov't Fleet Electrification order
  - Reduction in fuel consumption and GHG emissions
  - Telematics
  - Lots of other good stuff



# Fleet Management Philosophy

- Fleet Services is a support organization focused on providing world-class transportation and maintenance support to Sandia's mission areas
- In addition to maintenance and vehicle/equipment management, we provide:
  - Mobile/remote fuel support
  - On-site/field maintenance
  - Critical/Mission Essential Standby Generator Maintenance
  - Commercially licensed driver support for intra/interstate moves
  - Fabrication/modification services for trailers and equipment



# Fleet Life Cycle - Acquisition

- Leased vehicles require annual ordering through GSA
  - Attention to detail needed to ensure that the right replacement vehicle is ordered (Big Dump Truck)
  - Requires substantial advance planning
    - We start planning for the ordering cycle as soon as possible, usually in October
    - Try to get advance notice from GSA of what we can expect to turn in
  - Evaluation of customer current vehicle and replacement needs
    - Minimum lease length is 5 years, can be as long as 12 depending on type
    - Long time to live with the wrong vehicle, no such thing as trade-in!



# Fleet Life Cycle - Acquisition

- Wanted this:



# Fleet Life Cycle - Acquisition

- Got this:



# Acquisition Con't

- Agency owned vehicles must follow corporate procurement process
  - Can be cumbersome and difficult
  - Many procurements complicated due to high cost or technical requirements
  - Federal money requires competitive procurements wherever possible
- Sandia has “cracked the code” by using GSA to do the research
  - Specs and SOW communicated to Customer Service
  - GSA polls all contract holders in that schedule (category)
  - Interested contract holders invited to bid on RFQ when released
  - Satisfies federal requirement for market survey & competition
  - Pricing easy to justify since it is a GSA schedule vendor



# Acquisition Con't

- Equipment acquisitions also need care and planning
  - Many equipment pieces require factory ordering
    - Meet Sandia standard build specs (cab, fork attachments, features)
    - Larger equipment is build to order due to high cost to fabricate
    - Long lead times (can be up to 9 months in some cases)
    - Internal/federal acquisition rules can delay purchases
  - Careful coordination with customer is essential to getting the right item
    - Must understand the customer's business and their needs
    - Determine "need to have" vs. "nice to have"
  - Good relationships with vendors is critical to success for all



# Asset Management

- Accurate record keeping throughout life cycle is critical
- Fleet Services uses an off-the-shelf fleet management suite
  - Same vendor for over 20 years
  - COTS tool allows for regular updates vs. expensive custom systems
  - Records all activities from acquisition through disposition
- Fleet assets also tracked through property management system based on value thresholds



# Maintenance Management

- All work performed is recorded on a Fleet Focus work order
  - Work recorded as either a Preventive Maintenance (PM) or Repair order
  - Commercial work orders also tracked
- Records maintenance history for the entire life cycle of the asset
  - Work codes, dates, technicians, notes
  - Also tracks costs including fuel
  - Useful for creating reports when decisions need to be made
- Decision and report quality only as good as the data
  - Accurate work management and tracking is critical



# Maintenance Management Con't

- Good business practices important
  - Vehicles can be very expensive to maintain
  - Easy to rack up expenses quickly
  - Use of data is key to making good decisions
- Acquisition cost, utilization, age, total life cycle cost all factors
  - Repair vs. retire
  - Large single repair for older units raise most questions
  - Customers have favorites and don't want to let go (Lull telehandler)
- Don't forget about warranties – most manufacturers offer good ones



# Protecting Your Investments

- Vehicles and equipment treated like all other attractive property
  - Some pieces are extremely expensive
  - Barcoded, tracked, and inventoried
  - Many use common keys
  - Find ways to secure the assets without hindering production
  - Consider use of GPS or other ways of tracking assets
- Vehicles subject to theft like any other
  - Government plate is no barrier to crime (more like a magnet?)
  - Catalytic converter theft becoming popular
    - Can cost thousands of \$\$



# Protecting Your Investments



# Disposition

- Fleet retires assets based on what they are
  - GSA leased vehicles get identified for turn in by GSA
  - Agency owned equipment more complicated (age, cost to repair, etc.)
  - GSAXcess is used when retiring agency owned vehicles – 100% success rate so far
- Almost all equipment sent to auction
  - Sandia uses a local auctioneer
  - Several auctions per year (3 auctions for FY21, 118 items auctioned)
    - Over \$275K in auction revenue in FY21
    - Funds offset replacement unit costs (limited by Federal Stock Category)
    - Serviceable units bring significantly higher returns
- Trade-ins are also a good option



# Summary

- Fleet is a property management activity as well as a maintenance operation
- Fleets can cost millions of dollars
- Good management of assets can save funds for years to come
- Use data to make good business decisions
- Bad management can lead to loss, damage, and high costs
- A good fleet keeps your team moving. Take care of it!



# Thank you for this opportunity!

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# QUESTIONS?

SESSION NOW OPEN FOR  
QUESTIONS AND COMMENTS.