



PROPERTY

EDUCATION ROUNDUP

Hyatt Regency Dallas, Dallas, TX
August 22-25, 2022



*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.