

Agency Name	Department of Transportation
Audit Name	Fleet Management
Audit Period	November 2014
Status Report Date	August 22, 2019

Summary of Audit Observations/Findings					
Number	Observation Title	Status [place X in status column]			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
1	Periodically Review Fleet Size and Composition		X		
2	Review Controls over DOT Fleet Purchases				X
3	Adopt Formal Guidelines and Review Fleet Utilization		X		
4	Track Utilization of Rented Equipment				X
5	Consistently Report Non-Business Mileage	X			

Observation 1: Periodically Review Fleet Size and Composition

Summary of Finding:

We recommend the DOT periodically conduct a right-sizing analysis to determine whether divisions and bureaus have the appropriate number and mix of vehicles and equipment to fulfill their mission. The analysis should include identifying any changes to the DOT's mission and transportation system, and whether efficiencies can be gained by employing alternate types of equipment.

Current Status: Partially Resolved

A subcommittee within the NHDOT Equipment Needs Committee (ENC) was tasked to meet with individual bureaus to determine the appropriate size and composition of their respective fleet. Formal efforts were hampered by employee turnover in key positions; however the individual bureaus are contacted when vehicles or equipment is scheduled for replacement as part of the proposed fleet purchase plan. The Bureaus are asked to review their equipment needs and to provide input of the type, size and configuration of new fleet purchases. In several cases, the existing fleet unit has been re-configured or even repurposed. The Fleet purchases and any changes in vehicle type or assignment is formally documented and approved by the Department's Director of Operations and/or by the Director of Procurement in the Department of Administrative Services.

The Department has struggled to manage this requirement with existing resources. Therefore, the department has requested in the 20/21 budget an additional employee to manage the efforts needed to complete this initiative. Formal meetings are expected to reconvene in the next fiscal year.. A formal process will be developed to evaluate number, mix and alternative types of equipment.

Observation 2: Review Controls over DOT Fleet Purchases

Summary of Finding:

The Legislature may wish to consider whether the controls it has placed over DOT fleet purchases encompass all the bureaus and types of equipment the Legislature wants reviewed.

Current Status: Fully Resolved

The Department worked within the budget development process and eliminated a budget footnote that required the Capital Budget Oversight Committee and Governor and Council to approve an acquisition plan prior to any purchases. This elimination streamlines the timeline to purchase fleet units. In the 2018-2019 Budget, the budget footnote that requires the Department of Administrative Services to approve all equipment purchases was changed to include only leases or lease purchases.

The Legislature has not taken any other action to alter the controls over DOT purchases. The Department considers this item fully resolved.

Observation 3: Adopt Formal Guidelines and Review Fleet Utilization

Summary of Finding:

We recommend DOT management:

- **Establish formal annual utilization guidelines in order to better manage its fleet,**
- **Analyze utilization at a Department-wide level to determine whether opportunities exist to increase utilization of its fleet, and**
- **Explore ways to increase cross-utilization of equipment.**

Current Status: Partially Resolved

A subcommittee of the NHDOT Equipment Needs Committee developed proposed utilization targets that were submitted to the Director of Operations for approval.

The Department had submitted requests to DoIT to modify our existing computer system MATS (Managing Assets for Transportation Systems) to house utilization targets and report thereon, but these efforts have been suspended while the Department works on procuring and instituting a new fleet management Work Order System. Proposals for this new computer system have been received and it is anticipated that implementation will be completed in calendar year 2021. Business rules and reporting will be established during implementation to allow for the analysis of equipment utilization.

Once the new system has been implemented and sufficient data has been collected, a formal process will be developed to explore ways to increase cross-utilization of equipment and analyze data from fleet management system to identify opportunities for improvement.

Observation 4: Track Utilization of Rented Equipment

Summary of Finding:

We recommend DOT management track the number and usage of all its rented equipment with one system.

Current Status: Fully Resolved

NHDOT made changes to its MATS software to track all Rented Equipment. The Department currently reports to G&C annually all rented equipment expenses by vendor.

Observation 5: Consistently Report Non-Business Mileage

Summary of Finding:

We recommend the DOT ensure all of its bureaus are interpreting DAS and DOT reporting of non-business miles polices in a consistent manner, including reviewing the appropriateness of allowing:

- **The Bureau of Turnpikes to report non-business miles from home to when employees first enter the turnpike system, instead of when they reach their assigned work shed; and**
- **Bureaus to modify the definition of non-business miles.**

We also recommend the DOT work with the DAS to determine the appropriateness of reporting all mileage of field-based positions as non-business miles under current policies.

Current Status: Unresolved

A memo with recommendations was developed by a subcommittee of the NHDOT Equipment Needs Committee. This memo was submitted to the Attorney General's (AG's) office for review and comment. It was recommended by the AG's office that the department wait on a response and direction from the Attorney General's office and updates by Administrative Services to the Travel and Business Mileage Manual of Procedures (MOP). The Department has provided input to the proposed MOP and routinely requests when updates to the MOP will be released. When the Department receives the revised guidance it will implement the recommended changes consistently throughout DOT.