

# 2019 Hobart International Public Works Conference

## Conducting a Plant & Vehicle (Fleet) Management Health Check

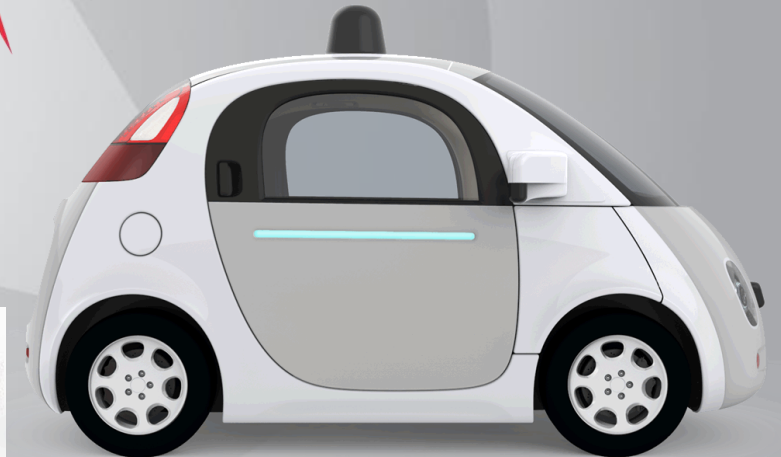
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*Executive Officer & Director Fleet, Institute of Public Works  
Engineering Australasia*



# Fleet Management in Australia

- The fleet community in Australia is facing unprecedented change and challenges ..... data, technology, ageing workforce
- Constant pressure to reduce cost and increasing **compliance obligations** are impacting how fleet is managed



# Organisations in Australia under invest in fleet management resources and processes

- Contribution of the fleet to the organisation's performance not well understood
- Direct beneficiaries of sound fleet management practices are mostly internal
- Magnitude of cost of the fleet is not appreciated
- Effective fleet management practices can be expensive to implement
- Fleet is a cost, not a (direct) revenue or profit producer



# Pressure on Fleet Managers

- Hold onto fleet longer
- Cut costs
- Outsource more activities
- Do more with less

What can I do?

Answer

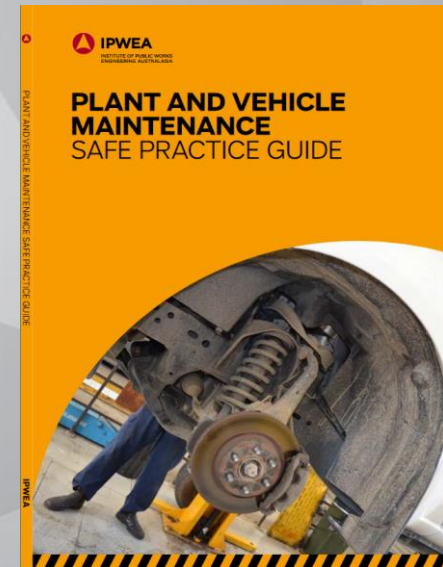
IPWEA Fleet Health Check



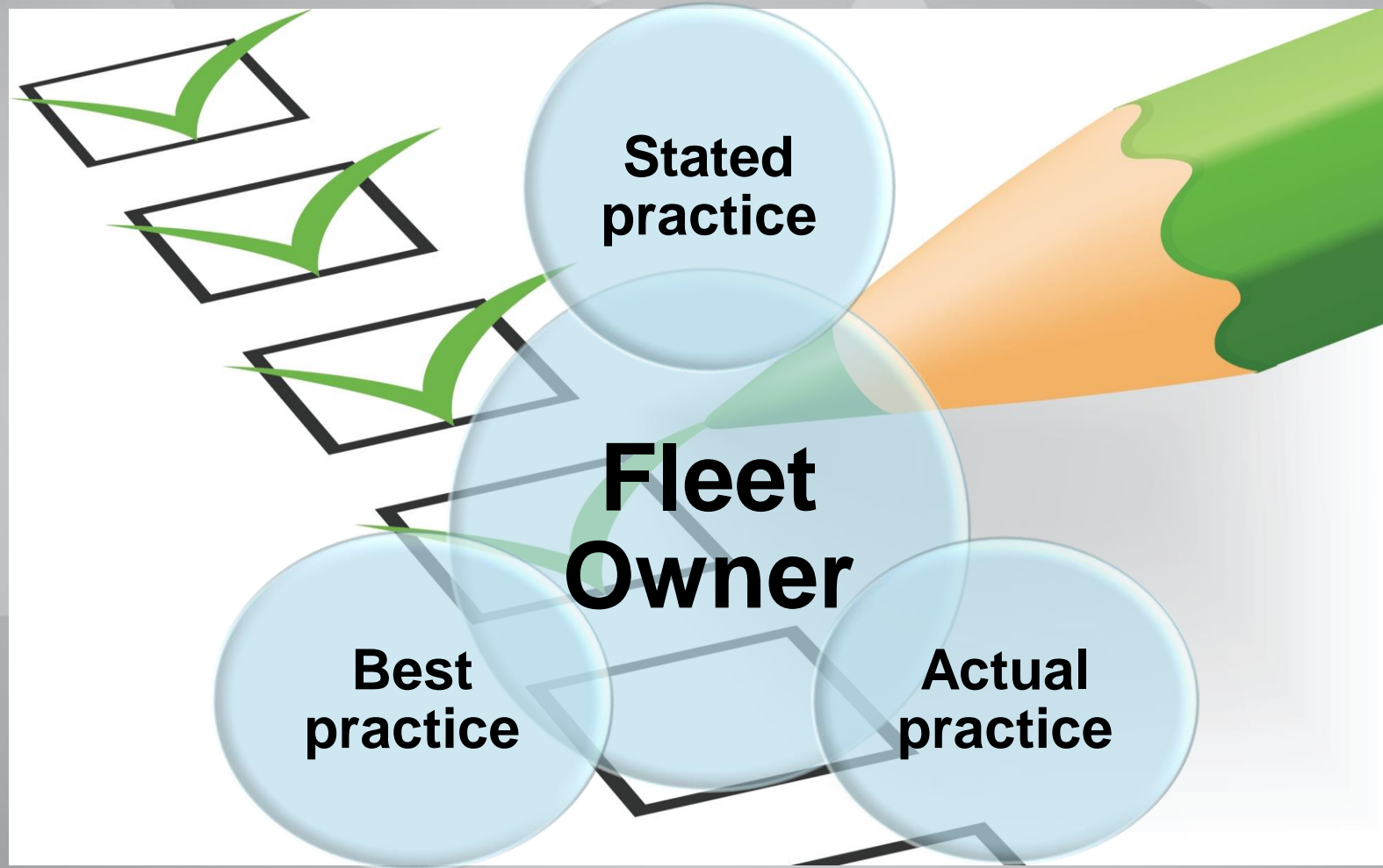


# IPWEA Fleet Health Check

- Designed to assess capability and guide improvement
- Identifies areas performing well and specific opportunities for improvement
- Based on IPWEA's best practice guides: *Plant & Vehicle Management Manual* and *Plant & Vehicle Maintenance Safe Practice Guide*
- Draws on knowledge of experienced fleet managers and practicing fleet consultants



# Compares



# Independent Third Party Assessment



- Undertaken by the organisation's Fleet Manager in conjunction with IPWEA FLEET to provide an independent review of a fleet operation
- Assess the organisations readiness for the future

The screenshot displays a Microsoft Excel spreadsheet titled "Fleet Management Health Check". The spreadsheet is organized into sections for contact details, fleet statistics, and a series of questions. The IPWEA logo is visible in the top right corner of the spreadsheet area.

**IPWEA FLEET**

**Fleet Management Health Check**

1. Name of organisation  
2. Contact name  
3. Contact's position  
4. Phone  
5. Mobile  
6. Email  
7. Fleet Details  
8. Quantity of passenger cars  
9. Quantity light commercial vehicles  
10. Quantity heavy vehicles  
11. Quantity heavy plant  
12. Quantity light plant  
13. TOTAL FLEET SIZE  
14. Number of workshops  
15. Number of fleet management and administration staff (FTE)  
16. Number of workshop staff (FTE)

**Item** **Question** **Response (from drop down) Select as many as** **Comment** **Document**

1.1 Do you have a fleet list recording asset data for each item in the fleet? Please select the data you record from the drop down. Please attach the fleet list

1.2 Is the fleet list generated from a Fleet Management Information System or other?

1.3 Do you perform an asset inventory check at least annually?

1.4 Do you have a report that details actual utilisation of individual fleet assets in hours and / or km? (please attach)

1.5 Do you have a useful life policy for your fleet assets defining replacement timing per asset type? (please attach)

**2. Organisation and General Management Practices**

2.1 Do you have a Fleet Asset Management Plan? (please attach)

2.2 Do you have an annual Fleet Business Plan? (please attach)

**Instruction for embedding documents into the questionnaire:**

1. Click on the cell where you want to embed the document
2. Select the "Insert" tab (top of screen, 3rd from left)
3. Select "Object" from tool ribbon (Object dialog box will open)
4. Select "Create from File" tab
5. Click "Browse"
6. Locate the required file and click on it to highlight it
7. Click "Insert"
8. Check "Display as icon"
9. Click OK
10. Click on icon and modify the size as required

# Health Check Methodology

- **12** core attributes broken down into further detail covering a total of **63** individual fleet management attributes
- Each attribute is given a score based on defined scoring criteria
- Scores then averaged to provide an overall score for the assessment area. Scores are not weighted to avoid un-necessary complexity

Score	Descriptor
0	Not available
1	Commenced work in this area, very limited availability
2	Some application, moderate, developing
3	Fully developed, working well, proven approach

IPWEA FLEET		IPWEA INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA	
Fleet Management Health Check			
Item	Question	Response (from drop down) Select as many as applicable	Comment
<b>1</b>	<b>Overview</b>		
1.1	Do you have a fleet list recording asset data for each item in the fleet? Please select the data you record from the drop down. Please attach the fleet list		
1.2	Is the fleet list generated from a Fleet Management Information System or other?		
1.3	Do you perform an asset inventory check, at least annually?		
1.4	Do you have a report that details actual utilisation of individual fleet assets in hours and / or km? (please attach)		
1.5	Do you have a useful life policy for your fleet assets defining replacement timing per asset type? (please attach)		
<b>2</b>	<b>Organisation and General Management Practices</b>		
2.1	Do you have a Fleet Asset Management Plan? (please attach)		
2.2	Do you have an annual Fleet Business Plan? (please attach)		
2.3	Do you have and maintain a set of authorised policies and procedures for key fleet management functions? (please select those you have from drop down and attach)		
2.4	Does your organisation require a Business Case for any new additional		

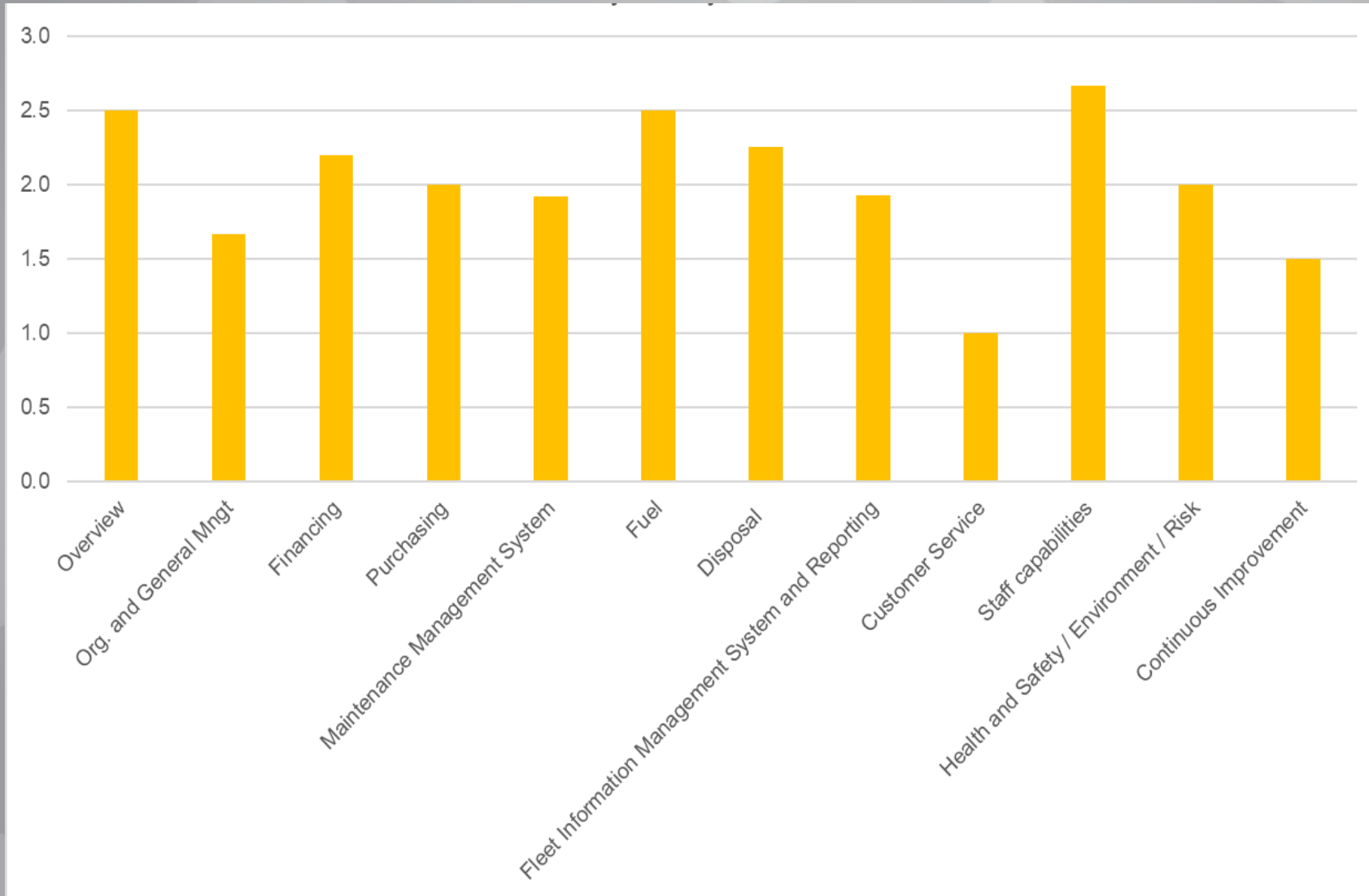


# Process

- Review completed remotely by the organisation
- An IPWEA FLEET professional assessor is then assigned to review and assess your response
- Report detailing process undertaken, opportunities for improvement and key recommendations
- Graphical score card
- Assessment summary



# Case Study Score Chart Summary for the Core Attributes



# Case Study Recommendations

No.	Area / Recommendation	Priority
Overview		
1	Document notional useful lives for various asset classes in policy	Medium
Organisational and General Management		
2	Prepare a Fleet Asset Management Plan in line with IPWEA guidelines	Medium
3	Develop a Fleet Business Plan to detail business-as-usual and improvement initiatives	Medium
4	Document procedures for key life cycle management activities for the fleet	Medium
Finance		
5	Develop and monitor a fleet operational budget	High
Purchasing		
6	Include safety and environmental criteria in purchasing decisions	High
7	Augment procurement reports to include assessment criteria and associated evaluations based on a best value assessment	Medium
Maintenance Management System		
8	Record service records within the FMIS	High
9	Document processes for the prioritisation of maintenance and repair	Medium
Fuel		
10	Expand fuel exception reporting to include overfill and incorrect fuel type parameters	Medium
11	Consider integrating fuel management into the FMIS	Medium
Disposal		
12	Review plant disposal processes to ensure compliance with Work Health and Safety Regulations	High
13	Routinely review residual values against industry benchmarks	Low
Fleet Management Information System and Reporting		
14	Document key FMIS procedures	Medium
15	Consider the introduction of a maintenance coding system	High
Customer Service		
16	Consider the development of a fleet Service Level Agreement	Low
Staff Capabilities		
17	Document a succession plan for all fleet positions	Medium
Health and Safety / Environment / Risk		
18	Introduce an ANCAP 5 Star minimum rating for passenger cars and light commercial vehicles	High
19	Undertake a broad-based fleet risk assessment	Medium
20	Assess compliance with Chain of Responsibility obligations	High
Continuous Improvement		
21	Develop a Fleet Improvement Plan (as part of the Fleet Asset Management Plan)	Medium

# Key Performance Areas for Fleet

- Utilisation
- Optimum replacement timing
- 10-Year Replacement Plan
- Whole of Life Costs
- Downtime
- Proactive Maintenance



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# What you need to know

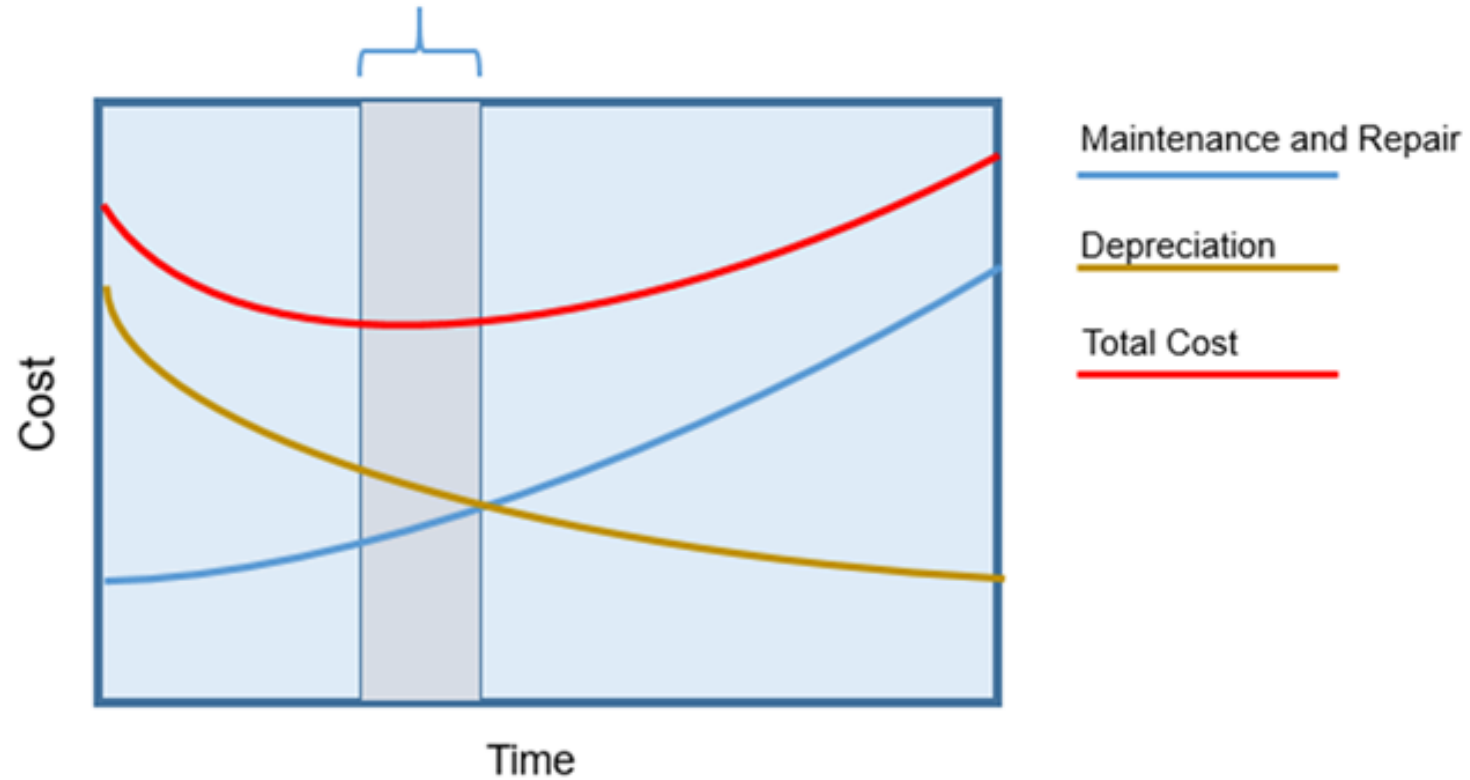
## Utilisation





# What you need to know

## Optimum Replacement Timing

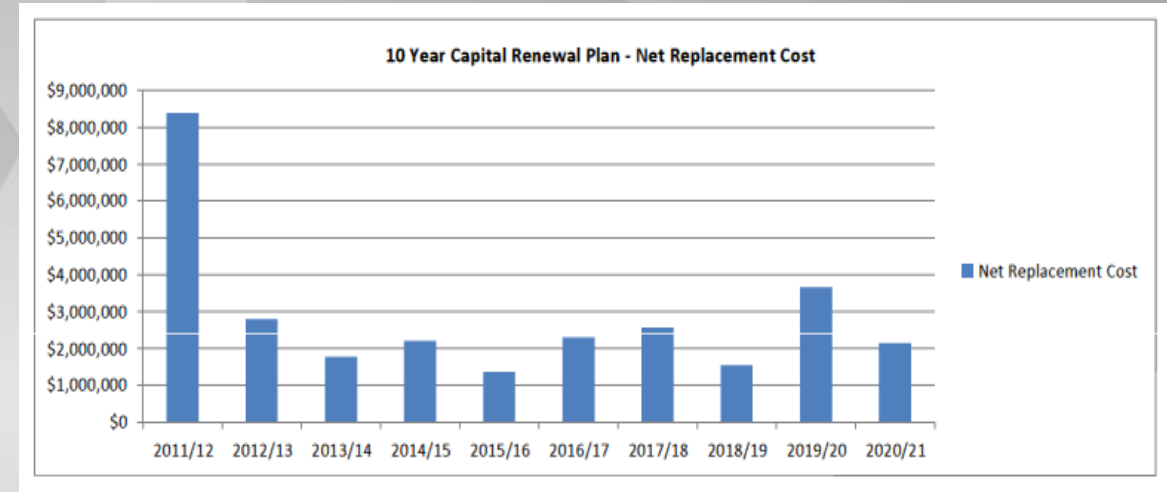


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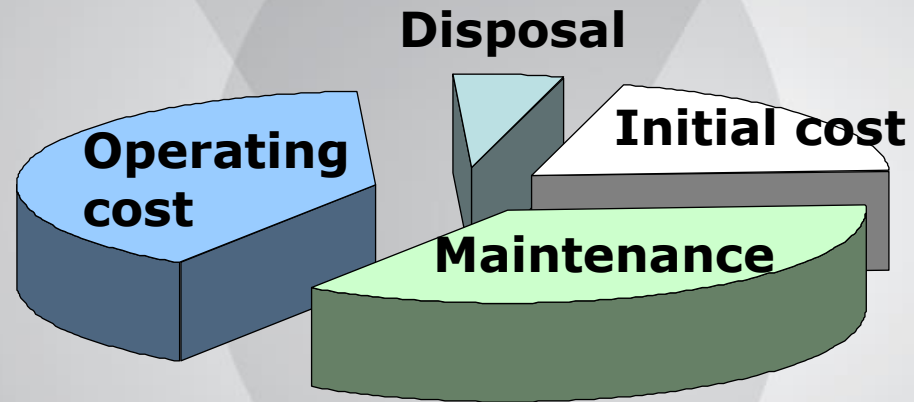
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# Implications of under funding the replacement plan

- Replacements deferred
- Downtime UP with associated costs
- Maintenance costs UP
- Operations efficiency DOWN
- Level of service to the community DOWN
- Cost of service delivery UP
- Staff morale DOWN



# What you need to know



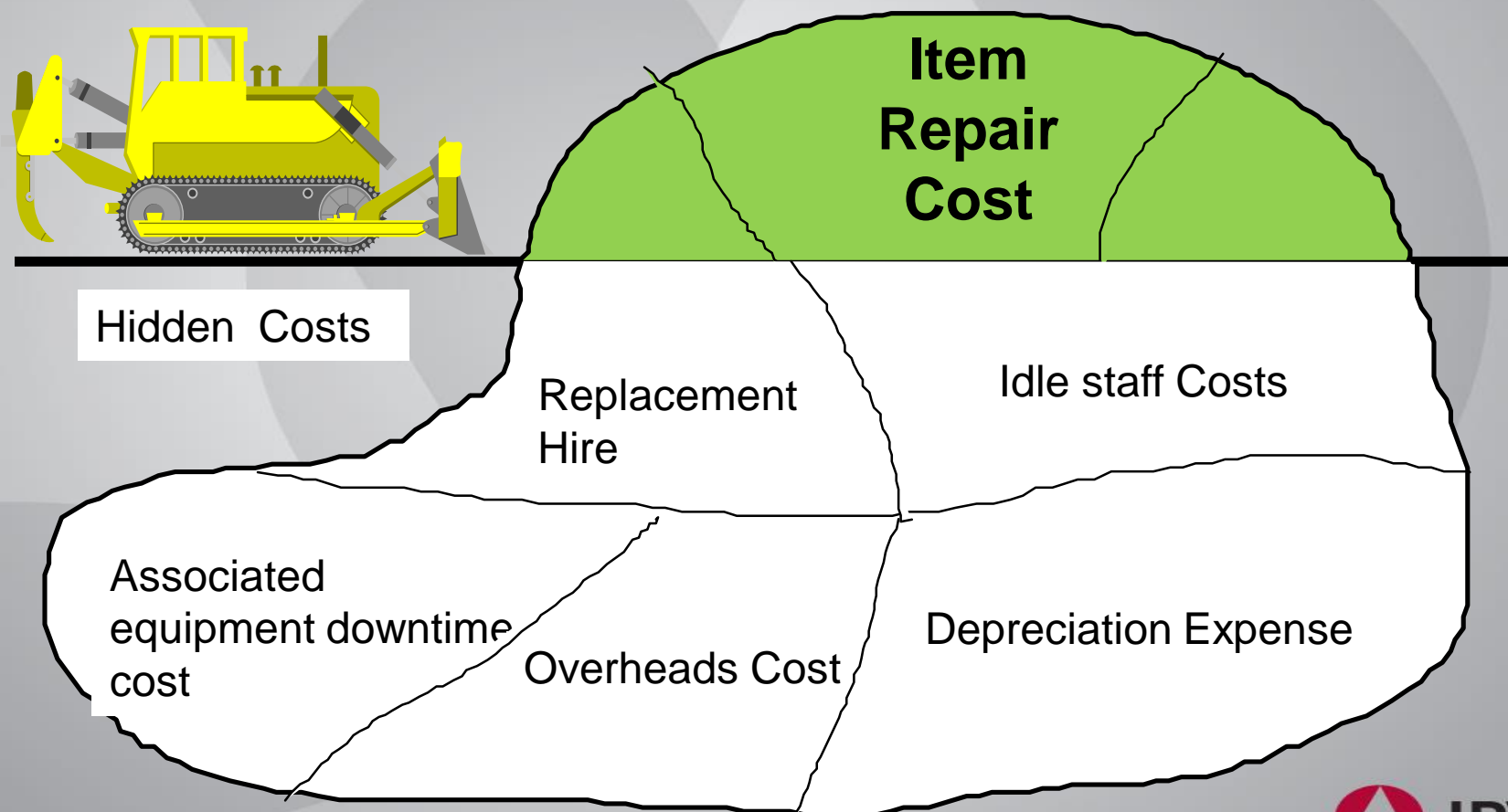
## Whole of Life Costs

## What are the benefits?



# What you need to know

## Downtime....the hidden cost of fleet management



# Ensure Proactive Maintenance

- Manufacturers provide standards for timing (age/utilisation) and specifications for preventative maintenance
- What are the risks of not following these standards?
  - Loss of warranty
  - Increased downtime
  - Liability being placed on the asset owner
  - Reduced resale values





# Why a Health Check

- Be proactive not reactive
- Identify gaps before an issue occurs
- Baseline for continuous improvement
- Demonstrate active management



# More information

Visit

[www.ipwea.org/fleet](http://www.ipwea.org/fleet)

Contact Ross Moody

Email

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