



CITY OF ATLANTA

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TO: Honorable Mayor and Members of the City Council
FROM: Amanda Noble, City Auditor
DATE: September 3, 2019
SUBJECT: Atlanta Police Department's Fleet Acquisition and Maintenance

Reason for the Audit:

We conducted this audit of the Atlanta Police Department's vehicles pursuant to a City Council request regarding the status of replacement vehicles authorized for purchase in a 2018 city ordinance. Concerns were also raised regarding the condition of police vehicles, as well as turnaround times for repair and maintenance of existing vehicles.

Audit Objectives:

We sought to address the following questions:

1. Did the Atlanta Police Department order and receive all vehicles funded in city Ordinance No. 18-O-1315?
2. What is the age and condition of the Atlanta Police Department's fleet?
3. What are the turnaround times for repair and preventive maintenance for Atlanta Police Department vehicles?

Scope and Methodology:

We conducted this audit in accordance with generally accepted government auditing standards.

Our audit methods included:

- interviewing staff from the Atlanta Police Department's Corporate Services Section and the Department of Public Works' Office of Fleet Services to understand how vehicles are purchased, funded, and maintained
- analyzing fleet inventory reports provided by public works and the police department to determine the active fleet inventory and age as of May 1, 2019
- analyzing vehicle repair and preventive maintenance work orders opened between January 1, 2018, and May 22, 2019, to assess turnaround times for the work
- reviewing Oracle requisitions, purchase orders, and invoices related to city ordinance 18-O-1315 to determine which vehicles were ordered, received, and paid for by the city
- comparing purchase orders to annual contracts to ensure the vehicles ordered were consistent with the city's contract

Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary of Findings:

Ordinance No. 18-O-1315 authorized \$3.8 million in funding from the Georgia Municipal Association for the Atlanta Police Department to purchase 88 vehicles. As of May 31, 2019, the Atlanta Police Department had ordered 80 and received 60 vehicles, using \$3.6 million of the \$3.8 million funding allowance. The department placed seven orders for the 80 vehicles between July 2018 and May 2019 and expected to receive the vehicles within 160 days of order; 51 vehicles were in service within the 160 days, and nine were received after the deadline. The remaining 20 vehicles had not been delivered and were still within the order period.

The Atlanta Police Department requested 51 new vehicles specifically to use during Super Bowl LIII, but the department modified the order after the purchase order was approved, causing a delivery delay. The police department received 23 vehicles prior to the event, but they had not yet been upfitted. These vehicles were completed with upfitting by April 17, 2019. One of the 51 vehicles ordered sustained flood damage prior to shipping, and the city was refunded for the cost.

The Atlanta Police Department has been unable to replace its aging fleet at the same rate vehicles reach the end of the life cycle. According to Fleet Services, the Atlanta Police Department has over 1,000 active vehicles in its fleet; however, most of the fleet has surpassed its life cycle or has undergone extensive repairs due to accident damage. Almost 99% of active police vehicles were repaired since 2018—the median age of vehicles with repair work orders was almost six years old.

The Office of Fleet Services' median time to complete repairs for police vehicles was a little more than one day; preventive maintenance was completed in less than a day between January 1, 2018, and June 4, 2019. The Office of Fleet Services measures service turnaround

time from the time the vehicle is dropped off and the work order is initiated until the vehicle is ready to be picked up by the department.

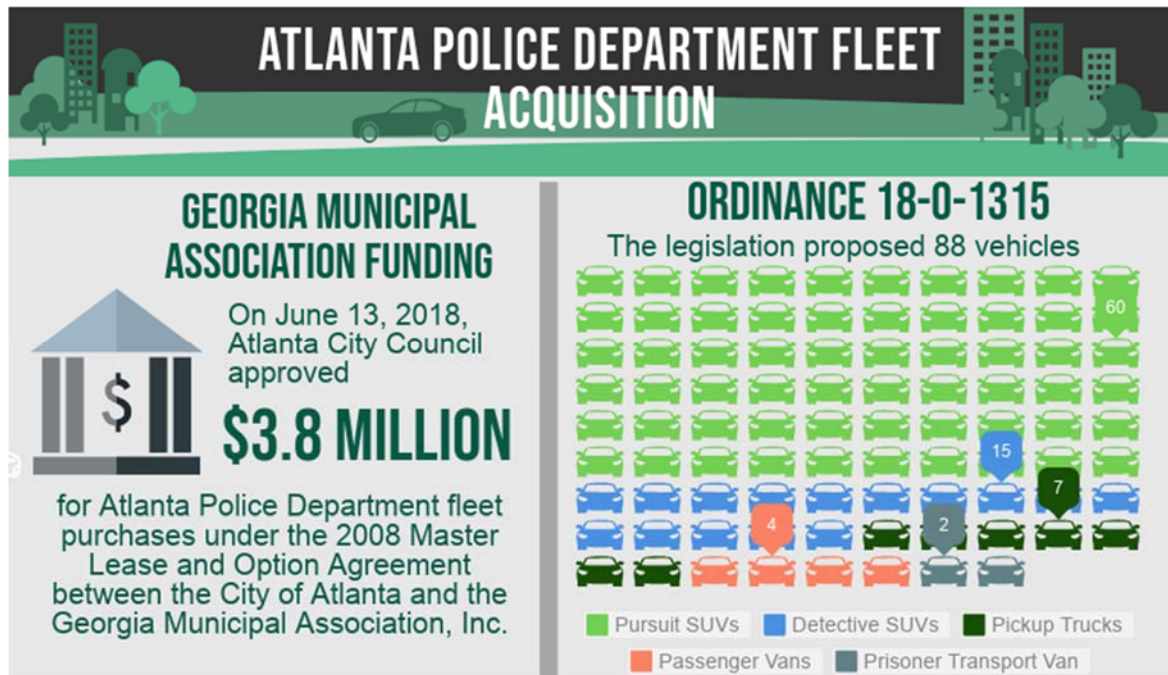
To address these issues, we made two recommendations:

- To avoid unnecessary delivery delays, we recommend the Chief of Police ensures that police staff follow the vehicle acquisition process and make no modifications after the initial purchase order has been approved unless the Department of Public Works is notified and coordinates the changes.
- To improve the accuracy of vehicle availability tracking, we recommend the Commissioner of the Department of Public Works enforce completion of all required fields, including the service status, on repair and preventive maintenance work orders within AssetWorks.

Background

City Council approved Ordinance 18-O-1315 in June 2018, authorizing the city to execute a master lease agreement with the Georgia Municipal Association (GMA) to purchase replacement vehicles citywide. This legislation authorized \$3,782,000 for the Atlanta Police Department to purchase 88 vehicles, which included trucks, vans, and patrol sport-utility vehicles (see Exhibit 1).

Exhibit 1: APD Was Allocated \$3.8 Million to Purchase 88 Vehicles



Source: Developed by auditors using information from Ordinance No. 18-O-1315

The city purchases vehicles using below market interest rate leases through the Georgia Municipal Association. The Georgia Municipal Association's 1998 Georgia Local Government Equipment Loan Program is a grantor trust program created to lower government interest rates for financing equipment. Program members enter into stand-alone contracts with the Georgia Municipal Association and in turn receive certificates of participation, a form of

municipal bonds, at below market rates. The city became a member of the Georgia Municipal Association program in 1998, following a review of equipment replacement and financing demands of local Georgia governments.

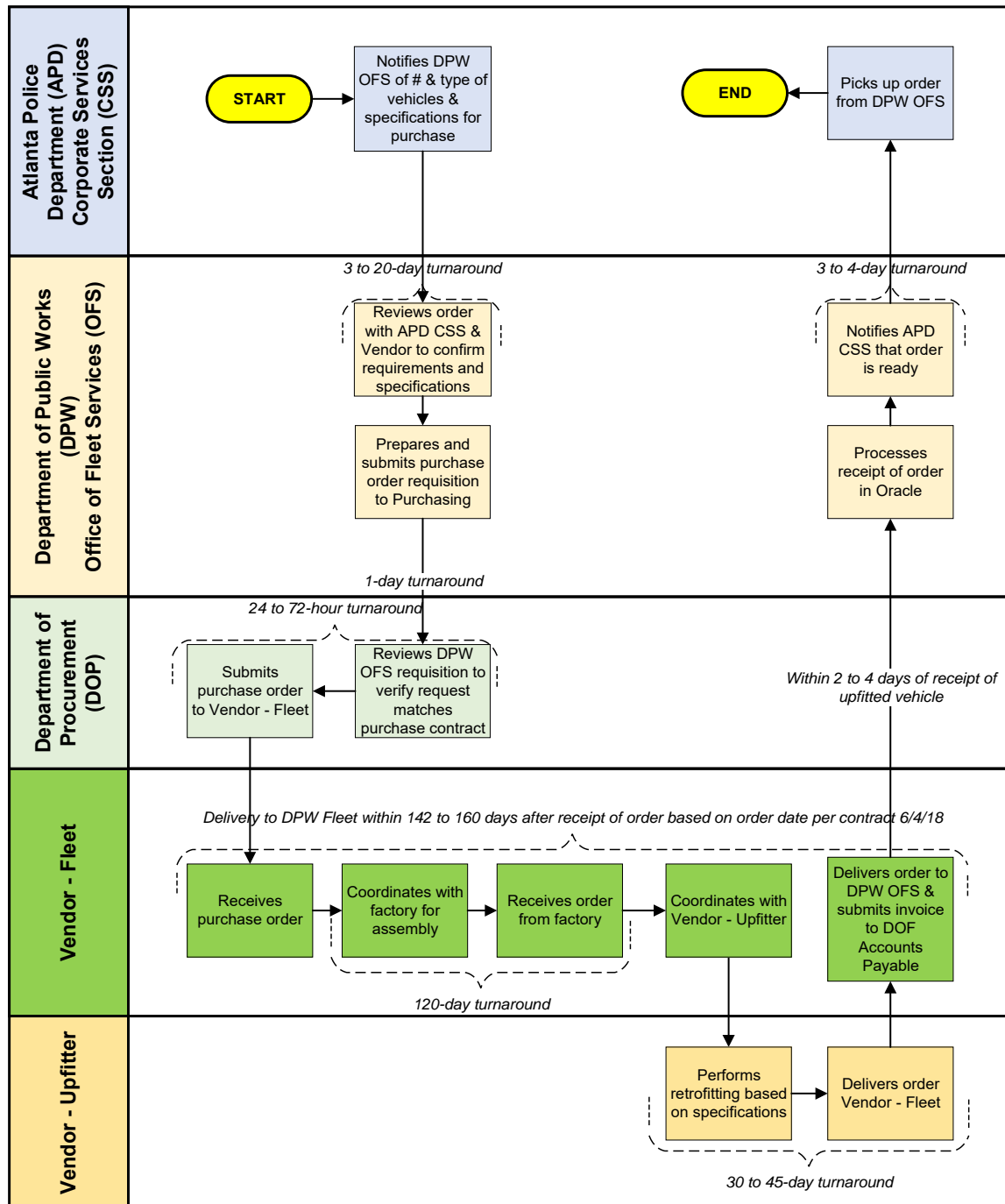
The city purchases vehicles directly from the vendor and submits the invoice to GMA for approval. Once approved, the Georgia Municipal Association reimburses the city for the initial purchase amount and sets up three-year leases for the city to repay the reimbursed amount. As the city pays off outstanding balances to the Georgia Municipal Association, the funds become available for immediate use to finance additional equipment or offset borrowing costs. The Department of Public Works, the Department of Finance, and other city departments work together to manage the acquisition of vehicles using Georgia Municipal Association funding. The Department of Public Works manages vehicle ordering and creates legislation to fund vehicle and equipment purchases, while the Department of Finance manages and tracks lease payments on all purchased city vehicles using the Georgia Municipal Association funding. City departments pay annual lease payments to the Georgia Municipal Association in November of each year. The Atlanta Police Department's vehicles are funded by the Georgia Municipal Association on a three-year basis.

The Office of Fleet Services is responsible for purchasing, maintaining, and repairing all city vehicles. The Department of Public Works' Office of Fleet Services manages the vehicle acquisitions for city departments (see Exhibit 2). Once City Council approves legislation authorizing city departments to use funds to purchase vehicles and equipment, Fleet Services works directly with the user department to determine vehicles to be ordered based on the city's budget. Fleet Services then works directly with a contracted city vendor to order vehicles on behalf of the department. Once the city receives purchased vehicles, Fleet Services adds those vehicles to its inventory in the Fleet Focus asset management system. Information captured in the system includes fields such as manufacturer, model, job type, and the date and time the work order was opened and finished. The system also flags dates vehicles are due for preventive maintenance.

Fleet Services is responsible for the repair and maintenance of the Atlanta Police Department's vehicles but outsources vehicles with accident damage, repairs still within warranty, and other complex repairs as needed. Fleet Services staff told us they prioritize police vehicles to ensure that operational needs can be met within the police zones. The time to repair a vehicle depends on the problems that are identified during inspection. Repair delays can occur if a part is out-of-stock or hard to find, labor is unavailable, or the shop is waiting for police to decide whether to repair.

Fleet Services provides preventive maintenance services, including 360-point inspections. The office uses time and mileage as the parameters to determine preventive maintenance needs. Because police officers' driving practices put more wear and tear on the vehicles and they idle the vehicles more often, preventive maintenance is scheduled more frequently than for other city vehicles. Although the suggested manufacturer recommendation for preventive maintenance is 7,500 miles, the Office of Fleet Services lowered the threshold to 6,000 miles for the Atlanta Police Department to reduce the likelihood of future repairs due to extensive driving.

Exhibit 2: Multiple Departments Are Involved in the Acquisition of City Vehicles



Source: Created by auditors based on interviews with the Atlanta Police Department and the Departments of Public Works and Procurement

The city's typical process to purchase police vehicles takes about five to six months. This period begins at purchase order approval, through manufacturing and upfitting, and ends when the department receives the vehicle. According to the vendor, upfitting a police vehicle includes adding specialized equipment such as lights and vehicle markings, which takes up to two days to complete. The vendor responsible for manufacturing the Ford

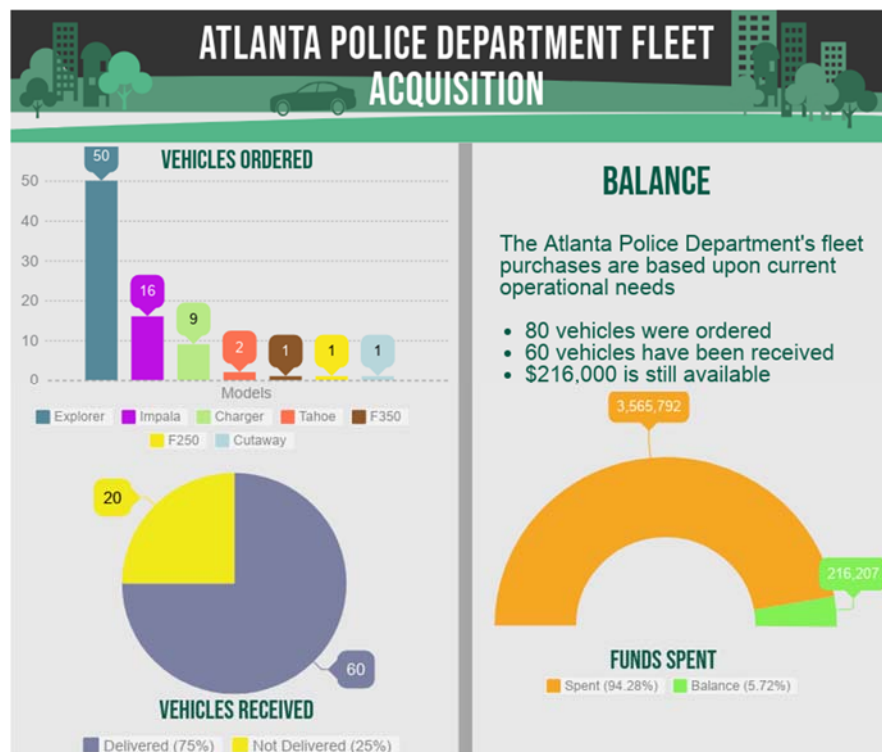
Explorers outsources upfitting for city vehicles to a subcontractor. After upfitting is completed, the vendor retrieves the vehicles and delivers them to the Office of Fleet Services for registration and vehicle license tags prior to releasing the vehicle to the department. According to Fleet Services, their department communicates with the vehicle vendor during the acquisition process and does not correspond directly with the subcontractors.

Objective 1: Did the Atlanta Police Department order and receive all vehicles funded in city Ordinance No. 18-O-1315?

Police Received Most of the 80 Vehicles Ordered with the Majority Delivered On Time

The Atlanta Police Department used \$3.6 million (94%) of its \$3.8 million funding allowance to order 80 vehicles during fiscal year 2019. As of May 31, 2019, the department had received 60 of the 80 vehicles ordered (see Exhibit 3). The remaining 20 vehicles had not yet been received but were within the 160-day ordering period permitted by the contract. Of the 60 vehicles received, 51 of those vehicles were in service within 160 days after the approved purchase order—a typical turnaround time. The remaining nine vehicles, 2019 Dodge Chargers, were received between March 28, 2019, and April 17, 2019—more than two months after the due date. These vehicles did not meet the contracted timeline because the Atlanta Police Department modified the original order after the purchase order was approved by the Department of Procurement.

Exhibit 3: Atlanta Police Department Purchased 80 New Vehicles with GMA Funding During FY19



Source: Created by auditors based on information from the city's Oracle financial system and staff interviews with the Departments of Public Works, Procurement, Finance, and the Atlanta Police Department.

The authorizing legislation allocated nearly \$3.8 million for a proposed 88 vehicles and included a list of vehicle types to be ordered by the department. The police department did not order the specific vehicle types listed in the legislation. According to police department staff, they ordered vehicles based upon the department's current operational needs, which they told us are driven by current crime trends in the city. The department purchased Ford Explorers, Dodge Chargers, Chevrolet Impalas, and other trucks and SUVs the department deemed necessary. The nine 2019 Dodge Chargers received after the due date are highlighted in gray in Exhibit 4 below.

Exhibit 4: Nine Vehicles Were Delayed Due to Atlanta Police Department's Order Modifications

Order #	Number of Vehicles	Vehicle Type	Vehicle Cost	Purchase Order Date	Due Date (160 Days After PO Date)	In-Service Date	Received on Time?
1	51	2019 Ford Explorer	\$2,554,200.36	8/17/2018	1/24/2019	1/12/2019 and 1/22/2019	Yes
	-1*	2019 Ford Explorer	\$(50,082.36)	8/17/2018	N/A	N/A	N/A
2	9	2019 Dodge Charger	\$388,908.00	8/17/2018	1/24/2019	3/28/2019 – 4/17/2019	No
3	2	2019 Chevy Tahoe	\$115,378.10	3/27/2019	9/3/2019	1 on 3/26/2019 1 not received yet	Yes
4	1	2019 Ford F350	\$88,882.00	4/3/2019	9/10/2019	N/A	N/A
5	16	2019 Chevy Impala	\$375,490.24	4/3/2019	9/10/2019	N/A	N/A
6	1	2019 Ford F250 XL	\$43,195.00	4/9/2019	9/16/2019	N/A	N/A
7	1	2019 Ford Cutaway	\$49,821.00	5/14/2019	10/21/2019	N/A	N/A
Total	80		\$3,565,792.34				

*Vehicle was damaged prior to being shipped and the city was refunded for the cost.

Source: Oracle financial system and reports from Public Works; Fleet Focus system as of May 31, 2019.

Twenty-Three Vehicles Were Deployed Before Being Fully Equipped

The department initiated a purchase order for 51 Ford Explorers in August 2018; these vehicles were to be deployed prior to the Super Bowl activities for police to use during the two-week event. According to Public Works, 50 Ford Explorers were in service by the Super Bowl deadline, but 23 of these vehicles had been partially upfitted to show police presence. These 23 vehicles had to be returned to the upfitter in March 2019 to be completed for police operations. These vehicles were completed and in service by April 17, 2019. One of the 51 vehicles sustained flood damage prior to shipping, and the city was refunded for the cost.

As a temporary solution for vehicle readiness for the Super Bowl, police employees picked up the 50 vehicles directly from the upfitter and delivered the Ford Explorers to the Department of Public Works to be placed in service and assigned fuel keys. While Public Works employees did not approve Police's decision to pick up the vehicles from the upfitter, the department did agree to place the 50 vehicles in service. Both departments acknowledged that not all vehicles in the order were complete prior to being placed in service. The upfitter agreed to

complete the 23 unfinished vehicles once they were returned to the vendor in March 2019, after the Super Bowl ended.

The Atlanta Police Department did not follow the normal acquisition process; the department caused a delay in the vehicle delivery by requesting a new specialty modification after the initial purchase order had been approved. Police staff also communicated directly with the vehicle vendor’s subcontractor to make upfitting changes after the initial order was approved and placed. Fleet Services was not made aware of the communication with the subcontractor until after the modifications were made and the delays occurred. Typically, Public Works puts the vehicles in service once the upfitting is complete, but the department made an exception due to the Super Bowl.

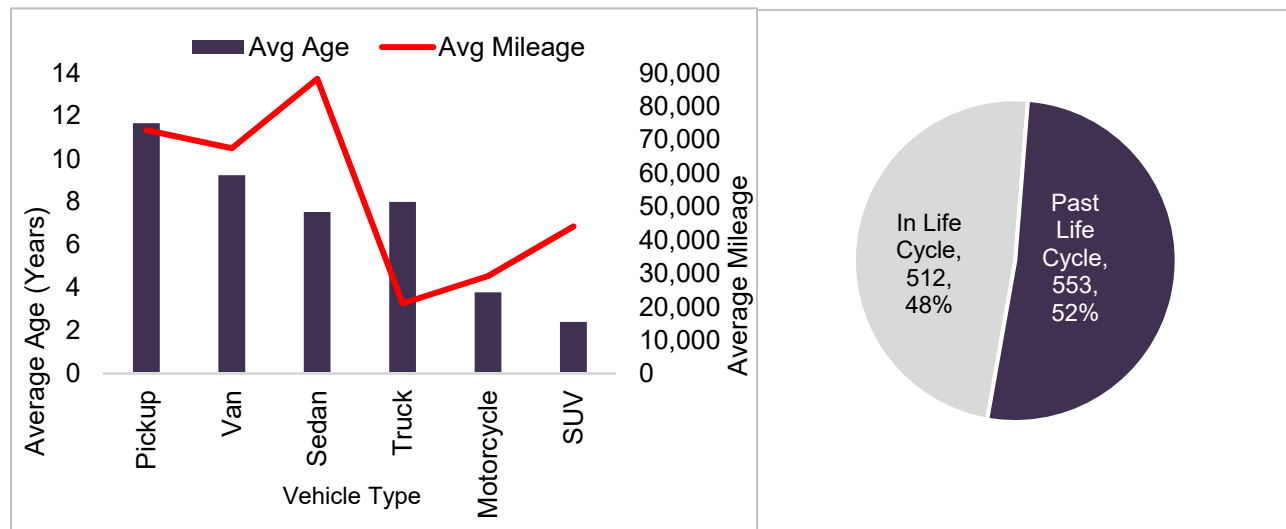
To avoid unnecessary delivery delays, we recommend the Chief of Police ensures that police staff follow the vehicle acquisition process and make no modifications after the initial purchase order has been approved unless the Department of Public Works is notified and coordinates the changes.

Objective 2: What is the age and condition of the Atlanta Police Department’s fleet?

Almost 52% of the Atlanta Police Department’s Vehicles Are Past Their Life Cycle

The Atlanta Police Department has over 1,000 active vehicles in its fleet, as of June 5, 2019; over half of the fleet has surpassed its life-cycle. According to Fleet Services, police prioritize the replacement of wrecked cars before the aged fleet because these vehicles diminish its fleet size. We found that 553 vehicles of the 1,065 (52%) vehicle fleet were beyond the life cycle (see Exhibit 5). More than 75% of the 553 vehicles past the life cycle were sedans, including 269 Ford Taurus, 140 Ford Crown Victoria, and 6 Chevrolet Cobalt models. Fleet Services assigns life cycles from three to ten years based on the vehicle model.

Exhibit 5: Over Half of Atlanta Police Department’s Vehicles are Beyond Life Cycle

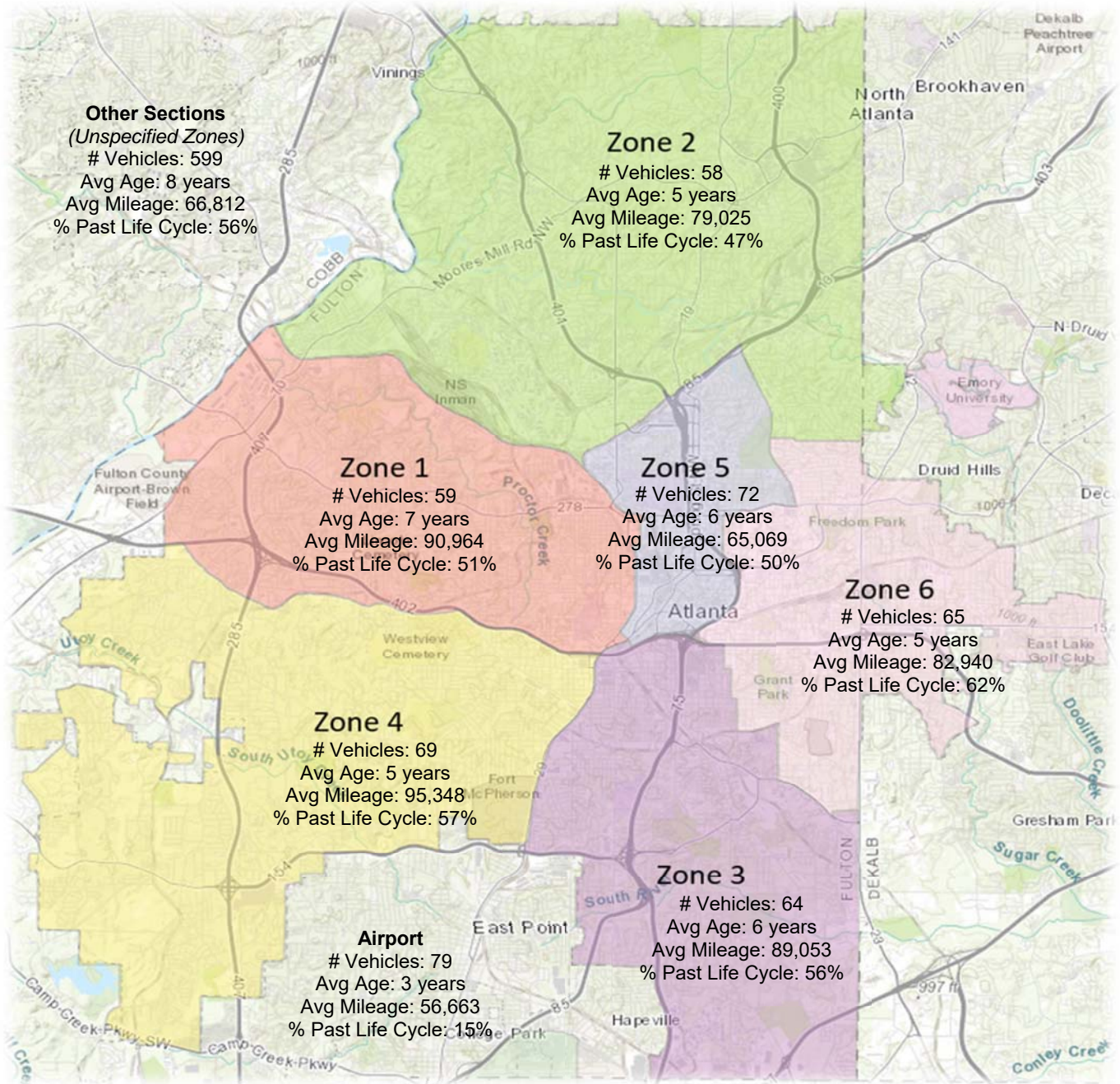


Note: Data excludes undercover vehicles, heavy trucks and equipment, lawn equipment, trailers, rental vehicles and command unit trucks, service trucks, and trucksters.

Source: Auditor’s creation based upon Office of Fleet Services active inventory as of June 5, 2019, for all Police Aviation vehicles and May 1, 2019, for all others.

Police has assigned 387 vehicles (36%) to its six operational patrol zones; these assigned vehicles are an average of six years old, have been driven about 83,475 miles, and 54% are past their assigned life cycle (see Exhibit 6).

Exhibit 6: Age of Fleet Varies Among Police Zones



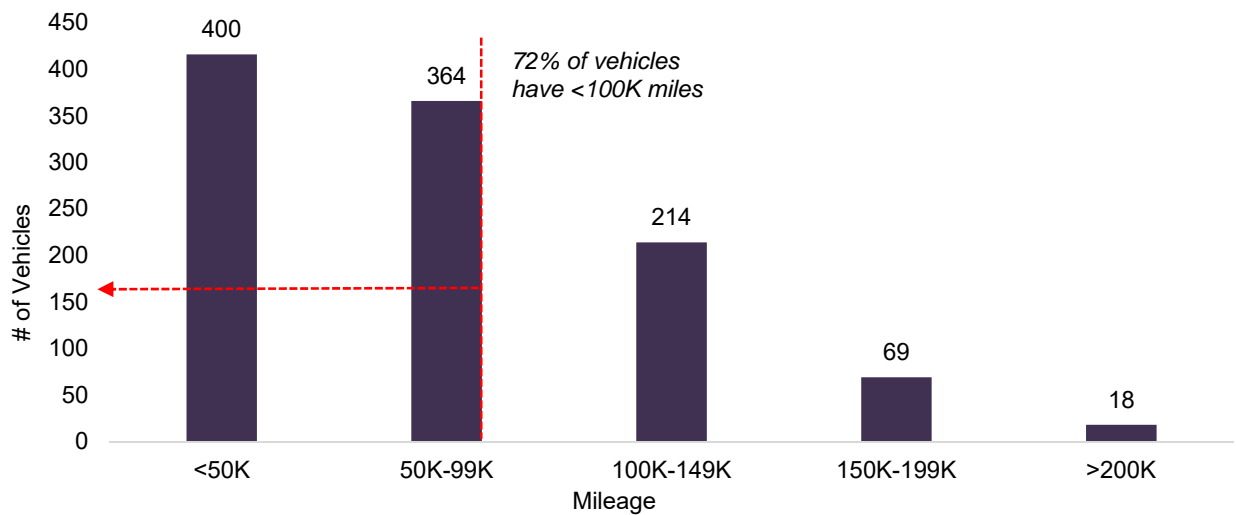
Note: 40% (387 of 1,065) of vehicles are assigned by zone. The remaining vehicles are assigned to the airport or aligned with 24 special units or sections and may or may not be assigned to specific zones. Data excludes undercover vehicles, heavy trucks and equipment, lawn equipment, trailers, rental vehicles and command unit trucks, service trucks, and trucksters.

Source: Developed by auditors based upon Office of Fleet Services Fleet Focus as of June 5, 2019, for all Police Aviation vehicles and May 1, 2019, for all others.

In addition to the vehicles assigned to zones, 599 vehicles (56%) are used for additional operational needs that are not specifically tied to one police zone, such as Homicide, Narcotics, SWAT, and Code Enforcement. These vehicles are an average of eight years old, have been driven about 66,812 miles, and 56% are past their life cycle. Airport funding provides for 79 (7%) vehicles assigned to Hartsfield Jackson International Airport.

According to the Office of Fleet Services active inventory, police vehicles have an average age of seven years and roughly 72,000 miles. Police officers drive the vehicles a median of 933 miles per month. We found that 301 of 1,065 (28%) vehicles had been driven over 100,000 miles, as of June 5, 2019, for all Police Aviation vehicles and May 1, 2019, for all others.

Exhibit 7: Almost Three-Quarters of Vehicles Have Been Driven Less Than 100,000 Miles



Note: Data excludes undercover vehicles, heavy trucks and equipment, lawn equipment, trailers, rental vehicles and command unit trucks, service trucks, and trucksters.

Source: Auditor's creation based upon Office of Fleet Services active inventory as of June 5, 2019, for all Police Aviation vehicles and May 1, 2019, for all others.

Vehicles less than one year into the life cycle had a median of 931 miles driven per month (see Exhibit 8). This population included fifty 2019 Ford Explorers and nine 2019 Dodge Chargers that the Atlanta Police Department received in January through April 2019. We also found that newer vehicles had a higher median number of miles driven per month than older vehicles, but the department continues to drive vehicles well past the established lifecycle.

Exhibit 8: Newer Vehicles Are Driven More Miles Per Month

Vehicle Age	Number of Vehicles	Median Number of Miles Driven Per Month
>1 Year	138	931
1-3 Years	230	1,208
4-6 Years	193	1,533
7-9 Years	86	1,153
10-12 Years	159	655
13-15 Years	95	404
>16 Years	35	419
Total	936	933

Notes: The analysis assumes that vehicles had zero miles when they were put in service. We excluded 139 vehicles that had not been fueled in over one month or had no fueling data. Data excludes undercover vehicles, heavy trucks and equipment, lawn equipment, trailers, rental vehicles and command unit trucks, service trucks, and trucksters.

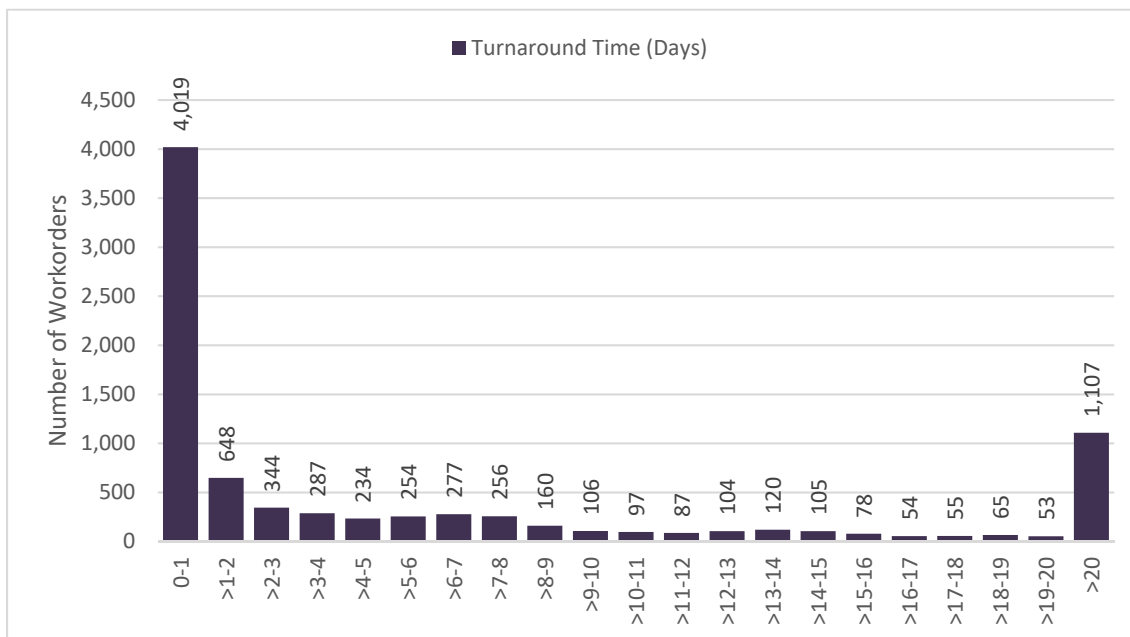
Source: Developed by auditors based upon Office of Fleet Services active inventory as of June 5, 2019, for all Police Aviation vehicles and May 1, 2019, for all others.

Objective 3: What are the turnaround times for repair and preventive maintenance for Atlanta Police Department vehicles?

Fleet Services Completed Repair Work Orders in Less Than Two Days; Preventive Maintenance Was Completed in Less Than One Day

The median turnaround time for Fleet Services' repairs of police vehicles is 1.1 days; preventive maintenance was completed within a median time of less than a day. We analyzed completed work orders opened between January 1, 2018 through June 4, 2019. We found that 87% of repair work orders for the police department were resolved within 20 days, and 47% of the repair work orders were resolved in one day or less (see Exhibit 9). Fleet Services recorded the main reasons for completed repair work order were normal wear and tear (6,469 work orders), flat tires (371 work orders), and breakdowns (344 work orders).

Exhibit 9: Almost 90% of Repair Work Orders Were Completed Within 20 Days

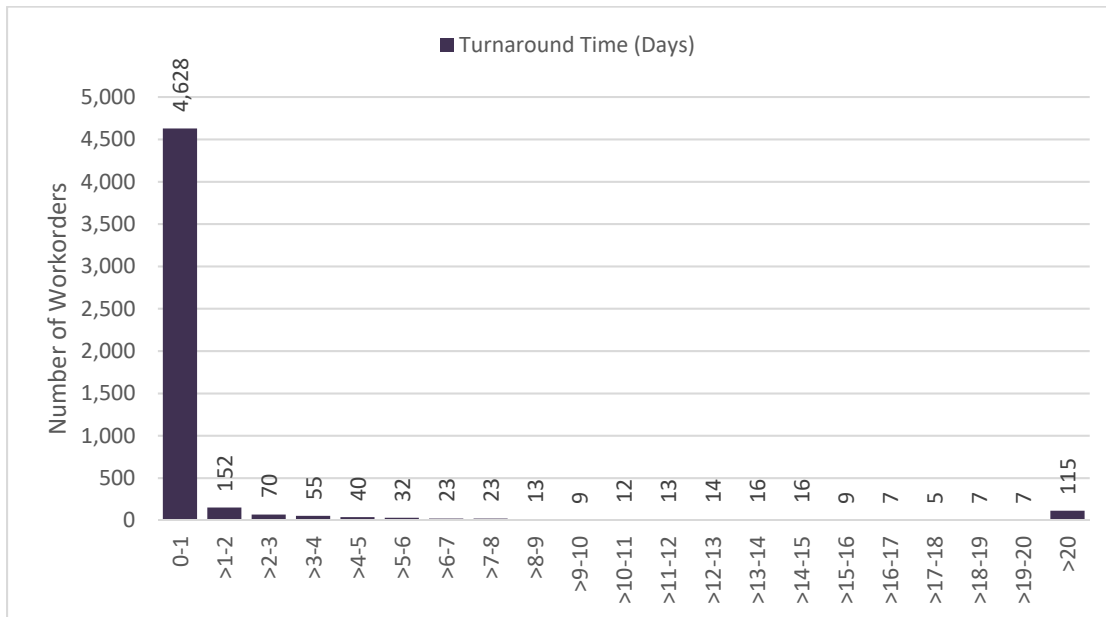


Source: Analysis based upon the Department of Public Works AssetWorks work order reports from January 1, 2018, through June 4, 2019.

The median age of the vehicles with a workorder was 5.7 years. We found that 1,052 of the 1,069 (98.4%) active police vehicles had at least one shop visit for repairs or preventive maintenance. The vehicle count of 1,069 for this analysis differed from the vehicle count of 1,065 from the original inventory list because this analysis included vehicle inventory as of June 11, 2019. Fleet Service completed 13,776 of the 13,879 (99.3%) work orders for police vehicles opened from January 1, 2018, through June 4, 2019. The work orders included 61.9% related to repairs and 38.1% for preventive maintenance. We did not analyze work orders related to equipment that would not be used in daily police-related operations, such as blowers, generators, helicopters, mowers, and trailers.

Fleet Services completed 91% of the police department’s preventive maintenance work orders within two days (see Exhibit 10). The primary reasons for preventive maintenance work orders were recorded by Fleet Services as “noted in preventive maintenance” (3,831 work orders) and emissions testing (1,358 work orders). According to Fleet Services, “noted in preventive maintenance” is defined as the manufacturer’s regularly scheduled maintenance recommended at mileage thresholds.

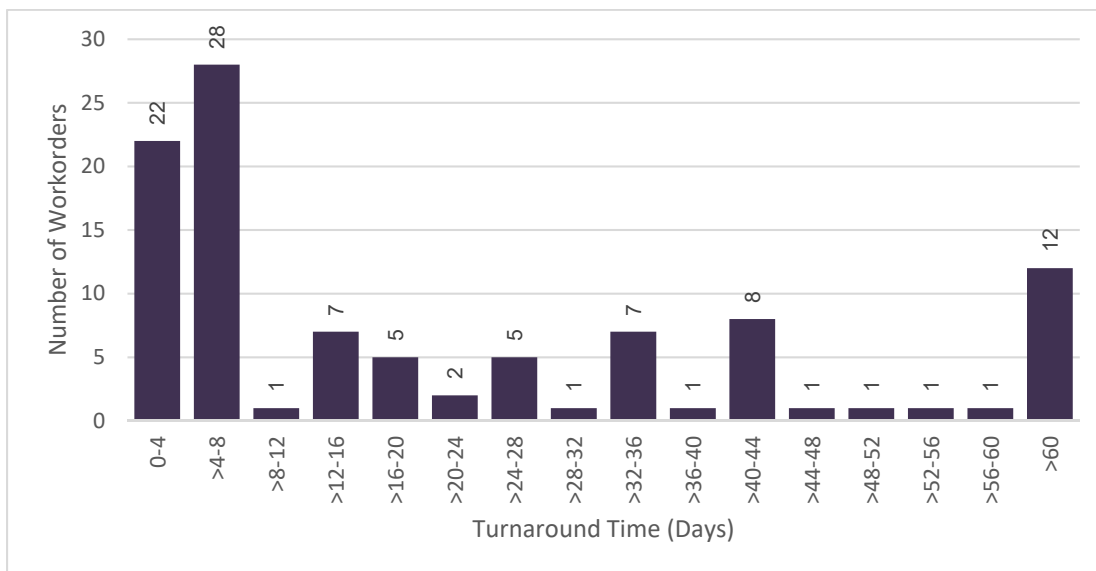
Exhibit 10: Over 90% of Preventive Maintenance Was Completed Within Two Days



Source: Analysis based upon the Department of Public Works AssetWorks work order reports from January 1, 2018, through June 4, 2019.

We identified 103 open work orders (85 repair and 18 preventive maintenance) for police vehicles. The work orders were a median of 6.9 ongoing days for repairs and 34.6 days for preventive maintenance (see Exhibit 11). Almost half (49.5%) of the open work orders were 12 days old or less. Police’s open work orders had a minimum open time of 0.1 days and a maximum of 176.1 days. Most of the open work orders (47.6%) were described as “normal wear and tear” issues. No other repair type accounted for more than 10% of the open work orders.

Exhibit 11: Almost Half of the Open Work Orders Were Less Than 12 Days Old



Source: Analysis based upon the Department of Public Works Asset Works work order reports from January 1, 2018, through June 4, 2019.

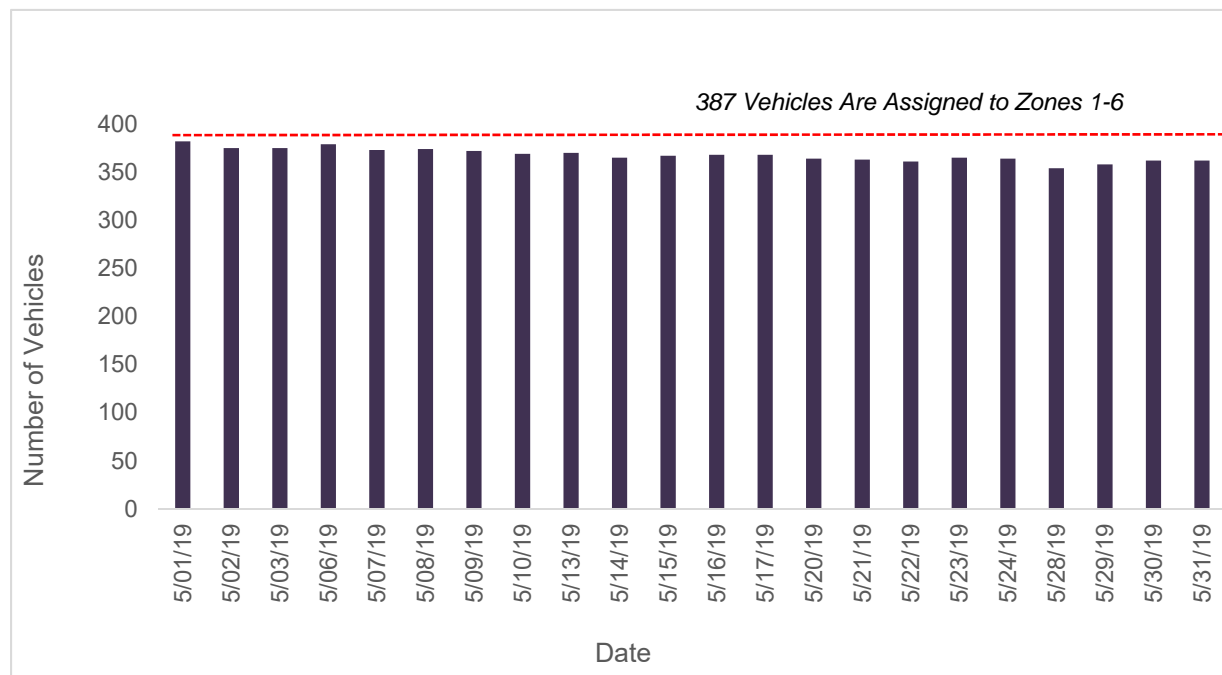
Of the 13,879 active vehicle work orders provided by the Office of Fleet Services from January 2018 through June 2019, 13,717 were closed, 103 were open, and 59 were assigned the “work finished” status. The department defines the statuses as:

- Closed: Work order is closed, and tasks are complete in the work order management system
- Open: Work order is active, and the vehicle is not operational by the department
- Work Finished: Repairs are complete, and the department is contacted for vehicle pickup

The Office of Fleet Services measures service turnaround time from the date the vehicle is dropped off and the work order is initiated, until the work is finished and the vehicle is ready to be picked up by the department.

We found little variation in the number of out-of-service vehicles due to repairs over a 31-day period (see Exhibit 12); this is consistent with the median repair turnaround time of 1.1 days. The number of available vehicles ranged from a low of 354 to a high of 382 during the month—91%–99% of the assigned vehicles were available within the six zones. We analyzed all repair work orders—including closed, work finished, and open—during the month of May 2019 to determine how many vehicles were out-of-service; these work orders had out-of-service (OOS) as the service status field assigned by Fleet Services (115 work orders) or had a blank status, but the work orders required more than 8 hours to complete (29 work orders). We compared the number of out-of-service vehicles to the 387 total vehicles assigned across the six zones to determine the vehicle availability during the month.

Exhibit 12: Number of Out-of-Service Vehicles Varied Slightly During May 2019



Source: Analysis based upon the Department of Public Works Asset Works work order reports from May 1, 2019, through May 31, 2019.

According to Fleet Services, the department started enforcing entry of the service status field in work orders during the second half of last year. We found 54 of the 234 repair work orders opened during May 2019 for the zone assigned vehicles had a blank service status field, which may prevent the department from accurately tracking out-of-service vehicles.

To improve the accuracy of vehicle availability tracking, we recommend the Commissioner of the Department of Public Works enforce completion of all required fields, including the service status, on repair and preventive maintenance work orders within AssetWorks.

Management Review and Response to Audit Recommendations

Report # 19.09	Performance Audit: Atlanta Police Department's Fleet Acquisition and Maintenance	Date: August 2019
<p>Recommendation 1:</p> <p>To avoid unnecessary delivery delays, we recommend the Chief of Police ensures that police staff follow the vehicle acquisition process and make no modifications after the initial purchase order has been approved unless the Department of Public Works is notified and coordinates the changes.</p>		
<p>Proposed Action:</p> <p>To make modifications to existing orders only when necessary to meet the needs of the department. If changes are needed; immediately provide DPW with documents of the needed change to include: the reason for change, items being added / removed, with any price changes and deliverable date projections. DPW will notify vendor of changes.</p>		<p>Response:</p> <p>Agree</p>
<p>Person Responsible: Major Clifton L Johnson</p>		<p>Implementation Date:</p> <p>APD Fleet implemented this recommendation</p>
<p>Recommendation 2:</p> <p>To improve the accuracy of vehicle availability tracking, we recommend the Commissioner of the Department of Public Works enforce completion of all required fields, including the service status, on repair and preventive maintenance work orders within AssetWorks.</p>		
<p>Proposed Action:</p> <p>This task was implemented in December 2018. All personnel were trained on the newly updated module and continuous review is conducted daily. We will ensure the data capturing is enforced going forward.</p>		<p>Response:</p> <p>Agree</p>
<p>Person Responsible: William Eckel</p>		<p>Implementation Date:</p> <p>October 2019</p>