# **ROWAN COUNTY**

## DEPARTMENTAL REQUEST FOR BUDGET ACTION

TO: COUNTY MANAGER / BOARD OF COMMISSIONERS

FROM: COUNTY MANAGER

**EXPLANATION IN DETAIL:** 

Requesting a transfer of funds to cover rest of year expenditures (3 months) associated with bringing a fleet company on board to manager Rowan

County's fleet of vehicles.

Pre	pared	by	<b>/</b> :

**JHOWDEN** 

Date:

2/11/2022

#### **BUDGET INFORMATION:**

ACCOUNT TITLE	R/E	ACCOUNT #	INCREASE	DECREASE
CONTRACTED SERVICES	E	1154136-533001	200,000	
FUND BALANCE - UNRESTRICTED	R	1143390-495000	200,000	
	-			
		******		
DEPARTMENT HEAD		COUNTY MANAGER	ACCOUNT	ING USE ONLY
Approved:X		Approved:	Period - Journal #	
Disapproved:		Disapproved:	Keyed By:	JMH
Amended:		Amended:	Date Keyed:	
Date:02/11/2022		Date:	Posted By:	
Signature: AARON CHURCH		Signature:	Date Posted:	





## Reevaluate the VEU cost. This cost was lower than expected because the VEU values were high:

**Answer-** Aside from reduction to a part-time clerk/admin, we are also able to remove parts from transit vehicles no longer being in scope.

Vector Fleet Management lowered the annual cost by the following:

- Year 1- Reduced by (\$61,005.91)
- Year 2- Reduced by (\$62,531.05)
- Year 3-Reduced by (\$64,094.32)
- 3-Year Total Reduction- (\$187,631.28)
- Parts Cost Reduced by (\$34,424)
- Reduced Parts Markup (1.5%)
- Total VEU Count Reduced by (466.8)

Reduction of our Non-Target parts mark-up from our proposed amount of 10% to 8.5%.

		)IX D CC	OST PROPOS	AL FORMS				
			TARGET	COST PROPOS	AL			
			Vendor: Vect	or Fleet Manag				
	First 12. 340. 12. 195.000	9		Year One	Year Two		Year Three	3 Yr Total
Wages and Salari	12	= nistrative	\$	70,351	\$ 72,1	09 \$	73,912	\$ 216,372
	105.00C	*	\$	130,651	\$ 133,9	17 \$	137,265	\$ 401,833
	War 20: 120 - 000	, a	\$	=	\$ -		-	\$ :=
			\$	핃	\$ -	\$	-	\$ -
	55,195.000	) x	\$	201,002	\$ 206,0	27 \$	211,177	\$ 618,205
Fringe Benefits	3	• =						
	Apr. Jum 165, 585.000	∃ ∦ iistrative	\$	30,150		04 \$	31,677	92,731
	Lit.		\$	55,993		93 \$	58,828	\$ 172,214
			\$	-	\$ -	\$	-	\$
	165.585.000	) +	\$	-	\$ -	\$		\$ -
	starte 17,250.001	) +	\$	86,144	\$ 88,2	97 \$	90,505	\$ 264,945
Parts& Supplies	002		\$	207,576	\$ 212,7	55 \$	218,085	\$ 638,426
Subcontractor Sen	182,835.000	¥	\$	40,000	\$ 41,0	00 \$	42,025	\$ 123,025
Overhead	182 . 835 . 000	) +	\$	77,943	\$ 79,8	92 \$	81,889	\$ 239,724
	UNKnown 17, 165,000	) +	\$	49,676	\$ 50,9	18 \$	52,191	\$ 152,785
	002		\$	662,340.01	\$ 678,898.	51 \$	695,870.98	\$ 2,037,109.51
Notes:	200,000.000	) *						
1. Provide		age. as	required.					
2. Explain o	nanges nom year-to-year on a sepa	•						
	number or personnel in each staffing			and fringe be	enefits			
Manag	gement and Administrative	1.5						
	anics Personnel Personnel	2.5						



## Question 3 Cont'd:

**Answer-** Vector Fleet Management was able to lower several cost components once the Transit vehicles were removed.

- Annual associated cost reduced by (\$27,453)
- Regular Time Labor rate reduced by (\$6.27/hour)

	NON TARGET CO	ST PROPOSAL		
Total Target Cost for Year 1	\$676.142			
Number of mechanics (does not have to be a whole number)	2.5			
Expected annual direct labor hours per mechanic (for example, 1500)	1750			
Total labor hours	4375	calculation		
% of business activity expected to be associated with shop labor (i.e. not parts, fuel, or subcontractors)	45%			
Annual associated cost (% x target budget)	\$304,264	calculation		
Regular time labor rate	\$69.55	calculation	4	See Proposal narrative
% of business activity expected to be associated with parts management	10%			222 Spood marraut
Annual associated cost (% x target budget)	\$67,614	calculation		
Estimated annual parts cost (based on target budget, VEUs and contractor experience)		Jaioulation		
Estimated markup on parts	8.5%	calculation		
% of business activity expected to be associated with management of subcontracted services	12%			
Annual associated cost (% x target budget)	\$81,137	calculation		
Estimated annual cost of subcontractor services (based on target budget, VEUs and contractor experience)	\$68,000			
Estimated markup on subcontracted services	5%	calculation		
% of business activity expected to be associated with fuel management services	3%			
Annual associated cost (% x target budget)	\$16,904	calculation		
Estimated annual fuel cost (based on County's 2022 budget)	\$1,727,197			
Estimated markup on fuel services	1.0%	calculation	4	See Proposal narrative
% of business activity expected to be associated with fleet management services	30%	odiddidion	341	See i Toposai namativo
Annual associated cost (% x target budget)	\$202.843	calculation		
Total VEUs (from Fleet List tab)	687.20	Jaioulation		
Estimated annual fleet management fee per VEU	\$295.17	calculation		See Proposal narrative
and the state of t			ack of %cl	See Froposal namanve
Estimated annual neet management nee per VEO	\$295.17 100%	calculation (ch	eck of %s)	See Proposal narra
Item Description	TRANSITION COST	PROPOSAL		
Staff training/payroll prior to contract sta	art \$10,500.00			
Safety materials	\$2,000.00			
Corporate travel for shop set-up/training				
Corporate travel for Ship Set-uprualling	±4,750.00			
Total	\$17,250.00	¬		
i ota i	\$11,ZJU.UU			