

**TAMPA POLICE DEPARTMENT
SPECIAL OPERATIONS DIVISION
DEALERSHIP MAINTENANCE PROGRAM
AUDIT 06-01
NOVEMBER 29, 2006**



CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Roger Strout, Internal Audit Director

November 29, 2006

Honorable Pam Iorio
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Dealership Maintenance Program, Audit 06-01

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on the Tampa Police Department's Dealership Maintenance Program.

The Department has already taken positive actions in response to our recommendations. We thank the management and staff of the Police Department and of Bill Currie Ford for their cooperation and assistance during this audit.

Sincerely,


Roger Strout
Internal Audit Director

cc: Stephen Hogue, Chief of Police
Darrell Smith, Chief of Staff
Tina Wright, Assistant Chief of Police
John Bennett, Police Major
Judy Wade, Police Technology Manager
Leigh Ann Caballero, Vehicle Coordinator
Bill Hunsinger, Fleet Services Technician

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Auditor



Audit Supervisor



Audit Director

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INTRODUCTION

The Dealership Maintenance program provides for outsourcing preventive maintenance, major and minor repairs, and paint and body repairs for designated Tampa Police Department (TPD) vehicles. This includes both warranty and non-warranty work. Bill Currie Ford was selected through the bid process. Labor rates are fixed and task hours are based upon a flat rate manual. Parts cost is 8 percent over the dealership's cost.

STATISTICS

<u>Service Type</u>	<u>Number of Repairs</u>	<u>Cost</u>	<u>Average Cost</u>
Preventive Maintenance	2,820	\$45,495	\$16.13
Paint and Body	437	354,066	810.22
Warranty	678	131	.20
Other Repairs	<u>10,948</u>	<u>842,465</u>	<u>76.95</u>
Total	<u>14,883</u>	<u>\$1,242,157</u>	<u>\$83.46</u>

Source: TPD Vehicle Maintenance Database for services rendered February 8, 2005, through April 30, 2006.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY06 Audit Agenda. The objectives of this audit were to determine if:

1. Contract specifications were being complied with.
2. Preventive maintenance was being performed on schedule.
3. The tire inventory was properly controlled.
4. The cause for the increase in collision repair costs was reasonable.

STATEMENT OF SCOPE

The audit period covered the operations of the Tampa Police Department (TPD) Dealership Maintenance program that occurred from February 8, 2005, to April 30, 2006. The audit did not include reviewing operations over police vehicles maintained by the City's Fleet Maintenance Division. Source documentation was obtained from the TPD Vehicle Coordinator, the Fleet Services Technician, the City's Purchasing Department, and dealership records. Original records as well as copies were used as evidence and verified through physical examination.

STATEMENT OF METHODOLOGY

The sample size and selection were statistically generated using a desired confidence level of 90 percent, expected error rate of 10 percent, and a desired precision of 10 percent. Statistical sampling was used in order to infer the conclusions of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

To achieve the audit's objectives, reliance was placed on computer-processed data contained in a Microsoft Access database maintained by TPD. A limited review of general and application controls for the database consisting of interviews of applicable personnel and a review of user access capabilities was conducted and found to be adequate. Sufficient tests of the data were also performed. Based on these tests, the data that is maintained in the Microsoft Access database was deemed sufficiently reliable to be used in meeting the audit objectives.

STATEMENT OF AUDITING STANDARDS

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit findings noted below, we conclude that:

1. Contract specifications were generally being complied with. However, procedures for monitoring the contract could be strengthened and expanded.

2. Preventive maintenance was not always performed on schedule.
3. Improvement was needed in monitoring the tire inventory.
4. The increase in collision repair costs was due to the increased number of collisions and higher body shop labor rates. Our review did not include reviewing the causes for the increased number of collisions.

COMMENT

While the findings discussed below may not, individually or in the aggregate, significantly impair the operations of the TPD Dealership Maintenance program, they do present risks that can be more effectively controlled. Before we completed our audit, the TPD Vehicle Coordinator and Fleet Services Technician implemented several of the Internal Audit Department's recommendations. We commend TPD for using existing information technology to efficiently implement many of the recommendations.

Management and staff at Bill Currie Ford cooperated in a timely and thorough manner during the course of this audit.

PREVENTIVE MAINTENANCE

Standard Operating Procedure 609.1 IV (F) (1) states “An employee assigned a vehicle shall be responsible for the proper care of the vehicle and for ensuring that routine maintenance and required service is performed as scheduled.” Preventive maintenance (PM) includes an oil change and a multi-point inspection of the vehicle. Marked units and unmarked units are to have preventive maintenance performed every 3,000 and 5,000 miles, respectively.

Our test work disclosed that 634 of 1,650 PMs (38 percent) performed on marked units and 45 of 149 PMs (43 percent) performed on unmarked Taurus units were not completed within the required mileage criteria. The test of preventive maintenance on the unmarked Crown Victoria units was not completed because during test work we noted instances of PMs being performed every 3,000 miles on some of these units. We were subsequently informed that there are unmarked Crown Victoria units that follow the 3,000 mile PM schedule versus the 5,000 mile PM schedule. Because the vehicle’s required maintenance schedule was not recorded in the Vehicle Maintenance Database, we were unable to determine which preventive schedule to use for our test.

We noted nine vehicles that had not received a PM in more than a year. All of them had not met the minimum PM mileage interval. However, the manufacturer guidelines recommend that preventive maintenance be performed every 5,000 miles or 6 months, whichever occurs first, for normal driving conditions; and every 3,000 miles or 3 months, whichever occurs first, for special operating conditions.

Routine preventive maintenance is intended to identify and repair faults before they become major problems. A good PM program could result in an extended service life of the vehicle, lower vehicle downtimes, and reduced overall maintenance expense.

RECOMMENDATION 1

Preventive maintenance should be performed in accordance with the vehicle manufacturer’s maintenance guidelines.

AUDITEE RESPONSE

Ford Motor Company recommends that normal duty vehicles be given preventive maintenance services every 5,000 miles or six months. Normal duty is defined by Ford as those vehicles which do not have extensive idling times and are not driven for long at high and/or low speeds. Ford defines severe duty as those vehicles that have extensive idling times and/or are driven for long periods at high and/or low speeds.

To improve compliance with the required service criteria, the Vehicle Coordinator is working with the Technologies Department to develop a form based notification system to alert employees that their vehicles are nearing service requirements under preventive maintenance, and remind them of their obligations under SOP 609.1. The notification process will involve reminder notices being disseminated as vehicles near within 500 miles or 30 days to their

next scheduled service requirement, and PAST DUE notices being disseminated as vehicles surpass 500 miles or 30 days from their scheduled requirement. The notifications are auto-generated, utilizing data collected on the department's gas and mileage database, which tracks current mileage through refueling.

RECOMMENDATION 2

The required PM schedule (mileage and time criteria) for each vehicle should be recorded in the TPD Vehicle Maintenance database.

AUDITEE RESPONSE

The Vehicle Coordinator has worked with the Technologies Department, and the database has already been modified to allow the Fleet Services Technician to enter the preventive maintenance criteria (3,000 or 5,000 miles) for each vehicle. This will allow reports to be auto-generated as discussed in the response to Recommendation 1 above. Past preventive maintenance service is already tracked and will be used to prepare notifications based on the time criteria.

PREVENTIVE MAINTENANCE – Monitoring Procedures

We learned that management is unable to identify vehicles due for preventive maintenance service because there is no mechanism for tracking the mileage for each vehicle between PMs. The responsibility of having preventive maintenance performed at the required intervals rests on the operator of the vehicle.

Vehicle operators input the current mileage each time they refuel the vehicle per the guidelines of the TPD gasoline credit card program. The mileage information is incorporated into the weekly data download from the External Fuel Tracking System from the vendor. However, it is not imported into the TPD Vehicle Maintenance database. Additionally, the City's Fleet Maintenance Division receives a text file of the downloaded information to import into FASTER (FASTER is Fleet's maintenance management software program).

The preventive maintenance form provided to TPD officers indicates the mileage interval at which to have a PM performed. However, the form does not state the time criteria (e.g., every 3 months or 6 months) to have a PM performed in the event the vehicle does not meet the mileage criteria. The City's Fleet Maintenance Division requires the TPD vehicles that they maintain to receive a PM in accordance with the manufacturer's recommended guidelines.

RECOMMENDATION 3

A procedure should be developed to ensure that preventive maintenance is performed on all TPD vehicles. The mileage from the gasoline credit card program should be imported into the Vehicle Maintenance database. The updated mileage data could be used to help identify and schedule the vehicles that require PM.

AUDITEE REPSONSE

The Vehicle Coordinator has worked with the Technologies Department, and mileage from the gasoline credit card program is now being imported into the Vehicle Maintenance database. An IDP, (Inter-Department Procedure), is currently under development for the Vehicle Coordinator to generate notification and PAST DUE notices to employees who operate vehicles.

PREVENTIVE MAINTENANCE – Monitoring Procedures

RECOMMENDATION 4

The PM form provided to officers should be revised to add a time requirement criteria in addition to the mileage criteria for scheduled maintenance.

AUDITEE RESPONSE

Upon issuance of a police vehicle, employees sign a form acknowledging their understanding of preventive maintenance requirements, and what those requirements are. This form is outdated and does not accurately reflect the current criteria for preventive maintenance as defined by Ford for Normal Duty and Severe Duty operations.

The form has been updated to reflect the appropriate mileage criteria, which are 3,000 miles for severe duty, and 5,000 miles for normal duty operation. Moreover, the form also defines time criteria, mandating that preventive maintenance be performed every 3,000 miles or 3-months for severe duty and 5,000 miles or 6-months for normal duty operation.

RECOMMENDATION 5

TPD should consider revising SOP 609.1 to add the mileage and time requirements for scheduled maintenance.

AUDITEE RESPONSE

Upon recommendation, this SOP is currently being updated by the Special Operations Division to reflect the recommended changes.

PREVENTIVE MAINTENANCE CHECKLIST

Section 6.8 of the Dealership Maintenance Bid Specifications states:

PREVENTIVE MAINTENANCE. The Awardee shall complete the Preventive Maintenance as recommended by the Ford Motor Company on the vehicle. The vehicle checklist shall be completed and signed by the mechanic, with the employee number and dated. The original shall be returned to the City representative.

We noted instances that the required checklists were not in the vehicle file or the form was not fully completed by the mechanic that performed the servicing. Element(s) specified in the contract such as mechanic signature, employee number, date of service, vehicle number, vehicle mileage were blank, and tasks on the PM checklist were not marked as being completed.

Preventive Maintenance on a police unit is more intensive than for a normal vehicle and includes many extra steps to ensure officer safety. If a mechanic not normally assigned to TPD vehicles is performing a PM, he may not be familiar with all the required tasks. The checklist helps ensure that the mechanic is aware of all the required steps and is the means to document their completion. When a PM form does not accompany an invoice or is improperly filled out, there is a lack of assurance that the PM was in fact performed or completed in accordance with the checklist.

RECOMMENDATION 6

The mechanic servicing the vehicle should fill out the Preventive Maintenance checklist completely and properly. The dealership should be informed that the checklists are not being completed as required by the contract. The completed checklist should accompany the invoice sent to TPD for payment.

AUDITEE RESPONSE

The Vehicle Coordinator will be scheduling a meeting with the Assistant Service Manager for Bill Currie Ford, to address this issue. Post meeting, the coordinator will monitor new invoices and accompanying checklist to ensure accuracy and completeness. Discrepancies will be addressed immediately.

TIRES

Tires are purchased by the City and provided to the dealership for use on TPD vehicles. The City purchases the tires under a State Purchasing contract because the pricing is more favorable than purchasing the tires from the dealership. As of July 25, 2006, \$193,392 had been spent on tires purchased and delivered to Bill Currie Ford. Section 6.14 of the Bid Specifications requires a perpetual inventory of the tires be kept by the dealership and be made available to the City as necessary. It was represented that that a physical count of the tires on hand was periodically conducted and compared to the dealership's perpetual inventory records. However, this was not documented. Moreover, TPD did not maintain an independent record of the quantity of tires purchased and the number of tire changes to compare to the dealership's perpetual inventory records. As a result, confidence in the reasonableness of tire purchases, tire replacements, and quantity on hand is not supported.

We were unable to recalculate the quantity on hand to compare to the dealership's perpetual inventory records obtained during our site visit on May 18, 2006. This was because there was no documentation of the number of tires transferred from Ernie Haire Ford to Bill Currie Ford upon the inception of the contract (i.e., beginning inventory balance).

RECOMMENDATION 7

A procedure should be established to track the accuracy of the dealership's perpetual inventory records of tires purchased by the City.

AUDITEE RESPONSE

As soon as practical, a perpetual inventory will be completed at the dealership so that TPD will have a beginning inventory balance to use to compare to future purchases and usage.

RECOMMENDATION 8

Procedures should be established to reconcile the dealership's records with purchases and usage.

AUDITEE RESPONSE

Once a perpetual inventory is completed as described in the response to Recommendation 7, future Goodyear purchases and replacement usage can be reconciled against the perpetual inventory. Purchases can be tracked through TPD Goodyear Invoices, and usage through a report generated from the parts table. The Vehicle Coordinator will be meeting with the Technologies Department to develop this query from the database.

CORE RETURNS

Certain parts purchased include a core charge in the price of the item (e.g., batteries, starters, and alternators). A part has a core charge to encourage the return of the old part to be remanufactured and sold. The core charge is credited upon return of the old part (for TPD purposes, the credit is given when the dealership's mechanic returns the old part to the dealership's parts department). TPD did not have a procedure in place to ensure that parts purchased with a core charge were issued the core return credit. During the period of February 8, 2005 to May 12, 2006, TPD received \$26,073 in core return credits on parts costing \$103,776 which represents a 25 percent cost savings.

Our analysis of the part items that had received the core return credits disclosed 39 part purchases eligible for a core return credit that were not issued. We determined that the missed credits totaled \$1,225. TPD did not have a procedure in place to ensure that parts purchased with a core charge were issued the core return credit. In addition, TPD did not have a master list of the parts that include a core charge.

RECOMMENDATION 9

A list of the part numbers that have a core charge included in the purchase price should be obtained from the dealership. TPD should flag core charge in the Parts Table of the Vehicle Maintenance Database. After the dealership invoice information is imported, a query should be executed against the Parts Table to ensure that core charge parts purchased have a corresponding core return credit. Any core charge part purchased not receiving a credit should be followed up with the dealership.

AUDITEE RESPONSE

The Vehicle Coordinator has requested a list of part numbers that have a core charge included in the purchase price as recommended. Furthermore, the Vehicle Coordinator will work with the Technologies Department to develop a process whereby the core charge in the Parts Table of the Vehicle Maintenance database can be flagged. Assistance will also be requested from the Technologies Department to develop a query that can be executed against the Parts Table to ensure that core charge parts purchased have a corresponding core return credit. Once this query and procedure is adopted, any core charge part purchased not receiving a credit should be followed up with the dealership. If the dealership does not provide this information, IT will create a list based upon return parts that TPD has received credit for in the past. One of these reports should be available during the first quarter of 2007.

REPAIR AUTHORIZATIONS

Verbal authorizations given to the dealership for non-collision repairs were not documented and a copy of the dealership's written estimate was not obtained for these repairs. It was represented that repairs costing \$100 or greater (previously, the threshold was \$500 or greater) must be approved prior to commencing the work. Section 6.21 of the Bid Specifications states ". . . in no instance shall the actual invoiced costs exceed the original estimate." Consequently, documentation to help ensure that the amount invoiced agreed with the authorized estimate was not available.

During the course of the audit, the threshold for authorizing repairs was changed to \$250. This was due to the increase in the number of authorizations required after the threshold was reduced to \$100. During our site visits, dealership personnel expressed concern for the number of delays caused by waiting for the verbal authorizations to start the repairs.

RECOMMENDATION 10

A procedure should be developed to document the verbal authorizations and related estimated cost of repairs. This would allow the actual invoice to be compared to the estimated repair cost that was authorized.

AUDITEE RESPONSE

After review of this process, the Vehicle Coordinator has eliminated verbal authorizations, electing to adopt an e-mail system. This will still allow for fast turn-around, with the added benefit of having a written document for tracking, follow-up and auditing purposes. This process has already been instituted and will be re-evaluated after 30-days to ensure efficiency and effectiveness.

RECOMMENDATION 11

TPD should monitor and periodically review the threshold amount for requiring the dealership to obtain verbal authorizations.

AUDITEE RESPONSE

After review of delays, and evaluations of the types of repairs that would normally trigger pre-authorization (those over \$100.00), the Vehicle Coordinator raised the threshold to \$250.00, the current amount. In addition, other triggering factors include the mileage on the vehicle, specifically those with more than 100,000 miles, and age of the vehicle, those seven years or older, to ensure that they are economically feasible repairs based on the overall value of the vehicle. These threshold amounts will be reevaluated annually or as needed.

DEALERSHIP DATA IMPORTED INTO THE VEHICLE MAINTENANCE DATABASE

Data received from the dealership is imported into three different tables within the TPD's Vehicle Maintenance database – the invoice, maintenance, and parts tables. The invoice table provides the invoice data at the summary level and the invoice detail is provided in the maintenance and parts tables. Our review disclosed that the data from the three tables did not reconcile. For example, the maintenance table excluded the GOG (gas, oil, and grease) and Sublet costs, totaling \$62,198, which was listed in the invoice table. The Vehicle Maintenance Report generated to analyze maintenance costs by vehicle is extracted from the maintenance table. Consequently, GOG and Sublet costs were not included in the maintenance report for vehicles that incurred those costs.

RECOMMENDATION 12

A procedure should be established to reconcile the data within the three tables on a periodic basis and the reconciliation should be documented.

AUDITEE RESPONSE – TPD Information Technology & Planning Bureau

The report reconciling the three tables will be completed by 12/31/2006.

RECOMMENDATION 13

The GOG (gas, oil, and grease) and Sublet costs should be imported into the maintenance table.

AUDITEE RESPONSE – TPD Information Technology & Planning Bureau

Labor and parts can be reconciled but the ability to reconcile GOG and sublet is dependent upon the dealership sending TPD the detailed data. IT will work with the dealership to define requirements for this data.

VEHICLE MAINTENANCE DATABASE SECURITY

Access to the TPD Vehicle Maintenance database was not monitored. Our review disclosed three employees with access that did not need access to perform their duties. These employees could add or change information in the database. A retired employee's access was not removed when she left the City. Proper internal controls require that user access be given only to those employees requiring access to perform their job duties and only authorized current employees retain system access.

RECOMMENDATION 14

The Vehicle Coordinator should review user access to the Vehicle Maintenance database periodically to ensure access is limited to those employees who need it to perform their job duties. Employee access should be removed immediately upon termination of employment or upon transfer to another position within the City.

AUDITEE RESPONSE

The Vehicle Coordinator will review current users and make changes as needed and outlined in the above recommendation. Furthermore, as employee responsibilities change, the coordinator will update accessibility. An annual review will be conducted to ensure continued integrity.

LEASED VEHICLES

We compared the Vehicle Identification Numbers (VIN) applicable to the imported invoice data from the dealership to the VINs in the Vehicle Master Table within the TPD Vehicle Maintenance database. The analysis disclosed ten invoices, totaling \$417.95, for services performed on six vehicles that did not have a VIN recorded in the Vehicle Master Table. After research performed by TPD personnel, it was discovered that the 6 vehicles were previously leased and the VINs had been replaced with the VINs of other leased vehicles. Consequently, there is no record of these vehicles in the Vehicle Master Table.

RECOMMENDATION 15

A new record should be created in the Vehicle Master Table for each purchased or leased vehicle. Upon removal of the vehicle from service, the status of the vehicle should be changed to inactive.

AUDITEE RESPONSE

The procedure for entering leased vehicles into the database has changed, a vehicle status is now tracked, and rather than deleting old leases, their status is changed to "Inactive," and a new record created for replacement lease vehicles.

LABOR CHARGE REPORT

Preventive maintenance, tire changes and repairs, and battery changes are charged at the rate quoted in the bid. All other services are charged at the quoted flat hourly rate based on the repair times listed in the parts and time guide used by the dealership. The dealership uses the Service Price Guide.

A Labor Charge Report developed by TPD is generated after the dealership invoice data is imported into the Vehicle Maintenance Database. The report calculates the hourly labor rate for each task performed by dividing the labor cost by the labor hours. The purpose of the report is to ensure the City was being charged the correct hourly rate. However, the report was not reviewed by TPD and we noted in the report where the labor rates were not in accordance with the contract.

We learned from dealership management that the labor hours imported were the labor hours the dealership pays their technicians versus the repair hours from the Service Price Guide for which the City's labor charges were calculated. It was represented that the repair times from the Service Price Guide cannot be imported. We recalculated the invoiced labor charges using the repair times from the Service Price Guide during our test of invoices and noted that the contracted hourly labor rates were used in the dealership's calculation of the labor charges to the City. Consequently, the Labor Charge Report reflects labor rates not consistent with the City's contract.

As a result of our inquiry, the dealership stated they would pay their technicians the repair hours listed in the Service Price Guide. We reviewed several recently generated Labor Charge Reports and noted that the report's calculated labor rates now agree with the contractual labor rates.

RECOMMENDATION 16

The Labor Charge Report should be reviewed to ensure the correct labor rate is being charged to the City. Any differences should be followed-up with the dealership.

AUDITEE RESPONSE

The Vehicle Coordinator will request that the Labor Charge Report be run and forwarded to her at least monthly. The Vehicle Coordinator will be responsible for reviewing the report and ensuring that the correct labor rate is being charged. Any discrepancies will be documented and addressed immediately. A Charge Discrepancy file will be maintained for review and auditing purposes.

DEALERSHIP INVOICE REVIEW

It was represented that on a periodic basis, invoices (excluding collision invoices) were judgmentally selected for review and the labor charges were verified to the dealership's billing system. However, the invoices reviewed were not documented and the review did not include verifying the repair times used in the calculation of the City's labor charge to the dealership's printed repair estimate from the Service Price Guide. Consequently, there is a lack of assurance that the correct labor hours were used in the calculation of the labor costs.

RECOMMENDATION 17

The dealership invoices selected for testing at the dealership should be documented and the documentation retained for future verification. The testing of the labor cost should include verifying that the repair times used in the labor charge calculation agree to the dealership's Service Price Guide.

AUDITEE RESPONSE

The Vehicle Coordinator will establish a procedure to periodically review non-collision invoices, the review will include verifying that the repair times used in the labor charge calculation agree to the dealership's Service Price Guide. Moreover, A Dealership Invoice Review file will be maintained for review and auditing purposes.

COLLISION ESTIMATES

Section 7.6 of the Bid Specifications requires a written detailed estimate of the repairs needed and the time and materials required for collision damage. The hourly rates for collision repairs (painting, bodywork, paint supplies), and mechanical labor are noted on the estimate. Prior to the dealership commencing repairs, the estimate is evaluated and approved by TPD. Our review found that the labor rate charged for mechanical repairs performed by the dealership's body shop was incorrect. This should have been identified in TPD's review of the estimate. The dealership agreed with our finding and reimbursed the City \$566.55 for the overcharges.

RECOMMENDATION 18

Collision estimates should be reviewed more carefully to ensure that the labor rates used are in accordance with the contract.

AUDITEE RESPONSE

The Vehicle Coordinator will establish a procedure for the fleet vehicle technician to review all collision invoices. A review of the initial estimate and obtaining second estimates for replacement versus repair and/or from other vendors when applicable will also be completed. The Fleet Services Technician will also check every collision invoice to ensure the cost does not surpass the estimate, (as per Section 6.21 of the Bid Specifications, which states "...in no instance shall the actual invoiced costs exceed the original estimate."), and to ensure that the appropriate labor rates are charged prior to approving payment.

COLLISION ESTIMATES

During the audit, TPD obtained an estimate from the dealership to repair a vehicle with collision damage. The repair estimate was priced higher than anticipated, so they obtained a second estimate from another vendor under contract with the City for automotive paint and body repair. The second quote was significantly less. The dealership estimate was based on repairing the damaged part and the second quoted replacing the damaged part. It was represented by TPD that there was not a policy to obtain two estimates for repairing collision damage. To evaluate the reasonableness of a repair estimate it is good business practice to obtain more than one quote. The quote can be based on repairing the damage versus replacing the damaged part, or requested from two different repair shops.

RECOMMENDATION 19

TPD should obtain at least two estimates for collision repairs. The City's Fleet Manager agreed to provide assistance in helping TPD decide whether to repair or replace was the best alternative. In addition, training on collision repair estimating could benefit TPD personnel.

AUDITEE RESPONSE

Currently, a requirement for second estimates is not in place. To require second estimates on all collision repairs may be cost prohibitive. A request for a comparison between replacing versus fixing parts should always be completed when applicable, and this will be put in place immediately.

This recommendation will be reviewed further to establish a procedure for when a second estimate from another vendor would be appropriate (i.e. dollar value requirement, area and/or type of damage, etc.), which will be adopted.

REWORKS

TPD did not have a formal process for tracking reworks (vehicles returned to the dealership with the same problem that was not corrected the first time). Consequently, there is the potential for TPD to be charged for repeat repairs. Prudent business practices require that the frequency and nature of reworks be identified and monitored. In most cases, rework maintenance should not be charged to TPD.

RECOMMENDATION 20

Criteria should be established to define what a “rework” is. For example, a vehicle returned to the dealership within five days for the same complaint. After the criteria are set, a method to identify a vehicle returned for the same complaint should be developed.

AUDITEE RESPONSE

A policy is being developed by the Vehicle Coordinator to define “rework” and develop a systematic method of tracking repairs performed under this category. A “Rework” form will be issued to all employees, which will be submitted through TPD channels to alert the Vehicle Coordinator of a possible rework situation. Upon receipt, the Fleet Services Technician will conduct a follow-up and ensure proper credit is received when appropriate.

VEHICLE SERVICE LOG

Section 6.21.1 of the Bid Specifications states “*The Awardee shall have a daily sign-in log for officers requesting maintenance on their vehicle. This log shall have the Unit Number to be serviced, the type of service requested, and the officer’s signature.*” Our review of the Vehicle Service Log disclosed that the “type of service requested” was not provided. Consequently, services actually invoiced cannot be compared to the services requested. We were also informed that police officers do not review the invoices to confirm the work performed on their vehicles.

RECOMMENDATION 21

The Vehicle Service Log should be revised to help ensure that the type of service requested is recorded.

AUDITEE RESPONSE

The form, which is maintained at the dealership, will be redesigned to include spaces for the date, unit number, officer name, signature, payroll, officer’s contact number, the RO number, and an area for the employee to list the services requested. The Fleet Services Technician will review this form for discrepancies and maintain the form on file for auditing purposes.

POLICIES AND PROCEDURES

There are no written procedures describing the various functions for monitoring the dealership maintenance contract. Written procedures are required by Tampa City Code, Section 2-46. As a result, the contract may not be monitored in accordance with management expectations.

RECOMMENDATION 22

Written procedures should be developed describing the process for monitoring the dealership maintenance contract and incorporated into the TPD's Standard Operating Procedures manual. The manual should be updated when changes in policy or procedures occur.

AUDITEE RESPONSE

No current written procedures exist, which describes the process for monitoring the dealership maintenance contract. A review of the appropriate mechanism for documenting this will be made (SOP versus IDP), and a written procedure will be developed.