Internal Audit Report

Limited Operational Audit

Port of Seattle Fleet Maintenance -- Aviation and Marine

January 1, 2008 to December 31, 2010

Issue Date: September 7, 2011
Report No. 2011-16

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Transmittal Letter

We have completed an audit of Port Fleet Maintenance – Aviation and Marine. The purpose of the audit was to determine whether internal controls are adequate to ensure that operations are efficient and effective.

We reviewed information relating to fleet maintenance operations from January 1, 2008 – December 31, 2010, and through the end of fieldwork in July 2011.

Management has primary responsibility to establish and implement effective controls. Our role was to assess and test those controls in order to establish whether the controls were adequate to ensure effective operations and compliance.

We conducted the audit using due professional care. The audit was planned and performed to obtain reasonable assurance that controls are adequate and operating effectively as intended in the aforementioned areas.

The fleet maintenance activities are managed by experienced staff. We, however, have identified opportunities to improve controls related to management monitoring activities.

We extend our appreciation to the Fleet Maintenance staff for their assistance and cooperation during the audit.

Joyce Kirangi, CPA
Internal Audit Director

Executive Summary

Audit Scope and Objective The purpose of the audit was to determine whether management has implemented adequate controls to ensure:

1. Compliance with internal policies and procedures Executive Policy 17 (EX-17);
   - Assigned take-home vehicles justified and authorized
   - Utilization requirements for assigned and pooled vehicles are met
2. Corrective maintenance occurs as needed and appears reasonable
3. Performance measures are available, utilized, and assisting management in achieving its goals (e.g., preventive maintenance time allocation estimates are monitored against actual)
4. Benchmarks are available and can be used to help improve Port fleet operations

We reviewed information for the period of January 1, 2008, through December 31, 2010, including activity through the end of fieldwork in July 2011.

Background The Port of Seattle maintains a large and diverse fleet of 1,335 items.

Total Annual Expenses for Fleet Maintenance for 2008 – 2010

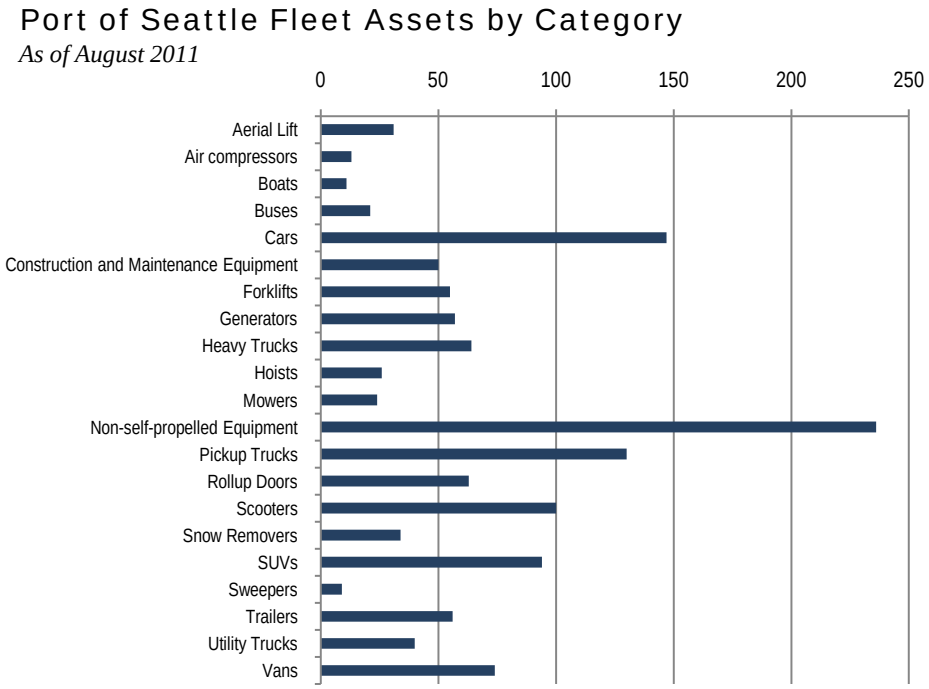
Year	Aviation Maintenance	Marine Maintenance	Total
2008	$3,099,762	$1,259,184	$4,358,947
2009	$2,961,162	$1,117,294	$4,078,456
2010	$2,910,563	$972,782	$3,883,346

Data Source: PeopleSoft Financial Reporting

Audit Result Summary The fleet maintenance shops have adequate controls to ensure maintenance operations are efficient, effective, and in compliance with internal policies and procedures. However, we identified two significant issues related to the monitoring and oversight of fleet management activities.

Background

The Port of Seattle maintains a diverse fleet of 1,335 items as of August 2011:



The Port currently has three categories of vehicle assignments:

- '*Take-home*' 38 vehicles assigned to specific employees and authorized to "take home":

Department/Division	# Take-Home
Police Department	29
Fire Department [(1)]	4
Aviation	4
Corporate	1
[(1)] Not included in this audit: the Fire Department tracks and maintains its own vehicles.	

Data Source: Management Reports

- '*Assigned*' 71 vehicles assigned to specific staff during business hours only:

		Location			
Department/Division	**# Assigned**	**AOB**	**P69**	**Watertower/ Westside**	**Other Project Sites**
Engineering	58	2	5	32	19
PCS					
Police	5	5			
Aviation	2	2			
Seaport	4		2		2
Corporate					
Real Estate	2				2

Data Source: Management Reports

- '*Pool*' 118 vehicles assigned to divisions and shared by all Port staff:

		Location			
Department/Division	**# in Pool**	**AOB**	**P69**	**Watertower/ Westside**	**Other**
Engineering	26			26	
PCS	7				7
Police	41	41			
Aviation	10	10			
Seaport	6	2			4
Corporate	16		16		
Real Estate	12				12

Data Source: Management Reports

Port fleet is managed by two fleet managers, one for aviation and one for marine. Aviation and Marine (fleet) maintenance shops coordinate vehicle purchases, all service and maintenance activities, and the outsourcing of any specialty work or repairs (e.g., front-end alignments, body work, and engine rebuilds). Both shops use IBM Maximo as their primary software application and Microsoft Excel as a secondary program for managing the Port's fleets.

In 2007, the Port established a Fleet Management Oversight Team (FMOT), which meets quarterly, and is composed of the following individuals (with executive sponsorship by the Chief Financial and Administrative Officer):

- Director, Risk Management
- Senior Program Manager, Aviation Environmental Programs
- Buyer, Central Purchasing Office
- Fleet Manager, Aviation Maintenance
- Compliance and Fleet Manager, Marine Maintenance

The FMOT developed a comprehensive fleet policy that went into effect on February 29, 2008 (Executive Policy 17, or EX-17). The policy's goals are to manage fleet use, ensure purchases are justified, incorporate environmental considerations into the program, promote efficient fleet utilization, monitor assignment of take home vehicles, and coordinate with Risk Management.

Aviation and Marine maintenance operations are discussed separately, as each is unique. It is important to note that the fleet inventory does not include Fire Department vehicles. Neither Aviation nor Marine tracks or maintains Fire Department equipment.

Aviation Maintenance

The Aviation maintenance shops are located at 2307 S. 161st Street. The assets maintained by Aviation range from jetways to snow equipment to forklifts to landscaping equipment to pick-up trucks to sedans. To the extent practical, the fleet is maintained at the shop. The area is secured, and unmarked vehicles are not allowed to pass through the security gates. Video cameras record movements and access to the facility is logged via INTELLIKEY®. The shop is staffed by 16 FTEs, including the foreman and the mechanics. Aviation's geographic coverage is limited to SeaTac International Airport and its facilities.

Marine Maintenance

The Marine maintenance shops are located at 25 S. Horton Street. The exterior areas where vehicles and other equipment are parked are secured with locked gates, pressure sensitive fences, barbed wire, and motion detectors. Staff gains access with security cards. Video cameras record activity. The shop is staffed by seven FTEs, including the foreman and mechanics. In addition to the S. Horton Street facility, Marine maintenance covers the following locations:

- Cruise Terminals
- Shilshole Bay Marina
- Fisherman's Terminal
- Pier 69
- Multiple parks
- Terminal 34
- Terminal 102
- Pier 66
- Container Terminals and Container Support Properties

Audit Objectives

The purpose of the audit was to determine whether management has implemented adequate controls to ensure:

1. Compliance with internal policies and procedures (EX-17)
   - Assigned take-home vehicles justified and authorized
   - Utilization requirements for assigned and pooled vehicles are met
2. Corrective maintenance occurs as needed and appears reasonable
3. Performance measures are available, being utilized and assisting management in achieving its goals (e.g., preventive maintenance time allocation estimates are compared to actual)
4. Benchmarks are available and can be used to help improve Port fleet operations

Highlights and Accomplishments

PORT WIDE:

- EX-17 was implemented for fleet management beginning February 29, 2008
- Ranked as the Number 20 top 100 Government Green Fleets in 2010, with recognition for environmentally-conscious efforts such as:
  - Participating in the Washington State (Local) Clean Diesel Grant Program
  - Increasing the percentage (37% total) of the fleet running on alternative fuels, such as electric, clean natural gas, B-20 bio-fuel, hybrids, and propane
- Proactive fleet right-sizing and fleet utilization, including moving departments away from assigned vehicles to pool, and reducing take-home vehicles by 71%

MARINE MAINTENANCE

- Converted eight managers from assigned vehicles to pool vehicles
- Implemented more than 30 'green' initiatives for facilities improvements and purchasing

- Regularly participates in the Seattle Youth Employment Program, which offers low-income kids from Seattle job training and skills development
- Building relationship & partnerships
    - Marine maintenance was appointed to Board of Trustees of the Vehicle Maintenance Management Conference, sponsored by the University of Washington
    - An active member of the Public Fleet Managers Association, National Association of Fleet Administrators, Plug-in Hybrid Electric Vehicle Committee, Puget Sound Clean Cities Coalition organizations, including presentations made before these groups
- Developed a 10-year fleet replacement plan for Real Estate, Seaport, Capital Development Division, and the Corporate Division

AVIATION MAINTENANCE

- Continued to pursue fleet right-sizing and fleet utilization by encouraging the use of pool vehicles over assigned, reducing the total fleet size 10% by 2010
- Reduced on-site parts inventory by 65%-70%
- Since 2008, reduced Police new vehicle set-up time from three to six months to less than 30 days from receipt of vehicle
- Implemented more than 30 ‘green’ initiatives for facilities improvements and purchasing
- Active member of the National Association of Fleet Administrators and the American Public Works Association

Audit Scope and Methodology

We reviewed information for the period January 1, 2008, through December 31, 2010, including activity through the end of fieldwork in July 2011. We utilized a risk-based audit approach from planning to test sampling. We performed a multitude of information gathering methods including research, interviews, observations, and analytical reviews in order to obtain a complete understanding of the fleet maintenance operations and management. We conducted an assessment of significant risks and identified controls to mitigate those risks. We evaluated whether the implemented controls were functioning as intended.

We applied additional detailed audit procedures to areas with the highest likelihood of significant negative impact as follows:

1. Compliance with internal policies and procedures (EX-17)
    - Assigned take-home vehicles justified and authorized
    - Utilization requirements for assigned and pooled vehicles are met

    We identified the assigned take-home vehicles and determined whether they were in compliance with the policy. We reviewed the documentation maintained by Risk Management supporting the justification for the take-home assignment and the authorization by division directors. We also identified the assigned and pool vehicle

populations and conducted the appropriate tests to determine compliance with the policy that sets minimum utilization requirements.

2. We reviewed corrective maintenance to determine whether any items had undergone excessive repairs. We established a threshold of six or more corrective maintenance events within a year and reviewed those items that exceeded this threshold to determine whether the corrective maintenance was valid and whether the corrective maintenance was being monitored by management.

3. We determined whether management had established performance measures to assist in achieving its goals. We found both shops used several performance measures, focusing on one to two key performance indicators, which we tested to evaluate the quality of the data and the measures' usefulness in planning and management of the two fleet maintenance shops. The measures we reviewed included the following:

    - Aviation Maintenance:
        - *Percentage of labor hours worked per [weekly] plan*
        - *Percentage of preventive maintenance work orders completed at or below the budget hours*

    - Marine Maintenance
        - *Percentage of preventive maintenance work orders completed early or on-time*
        - *Percentage of preventive maintenance work orders completed at or below the budget hours*

4. We obtained benchmarking data from other port districts and governmental organizations with fleet maintenance operations. We developed relevant ratios and information for comparison to the Port fleet maintenance operations.

Conclusion

The fleet maintenance shops have adequate controls to ensure maintenance operations are efficient, effective, and in compliance with internal policies and procedures. However, we identified two significant issues related to the monitoring and oversight of fleet management activities.

Schedule of Findings and Recommendations

1. Maximo Software (IBM) for Fleet Maintenance Is Not Used At Optimal Capacity

The Port upgraded to IBM Maximo 7.1 in fall 2010. Aviation and Marine Maintenance have been using various versions of Maximo since 1995 and 2004, respectively. This asset management database is the repository of Aviation and Marine fleet assets, along with other Aviation and Marine capital assets.

Maximo 7.1 is a central database that can provide a wealth of information, including the following:

- Asset number
- Asset description
- Scheduled preventive maintenance
- Dates of corrective maintenance
- Costs associated with maintenance
- Lifecycle of asset
- Asset disposition
- Asset usage
- Location of item
- Assigned user

Rather than a standardized process based on commonly shared data definitions/dictionary, Aviation and Marine have established different rules for data entry. Maximo users receive different training for Aviation and Marine. Due to the current configuration of Maximo, an asset must be duplicated when Aviation performs maintenance on a Marine Asset and vice versa.

Maximo can generate asset numbers, accept detailed data entry for assets and work orders and produce an array of management reports. However, the fleet managers and administrators continue to maintain detail external to Maximo in Excel spreadsheets or manual logs.

Some examples:

a. Asset Numbering

Aviation and Marine maintain and share a central Excel spreadsheet to track and assign four-digit sequential asset numbers. One of the features of Maximo is its automatic generation of a six-digit asset number.

The fleet managers (or their designates) override the field of the automatically-generated, six-digit Maximo asset number and enter the four-digit number from the Excel spreadsheet.

b. Master List of Fleet Assets

The fleet manager for Marine maintains a master Excel spreadsheet that lists all fleet assets for Aviation and Marine. The spreadsheet contains information that may not reside in Maximo (e.g., fleet administrator, usage, preventive maintenance location, assignment). The fleet managers rely on the Excel spreadsheet for some of their decision-making, easy

access to extract information, and for developing certain reports for senior management and other stakeholders.

c. *Pool Vehicle Usage Logs and Trip Forms*

Each fleet administrator maintains a log of the pool vehicles for which he or she is responsible. They rely on these records to ensure staff accountability for vehicles, to monitor usage, and to record any issues related to the vehicles.

Maximo was designed primarily for building maintenance. Thus, the types of reports needed for fleet management are not included in the default reports. More useful management reports can be created, but they do not exist at this time. Additionally, some but not all of the information that would be useful to extract from Maximo for decision-making purposes or performance monitoring is not entered into Maximo. Further complicating data extraction is the lack of consistency (i.e., a defined taxonomy) in data entry by Aviation and Marine. When the Port upgraded to Maximo 7.1, it did not establish uniform taxonomies for defining the data elements to be captured in each field. Aviation and Marine continued many of the conventions established in prior versions of Maximo, many of which flowed from manual processes that predated automation.

As of 2010, the Port invested $2.4 million for the upgrade to Maximo 7.1 for its maintenance and IT departments (including aviation and marine (fleet) maintenance). Since 2005, the Port has expended $3.4 million in other asset/fleet management related software (for a total of $5.9 million). Although fleet is a minor asset category in Maximo, these assets are a major resource for Port business and have a significant replacement cost, outsized to their share of the Maximo costs. Therefore, fleet management needs to utilize Maximo's full capabilities to realize the software and fleets serviceable potential.

The Maximo site administrators respond to requests for information from fleet managers and others by developing ad hoc queries, which may not reach the requesting parties timely. Some of the information can only be extracted from the Excel spreadsheets, which are error prone.

Multiple data sets with different protocols for data entry result in inconsistent values across assets. Were data entry to be consistent between Aviation and Marine, these divisions would have the ability to leverage the resources and information on common assets more effectively. For example, Aviation and Marine maintenance share identical makes and models, but may not learn of issues through work order data capture in Maximo. Instead, they must rely on emails, phone calls and in-person meetings to exchange information.

The universe of assigned and pool vehicles cannot be extracted from Maximo (because the necessary information is not entered into Maximo). This information is only available through inquiry of the fleet managers and/or fleet administrators. Some of the information is captured in separate Excel spreadsheets and some of the information is institutional knowledge.

Data capture by Maximo and usage of the information remains less than optimal. A complementary Business Intelligence[i] integration of Microsoft SQL Server or other technologies could significantly automate processes. A few examples:

1. Exception reports could (automatically) identify assets missing key data elements. Staff need only run the exception report and act to address the exceptions, not spend time or effort to discover where exceptions exist.

2. Management can make timely and more effective decisions with data presented in more effective (graphical) ways. In fact, a number of routine decisions could be addressed through business rules that are applied as part of the BI processing of data thereby freeing management's time for more complex or significant decisions.

3. Control reports could mitigate some of the internal control weaknesses identified during this audit by comparing disparate data sources and presenting staff with consolidated information. For example, the following information could not be extracted from Maximo:

   - Assigned vehicle users
   - Location of assets
   - Universe of assets by category
   - Fleet administrators and assigned pool
   - Mileage
   - Distinction of fleet assets versus other assets

Recommendations

1. Use Maximo's automatically assigned six-digit asset number. Discontinue assigning the four-digit manual numbers from the Excel spreadsheet. (Note: Any assets bearing a four-digit number will retain that number throughout their useful lives.)

2. Ensure that Maximo captures a single data set that can be easily tapped for reporting to internal and external entities. (Note: Data clean up will be required to identify and resolve duplicate asset records and to ensure the same data elements are captured in the same fields. Additional fields will have to be created (or designated) to capture items currently tracked on Excel spreadsheets. Existing asset application screens will need to be cloned and modified to accommodate new fields.)

3. Consider developing on-demand result sets to be made available on a "Fleet" SharePoint site for internal department requests (e.g., pool vehicles, mileage, fuel costs, trips), using Maximo's key performance indicator tools. A dashboard can be set up on a "Fleet" SharePoint site that will answer most management questions at a glance (e.g., fleet composition, average mileage, fleet replacement statistics).

4. Discontinue maintaining separate Excel spreadsheets to track assets that are in Maximo.

5. Consider performing a Business Intelligence (BI) assessment, to include a broad spectrum of stakeholders in collaboration with ICT.

   Typically, following the BI assessment, some key areas for BI projects will emerge. Prioritize these projects in terms of costs, ROI, team size, technology infrastructure utilized, complexity, staff readiness (training) requirements, process improvements and taxonomies.

The goal is to create a roadmap of specific BI efforts to be integrated into the Port of Seattle's larger IT and strategic planning efforts.

Management Response

1. *Use Maximo's automatically assigned six-digit asset number.*

   The Port will discontinue the use of a vehicle numbering system that requires the maintenance of a separate document register/excel spreadsheet to associate vehicle identification information with a vehicle number beginning January 1, 2012. Vehicles and equipment purchased in the new calendar/budget year will be assigned numbers by utilizing the automatic feature that currently resides in Maximo. This will assist in our efforts to eliminate or minimize the use of separate spreadsheets.

   Manually assigned numbers is a practice that has been used for many years, well before automation. There has been some logic to the use of certain series of numbers and there is a cultural attachment with the current practice that will have to be overcome.

2. *Ensure that Maximo captures a single data set that can be easily tapped for reporting to internal and external entities*.

   This recommendation is linked to the previous recommendation and implementation is critical to the success of moving away from maintaining separate spreadsheets that are time consuming and subject to error.

   The prospect of maintaining fleet assets in the same data base was examined during the planning phase of Maximo 7.1 upgrade. There were pros and cons to moving in this direction. Clearly the advantage to maintaining the same assets in one data base makes for better asset management and accountability. However, the implementation would create a set of new challenges. Aviation and Marine Maintenance have two separate payrolls, material inventory and job planning that merge with the asset module.

   Aviation and Marine Maintenance will work together to develop common fleet asset data points and classifications that allow for standardization of fleet data and the development of common fleet management reports. This will enable the reporting of fleet data to internal and external entities and to provide fleet managers and administrators the tools needed to manage and control fleet resources. This work will begin in the 4th quarter of 2011 and implemented by the end of calendar year 2012.

3. *Consider developing on-demand result sets to be made available on "Fleet" SharePoint site for internal department requests (e.g., pool vehicles, mileage, fuel costs, trips) using Maximo's key performance indicator tools*.

   This is an excellent recommendation that can be adopted in a form that is accessible either through Maximo and/or SharePoint. These tools will assist Fleet Managers and Fleet Administrators in being compliant with Fleet Management Policy EX-17. Implementation will require priority and resourcing to support report writing, fuel interface and linking source information from Maximo to SharePoint.

4. *Discontinue maintaining separate Excel spreadsheets to track assets that are in Maximo*.

   Discontinuing the use of spreadsheets outside of the Maximo data base is and has been a shared goal. The challenge that remains is the quick and easy extraction of information from Maximo to produce meaningful reports without reliance on technicians or administrative staff. Until we have successfully demonstrated this report proficiency we will continue to be reliant upon the information maintained in Excel spreadsheets.

5. *Consider performing a Business Intelligence assessment, to include a broad spectrum of stakeholders in collaboration with ICT*

   We agree with the auditor's recommendations for a BI assessment. This assessment is essential to successfully supporting these recommendations. A common thread in a number of the recommendations is to improve our ability to mine data, report it timely and efficiently, and then make sound fleet management decisions or recommendations. The BI assessment will help us capture the fleet information requirements, identify weaknesses or potential roadblocks, as well providing us with a roadmap on reporting and analysis. It can also help us identify what we can do in Maximo now between the two business units (Aviation and Marine) in response to the audit and possibly provide insight on emerging technical solutions to some of our challenges.

2. Certain Requirements of the Fleet Management Policy (EX-17) Are Not Being Met

The Port adopted the Fleet Management Policy in early 2008. The Fleet Management Oversight Team (FMOT) crafted the policy. The FMOT, which meets quarterly, is composed of the following (with executive sponsorship by the Chief Financial and Administrative Officer):

- Director, Risk Management
- Senior Program Manager, Aviation Environmental Programs
- Buyer, Central Purchasing Office
- Fleet Manager, Aviation Maintenance
- Compliance and Fleet Manager, Marine Maintenance

At inception, the FMOT provided training in Executive Policy 17. At the current time, it appears that certain requirements are not being met. The audit identified the following areas of noncompliance:

4.1 -- Fleet Managers(s)
4.1.1 -- Shall oversee implementation and ensure that the established Fleet Management Policy is followed.
5.5.1 – Fleet administrators shall submit a monthly off-site fuel report to the Fleet Managers
5.5.2 – Fleet administrators shall validate with the Fleet Managers, no less than quarterly, the location of each department's vehicles and equipment as well as any changes in ownership or assignment of vehicles and equipment.
5.5.5 – Fleet administrators shall notify the Fleet managers prior to transferring Fleet vehicles or equipment between departments or pools.
6.13.1 – No vehicle or equipment will be transferred to another department without the prior approval of the Fleet Manager. Proper accounting documentation shall accompany the transfer request to ensure that vehicle and equipment ownership costs transfer to the new department
6.1 – Vehicle Utilization
*6.1.1 – Pool vehicles shall meet **one or more** of the following criteria:*
6.1.1.1 Accumulate a minimum of 10 Port business trips per month
6.1.1.2 Are available to multiple Port Drivers who utilize vehicles for the purposes of conducting Port Business.
*6.1.2 Assigned Vehicles shall meet **one or more** of the following criteria:*
6.1.2.1 Accumulate a minimum of 15 Port business trips each month.
6.1.2.2 Are necessary to assigned driver's duties for emergencies or to maintain and support critical Port operations
6.1.2.3 Contain specialized equipment, such as radio and light systems and/or official markings and signage, required for use by the assigned
6.3.6 Minimize driving alone on Port business by use of alternatives (e.g., …ridesharing…)…

The fleet managers, who are charged with ensuring compliance, appear to have been unable to enforce certain requirements.

It became apparent that many of the fleet administrators had assumed their duties within the last year and that they had not been provided training by their predecessors. However, they were maintaining logs that clearly showed vehicle usage.

Some of the requirements appear to have not been met from inception of the policy, due to challenges in capturing and compiling the necessary information.

Although the FMOT members appear to represent the significant stakeholders, it became apparent that certain departments may have unique usage issues. For example:

Pool Vehicles
For some of the pool vehicles tested, although the trips mandated per month may not have been met each month, annual averages were reasonable. In all instances there were multiple drivers of the pool vehicles. For example, 11 of the 15 P69 pool vehicles *average* 10 or more trips per month over the course of one year, but they do not always have 10 *exact* trips per month. Another example, for engineering, usage is inconsistent. The pool usage fluctuates with the level of project activity.

It appeared that pool vehicles were used by only one person at a time. However, there may have been multiple users, but the trip request did not reflect this information.

Assigned Vehicles
We tested the engineering department's assigned vehicles. Although the trip requirements may not have been met for all assigned vehicles, the duties of the engineers supported their vehicle assignments and allowed for the efficient execution of tasks that would otherwise be extended or delayed if individuals had to consistently seek out available vehicles.

When staff does not follow a policy's requirements, in whole or in part, the significance of the policy may be questioned. When staff is attempting to comply, but has not received adequate training, they may feel that their efforts are diminished. Further areas of the policy that are being followed may drift into noncompliance due to a perception that the overall policy is not being enforced.

If the unique dynamics of the Port's departments are not factored into policy requirements and, instead, a one-size-fits-all policy is put forward, staff may feel disenfranchised. If certain requirements appear too onerous, individual users may just disregard the policy.

Recommendations

1. Revisit the requirements of EX-17 and determine whether they are appropriate and/or reasonable. Reexamine the length of this policy.

    a. Consider whether the risk management and environmental aspects of the policy belong within EX-17 or within separate policies.
    b. Ensure that compliance requirements are monitored and met and that staff can be held accountable.

2. Institute a Port-wide cycle of training in the requirements of EX-17.

3. Develop a common tracking system for vehicle usage that all fleet administrators can access and utilize, in order to:

    a. Monitor usage
    b. Ensure that usage complies with policy
    c. Provide usage reports to appropriate senior managers

4. Consider expanding the FMOT to include representatives from departments with larger fleets and unique needs (e.g., Engineering Department and P69) and/or a rotating member from one of the other departments.

5. Encourage more ridesharing and ensure that the trip request reflects/tracks multiple users/destinations, as appropriate. Consider using existing Port resources to share information about scheduling/destination of pool vehicles, to improve overall pool fuel efficiency.

Management Response

1. *Revisit the requirements of Ex-17 and determine whether they are appropriate and/or reasonable. Reexamine the length of this policy.*

    The FMOT has been reviewing the Fleet Policy and plans to make necessary changes. We will review the recommendations of the internal audit and discuss with senior management and the executive sponsor for guidance.

    The FMOT will also meet with the departments and fleet administrators to get their input for changes. To make sure that recommendations and changes to EX-17 are well thought out and coordinated, we do not anticipate having the revisions finalized until end of 2nd quarter 2012.

2. *Institute a Port-wide cycle of training in the requirements of EX-17*.

    The FMOT will initiate the institution of annual employee training designed for users, fleet administrators and department managers to better understand the requirements of EX-17. This will encompass revisions to EX-17. Success will require participation and support from Executive and Division Department Heads

3. *Develop a common tracking system for vehicle usage that all fleet administrators can access and utilize to monitor usage, usage compliance to policy and provide usage reports to appropriate senior managers*.

    This recommendation is closely associated with recommendation #3 of Audit Finding #1. Fleet managers and administrators require these basic management tools at

their fingertips. Implementation supports policy requirements and will be useful to administrators and provide information to vehicle users and managers. We will include this item in the scope of work in our request for a business intelligence assessment. There are numerous ways this can be accomplished, from the use of SharePoint to an automated pool car program.

4. *Consider expanding the FMOT to include representatives from departments with larger fleets and unique needs and/or a rotating member from one of the other departments*.

   Rather than expand the FMOT, we propose that the most effective way to actively integrate fleet users in process and information flow is to establish quarterly Fleet Administrative Coordination meetings at both Aviation and Marine divisions attended by the respective Fleet Manager. These meetings would provide a forum to identify issues, review fleet utilization, address support concerns, review vehicle purchasing procedures, and provide policy clarification. They will also serve as a conduit to the FMOT.

5. *Encourage more ridesharing and ensure that the trip request reflects/tracks multiple users/destinations, as appropriate. Consider using existing Port resources to share information about scheduling/destination of pool vehicles, to improve overall pool fuel efficiency.*

   There are currently various methods for ridesharing coordination; Port-wide and internally within departments. We will include ridesharing resources in the annual training to better educate Fleet Administrators and employees with the utilization of these methods.

[i] Business Intelligence (BI) is the articulation of data that allows organizations to measure performance, to operate more efficiently and to make better decisions. A fully-flowered IT environment supports BI efforts, which place critical data at the fingertips of end users, significantly automates processes and supports strong analytic reviews. In today's technology environment, cross-platform integration is far better than just three years ago, and tools to help with automation and integration are available from all major platforms (Oracle, Microsoft SQL Server, SAP, IBM, etc).

The ability to merge disparate sources of data and apply processes (business rules) to produce BI solutions help organizations run more efficiently and improve performance. Typically, a BI environment will integrate disparate sources of data via an ETL (Extract, Transform and Load) process into a DW (Data Warehouse) environment. This transformation of data commonly applies established business (data processing) rules to make the data more meaningful and establish a continuity of taxonomies (data definitions). In turn, this facilitates decision making and collaboration among different users. From the DW, reporting is often made more consistent, and strong analytic support is possible. For many organizations, having the data is not their biggest issue – they are drowning in their own data -- but not having data articulated in a BI solution is where the pain exists so many organizations turn to updated BI environments to address this pain.