GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL

AUDIT OF THE DISTRICT OF COLUMBIA METROPOLITAN POLICE DEPARTMENT FLEET MAINTENANCE CONTRACT

CHARLES C. MADDOX, ESQ.
INSPECTOR GENERAL

OIG No. 01-2-08FA December 17, 2001

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General

December 17, 2001

Charles H. Ramsey, Chief of Police
Metropolitan Police Department
300 Indiana Avenue, N.W., Room 5080
Washington, D.C. 20001

Dear Chief Ramsey:

Enclosed is our final report summarizing the results of the Office of the Inspector General (OIG) Audit of the District of Columbia Metropolitan Police Department (MPD) Fleet Maintenance Contract.

Specifically, our audit disclosed that MPD did not have adequate contract administration procedures in place to monitor and oversee the fleet maintenance contract. As a result, MPD, in general, experienced more frequent vehicle repairs, database and other recording errors, and payment mistakes. These outcomes, in part, may have contributed to an additional $1.3 million being spent on the fleet maintenance contract for the 14-month contract base year period ending September 30, 2000.

In response to the draft report, MPD disagreed with various aspects of the audit finding and other issues identified. However, MPD concurred with all recommendations and was responsive to the intent of our recommendations.

We appreciate the cooperation and courtesies extended to our staff during the audit. If you have any questions, please fell free to call me at (202) 727-2540, or William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

Charles C. Maddox, Esq.
Inspector General

CM/dw

Enclosure

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DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT

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EXECUTIVE DIGEST

OVERVIEW

As the result of growing concerns about the effectiveness of contract administration and the efficiency of the General Services Administration (GSA) contract awarded for the maintenance and repair of the Metropolitan Police Department's (MPD) fleet of vehicles, the senior executive director for the MPD (Corporate Support) and the GSA contracting officer requested an audit of the fleet maintenance contract. The District of Columbia Office of the Inspector General (OIG) and the GSA Office of Inspector General (GSA-OIG) agreed to perform audits, with each office focusing on different areas of the contract. This report summarizes the OIG's review of the contract administration performed by MPD on the vehicle maintenance contract. The GSA-OIG report (Number A010080/P/W/X01075), issued on April 5, 2001, focused on whether the contractor complied with the terms and conditions of the fleet maintenance contract.

OBJECTIVES

Our audit objectives were to review contract administration of the fleet maintenance contract to determine whether MPD complied with requirements of applicable laws, regulations, policies, procedures and contract terms; and to determine whether the contract administration was performed in an efficient and effective manner.

CONCLUSIONS

MPD did not have adequate contract administration procedures in place to monitor and oversee the fleet maintenance contract. Its administrative operation and related practices were deficient and inefficient because MPD did not have:

- A contracting officer's representative on staff or other managers that possessed the necessary automotive industry certifications (such as the American Services Excellence (ASE)-certification) to monitor contract performance against contract requirements;

- Updated guidance in the Fleet Services Division (FSD) Manual that would provide adequate policies and procedures for monitoring vehicle maintenance and repair work, contractor billings and other related contract oversight areas; and

- An effective system for monitoring the billing and review process for work performed under the contract.

As a result of these deficiencies, MPD, in general, experienced more frequent vehicle repairs, database and other recording errors, and payment mistakes. These outcomes, in part, may have contributed to an additional $1.3 million being spent on the fleet maintenance contract for the 14-month contract base year period ending September 30, 2000.

CORRECTIVE ACTIONS

We addressed four recommendations to the MPD Chief of Police that represent actions considered necessary to address the concerns described above. The recommendations, in part, center on updating policy and procedural guidance to improve contract administration and oversight of the vehicle maintenance and repair contract, emplacing qualified personnel to institute and enforce these policies, and enacting interim measures to monitor and oversee contract performance pending issuance and implementation of new guidelines. We additionally recommended implementing a new fleet management information system to meet the needs for contract oversight requirements.

In response to the draft report, MPD disagreed with several aspects of the audit finding but concurred in all four recommendations. We reviewed MPD's comments and made appropriate adjustments to this final report. We consider MPD's comments and actions taken to be responsive to the audit recommendations. Among the actions taken were hiring qualified personnel, establishing contract monitoring procedures, establishing new procedures in regard to the loaner car program, and awarding a contract to provide a new fleet information system. These actions should improve contract administration operations and control contract spending. (See Exhibit 1 for our response to MPD's comments, and Exhibits 2 and 3 for the complete text of MPD's comments to the draft report).

OTHER ISSUES

This report also contains comments on other issues identified during the course of our audit. These issues represent matters not fully reviewed during audit that are provided for the information of District officials. Specifically, we found that MPD insufficiently funded the non-target portion of the maintenance contract, which also contributed to the additional contract spending. Further, during the period covered by the audit, MPD was dependent on the integrity of the contractor to perform a number of contract administration functions, such as providing information on contract spending, vehicle maintenance, and repairs, and the identification of overpayments or erroneous billings.

INTRODUCTION

BACKGROUND

Maintenance and Repair Contract. In 1998, the MPD made the decision to privatize its vehicle maintenance and repair operation as part of its reform initiatives to provide better customer service, increase vehicle availability, and perform preventive maintenance and repair at a reduced cost. The terms of the contract required MPD to provide contract administration of the vehicle maintenance contract by using a contracting officer's representative (COR) at the Fleet Services Division (now the Fleet Management Branch) to monitor performance under the contract and oversee compliance with the terms of the contract.

Through memoranda of understanding dating back to April 1997, the General Services Administration (GSA) entered into a 14-month contract, number GS00M99MVC001, with three option years, privatizing responsibility for the management of the preventive maintenance and repair operation for District police vehicles. The amount of the 14-month base period contract was $3.5 million and the contract allowed for a 3-month phase-in period to begin on August 1, 1999, through October 31, 1999, followed by the contractor assuming full operational responsibility on November 1, 1999. The GSA fleet maintenance contract was divided between target and non-target work. MPD agreed to the original contract award price of $3.5 million to cover both types of service work for the base year period. Target work included preventive maintenance, vehicle safety, emissions testing, and new vehicle preparation. About $3.1 million was set aside for target work. Non-target work was to cover all other repairs as needed, or as directed by MPD. About $400,000 was set aside for non-target work. Contract modifications added another $1.3 million to the original award amount. The total contract ceiling price, as of modification number 8, was approximately $4.8 million.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to review contract administration of the fleet maintenance contract to determine whether MPD complied with requirements of applicable laws, regulations, policies, procedures and contract terms; and to determine whether the contract administration was performed in an efficient and effective manner.

The audit generally covered contract transactions and processes that occurred during the base year period of the contract from August 1999 through September 2000.

During the course of the audit we employed the following methodologies:

- Reviewed MPD policies and procedures as well as management and financial controls established relevant to contract administration;

- Reviewed consultant and prior reports of the fleet management operations;

- Interviewed current and former management, employees, contractors, and consultants to address concerns and to gain a general understanding and overview of the police vehicle preventive maintenance and repair process and operations; and

- Analyzed repair orders, monthly invoices, and payments.

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

FINDING AND RECOMMENDATIONS

FINDING: CONTRACT ADMINISTRATION FOR THE MPD FLEET MAINTENANCE CONTRACT

SYNOPSIS. MPD did not have an effective program for monitoring and administering the contractor's performance of the fleet maintenance and repair contract. The contract administration performed was ineffective because MPD did not have:

- A contracting officer representative (COR) or fleet maintenance manager on staff that possessed the necessary ASE certifications and training to monitor contract performance against contract requirements. Further, the contracting officer did not identify specific COR responsibilities until the option year of the contract;

- Updated guidance in the FSD Manual that would provide adequate policies and procedures for monitoring vehicle maintenance and repair work, contractor billings and other related contract oversight areas; and

- An effective system for monitoring daily work performed under the contract and billings to assess cost reasonableness and the propriety of charges.

As a result, MPD, in general, may have experienced more frequent vehicle repairs, database and other recording errors, and payment mistakes. Additionally, these outcomes, in part, may have contributed to an additional $1.3 million being spent on the fleet maintenance contract for the 14-month contract base year period ending September 30, 2000. If the contracting officer had established the duties and responsibilities of the COR at the beginning of the contract, problems experienced in the oversight of the contract may have been lessened.

DISCUSSION. Title 27 of the District of Columbia Municipal Regulations (DCMR) provides governing criteria for contract administration. In part, these regulations require:

- the agency to develop and apply efficient procedures for performing quality assurance actions under the contract;
- the contractor to be responsible for specific quality controls, inspection methods, and tests as stated in the contract, except those reserved for performance by the agency;
- the agency to implement any specific written instructions from the contracting officer; and
- the agency to perform all actions necessary to verify whether the services conform to contract requirements.

FINDING AND RECOMMENDATIONS

Qualified Contracting Officer Representative and Other Personnel

Since the inception of the GSA vehicle maintenance contract, there have been numerous changes in FSD personnel. Personnel occupying the FSD manager position have changed seven times since the onset of the fleet maintenance contract. Personnel assigned to FSD to oversee contract performance did not possess the necessary technical skills in automotive repair and maintenance or the job-cost training needed to monitor costs charged to the contract on each repair or maintenance order.

The COR is the contracting officer's on-site representative who is primarily tasked with oversight of the contract performance. The COR is specifically required to ensure that work is performed in accordance with contract terms and to monitor costs charged to ensure that those costs are properly chargeable to the contract. It was not until the first option year (December, 2000) that the GSA contracting officer provided the FSD manager with specific COR duties and responsibilities. Those duties included monitoring contract work schedules, overseeing performance progress, monitoring and inspecting the contractor's work, reviewing and approving all payments under the contract (except final payment), and reporting any inadequacies to the GSA contracting officer. To accomplish those responsibilities, the COR, the FSD managers and other FSD administrative personnel must have automotive, administrative, and a limited financial background (job costing) to properly oversee performance of the contract. None of the FSD personnel had a generally recognized automotive industry certification, such as an ASE certification, and most had limited knowledge of automotive maintenance and repair operations. Since the completion of our audit, the Office of Corporate Support filled two civilian vacancies, one for the position of FSD manager and the other a contract monitor.

Contract Administration Policies and Procedures

FSD is primarily responsible for ensuring the adequacy of fleet maintenance and repairs performed by the contractor. These responsibilities include ensuring that work was performed in accordance with contract requirements, that maintenance and repair work meets generally recognized automotive industry standards, and costs for maintenance and repair are reasonable and appropriate. The division is heavily dependent on all unit commanders, managers, sworn officers, and civilian employees to adhere to all plans and actions initiated by or through the fleet services office which relate to fleet responsibilities. However, despite these efforts, FSD did not implement comprehensive written policies and procedures which are necessary to achieve an adequate level of contractor oversight and to ensure sound administration and monitoring of contractor performance.

FINDING AND RECOMMENDATIONS

FSD Manual**.** Our review of the FSD manual found that it had not been updated since 1995. The manual did not include policies and procedures to adequately monitor and administer the requirements of an automotive maintenance and repair contract. Attempts were made by agency officials to have a consultant include an assessment and development of policies, procedures, and other operational matters as part of their work proposal. However, that portion of the contractors' work proposal was never funded. A new assessment needs to be made to determine whether the FSD manual can be updated to provide for effective contract oversight policies or whether an entirely new guideline needs to be developed. Updated or new guidance should include, at a minimum, the following requirements for which the COR is responsible:

- understanding all aspects of the contractor's repair and maintenance operations;
- monitoring scheduled work, including vehicle maintenance, breakdown repairs;
- accident repairs and new vehicle preparation;
- monitoring actual repairs to each vehicle in terms of need, quality and cost;
- monitoring contract costs against contract limits;
- billing and payment approval process;
- record keeping for vehicle accountability, including vehicle inventory, vehicle tags, registrations and inspections; and
- controlling maintenance of vehicles scheduled for disposition (survey).

Monitoring Vehicle Maintenance and Repairs

MPD did not have an effective system for monitoring vehicle maintenance and repair and rarely conducted reviews or test work to assess the quality of services performed by the contractor. The agency did not have an established system to conduct analytical studies on frequent, delayed, unscheduled, or unusual repairs and to spot errors in the repair orders and job history reports. Moreover, FSD lacked any systematic process to assist customers seeking information regarding the repair status of their vehicles. Generally, MPD officers performed some of the monitoring of maintenance and repair work. However, frequent changes in personnel assignments (i.e., vehicle registration, "Y2K" issues, major demonstrations, etc.), the low number of sworn officers assigned to FSD, the contractor maintaining two work shifts, shift rotations, and the mandatory redeployment of police officers to policing duties removed even minimal oversight of maintenance and repair work.

Monitoring Through Database Management. When FSD was responsible for the agency's in-house fleet maintenance and repair operation, FSD was using the fleet management database called "CCG Faster" to track and support fleet inventory, and manage the vehicle maintenance/repair process. In addition, reports were generated from this system for a number of management information usages. With the advent of contracted repair and maintenance, MPD preferred that the contractor use the CCG

FINDING AND RECOMMENDATIONS

Faster system as the management database program. However, the contractor evaluated the system and found that the software could not perform the functions needed to comply with contract requirements. The contractor identified several deficiencies of the CCG Faster software, including its failure to:

- track multiple labor rates;
- develop adequate performance reports;
- identify re-work items; and
- report on customer complaints.

The contractor used a different software database known as "ExtraFleet 2000" to process fleet repair work orders, parts data, and other maintenance and management chores. The contractor allowed MPD access to its database system. However, the contractor stated that MPD did not use the contractor's database to prepare special or *ad hoc* reports beyond those required by the contractor under current contract terms. Instead, MPD requested that the contractor prepare *ad hoc* reports.

Ad hoc reports prepared by the contractor were time consuming because of software limitations. Furthermore, OIG observations indicated that even with the contractor's use of Fox Pro software to extract key data fields from ExtraFleet 2000, data manipulation often times required repetitive inquiries and manual counting which is inefficient. Also, data conversion from Fox Pro to Excel or other database systems did not achieve reliability.

At the time of the audit, MPD was taking steps to procure a new fleet management information system (FMIS), seeking a new or better version of the current CCG Faster. Budget constraints on the agency, the resignation of the FSD manager, and the need for required approval from the Office of the Chief Technology Officer were the primary factors that resulted in a slowed effort to procure a replacement for MPD software. Since the completion of our audit, MPD has awarded a contract for a new FMIS.

Monitoring Billings and Payments**.** A primary responsibility of the COR is to monitor work performed under the contract, particularly in terms of costs charged to the contract on each repair/work order and the verification and approval of contractor billings. FSD's process for carrying out this essential COR function was ineffective because the FSD manager and/or COR:

- did not maintain records sufficient to track all contractor invoices submitted for payment;
- failed to adequately track how much the contractor had been paid;

FINDING AND RECOMMENDATIONS

- reviewed contractor invoices for mathematical accuracy and documentation but did not perform sufficient reviews of contractor invoices to ascertain the propriety of charges and cost reasonableness;
- made arbitrary increments to contractor invoices that led to subsequent differences in amounts billed between the contractor and MPD; and
- did not analyze spending patterns on costs billed for scheduled vehicle maintenance, breakdown or accident repairs, warranty repairs, parts costs or new car preparation costs.

The MPD accounts payable unit accepted FSD's review of the billings for mathematical accuracy and paid the monthly invoices. However, on the recommendation of the contractor, the accounts payable unit did conduct a final payment review covering the base year of the contract. The OIG's review of MPD payments found that MPD overspent the original contract award price of $3,529,936 by $1,308,020 for the 14-month base year period ending September 30, 2000. Moreover, the actual spending exceeded the authorized additional spending limit ($1,264,452) by $43,568.

RECOMMENDATION 1:

We recommended that the MPD Chief of Police complete planned actions to hire a sufficient number of ASE certified personnel to monitor and oversee performance of the vehicle maintenance and repair contract.

MPD RESPONSE

MPD concurred with this recommendation. MPD stated in its response that it has hired two experienced, ASE-certified staff members to oversee and monitor the Fleet Maintenance and Repair Contract.

OIG COMMENT

The actions planned and taken by MPD should correct the conditions noted.

RECOMMENDATION 2:

We recommended that the MPD Chief of Police update existing MPD guidance (FSD Manual) or develop new guidelines for monitoring and overseeing contract performance.

FINDING AND RECOMMENDATIONS

MPD RESPONSE

MPD concurred with this recommendation. MPD stated in its response that it has developed a number of policies and procedures governing contract monitoring. These policies and procedures are identified in the full text of the MPD response to this report in Exhibit 3.

OIG COMMENT

The actions planned and taken by MPD should correct the conditions noted.

RECOMMENDATION 3:

We recommended that the MPD Chief of Police take immediate actions to improve the monitoring and oversight of maintenance and repair work, especially in areas related to invoice review and approval, scheduling of repair and maintenance work, and monitoring and tracking costs charged to each repair order. These actions should be taken in the interim pending issuance and implementation of new policy guidelines.

MPD RESPONSE

MPD concurred with this recommendation. MPD stated in its response that it has hired additional staff to perform contract monitoring activities and has assigned specific areas of responsibility to the appropriate staff to ensure the noted deficiencies are corrected.

OIG COMMENT

The actions planned and taken by MPD should correct the conditions noted.

RECOMMENDATION 4:

We recommended that the MPD Chief of Police implement a new fleet management information system that meets all fleet management and oversight requirements.

FINDING AND RECOMMENDATIONS

MPD RESPONSE

MPD concurred with this recommendation. MPD stated in its response that it has sought to procure a new Fleet Information System that should meet all the requirements necessary to effectively monitor the Fleet Maintenance and Repair Contract.

OIG COMMENT

The actions planned and taken by MPD should correct the conditions noted.

OTHER ISSUES

This report contains comments on other issues identified during the course of our audit. Specifically, we found that the funding for the non-target portion of the maintenance contract was insufficient. Further, the agency remains dependent on the integrity of the contractor to provide information on contract spending, vehicle maintenance and repairs, and for the identification of overpayments or erroneous billings.

Issue #1: Inadequacy of Non-Target Funding

The GSA fleet maintenance contract was divided between target and non-target work. MPD agreed to the original contract award price of $3,529,936 to cover both types of service work for the base year period. Target work includes preventive maintenance, vehicle safety, emissions, and new vehicle preparation. Non-target work was to cover all other repairs as needed, or directed by MPD. Discussions with those involved in the fleet maintenance contract indicated that the award portion for non-target work totaled $389,600 and was under funded, given the poor condition of the vehicle fleet and greater than expected fleet size at the start of the contract. Original estimates for non-target work were based on a fleet size of 1,050 vehicles, a number well below the 1,470 vehicles that comprised the fleet at the time of contract solicitation.

The $389,600 non-target amount was budgeted for body repairs based on an internal study. The study did not include any allowance for neglect and abuse, directed work, limited durability/wear (e.g., tires and brakes), or other unscheduled repairs. Accordingly, the average non-target cost per vehicle at 1,050 vehicles would be around $371. At 1,470 vehicles, the same average cost per vehicle would be about $265.

The GSA fleet maintenance contract has three option years besides the base year. The contract stated that the funding for non-target work for each option year exercised by MPD would be $425,000. Based on past experience with repair charges for non-target work, MPD should reconsider a budget for non-target work based on the actual size of its vehicle fleet. A survey of neighboring Maryland jurisdictions, that included Baltimore, Montgomery County, and Prince Georges County, showed that the average costs per vehicle were $538, $346 and $294 respectively.

Management Response, OIG Other Issue #1:

MPD concurred with the issue. The agency added that non-target expenditures are used for unplanned events such as accidents and directed work.

OTHER ISSUES

OIG Comments

MPD acknowledged the need to increase the budgeted amounts for non-target work and has increased these amounts to reflect a more accurate cost estimate.

Issue #2: Dependence on the Contractor

Due to the lack of an experienced and qualified FSD manager/COR, MPD depended upon the integrity of the contractor to perform a number of contract administration functions, such as providing information regarding contract spending, fleet activities, and potential cost savings. Our audit found that the contractor had been providing assistance and expertise on issues ranging from surveying damaged and old vehicles to fleet administration matters.

To illustrate MPD's dependence on the contractor's information system, MPD had to rely on the contractor to identify two instances of overspending. In the first instance, the contractor agreed to a short pay reduction of $37,000 applied to its September 2000 invoice after alerting MPD of mistakes that MPD made in reviewing and paying prior monthly claims. In the second instance, the contractor voluntarily credited MPD for more than $26,000 toward the January 2001 non-target invoice for a mistake the repair firm made by including the eight percent handling charge as part of vehicle parts cost used in non-target work for the period of November 1999 through December 2000.

The above examples are isolated instances of improper billing that the contractor had uncovered and corrected. We reviewed billings for 20 MPD vehicles and found a few instances of both over and under charges in tire and brake work. While the instances of over/under charging appear to be isolated, they indicate the need to have qualified agency personnel review all aspects of contract performance and the related database to ensure that the District pays the correct amount for services rendered by the contractor. Further, these isolated instances do not provide assurance that all costs billed and paid for were proper and justified. The contractor's actions to offset or credit billings does not lessen the need for a thorough COR review of contractor charges and billings.

Management Response, OIG Other Issue #2:

MPD stated it had taken action to strengthen contract monitoring and the compliance process, and will have a new fleet information system to meet all requirements to monitor the contract.

OTHER ISSUES

OIG Comments

MPD did not perform all contract administration functions at the time of the audit. The comments and actions taken by MPD since our audit should strengthen contract administration operations.

OIG COMMENTS AND ATTACHMENTS TO MPD RESPONSES

EXHIBIT 1

Management Response, OIG Audit Finding Comment 1:

MPD stated that it did not agree with the overall conclusion in the report finding because contract administration functions were the responsibility of the General Services Administration. Therefore, MPD was not responsible for contract administration under the terms and conditions of the federal contract. MPD went on stating a difference between contract administration and contract monitoring responsibilities. The agency listed six actions taken to strengthen the contract monitoring and compliance process.

OIG Comments

Contract administration and contract monitoring are synonymous in the District government. OIG used the term "contract administration" as it applies to the District government. The District procurement regulations (27 DCMR § 4099) define the contract administrator as an individual authorized by the contracting officer to perform all actions necessary to verify whether supplies, services, or construction conform to contract quality requirements.

The contract administrator in the District government does not issue contract modifications or change orders. These actions are the responsibility of the contracting officer. At the time of the audit, the goals, and actions shown in MPD's contract management plan were not taken or had just begun, so the quality assurance program at the time of the review was not effective. Therefore, we viewed contract monitoring and compliance efforts as part of the contract administration function identified in the DCMR regulations.

Management Response, OIG Audit Finding Comment 2:

MPD did not agree with the OIG assessment concerning contract overspending. MPD stated that the audit report assumed that the frequent repairs, recording errors, and payment mistakes contributed to the additional contract spending. MPD in its response stated that the very nature of a municipal police fleet necessitates frequent repairs. MPD further stated that the recording errors/payments mistakes were a small percentage of the total contract amount. MPD also stated that spending was not uncontrolled. MPD believed that contract spending was controlled and supported by contract modifications and purchase order modifications. The agency listed six reasons for the under-funding in the out-of-target budget.

OIG Comments

OIG stands by its assessment of the additional spending in that the outcomes listed in our draft report were, in part, the results of an ineffective contract

EXHIBIT 1

administration system. Our analysis of tires and brake work on several police vehicles led to our conclusion regarding the frequency of repairs and therefore an overspending contributory factor (see the attachments to this Exhibit). Further, a $26,000 mistake by the repair firm made for the eight percent handling charge, as noted in issue #2 in the other issues section of the report, illustrates one of the payment errors made by MPD and therefore another overspending contributory factor to the base year contract. In addition, we conducted other tests, such as surveyed vehicles, warranty work, and rework. Deficiencies noted were included, in part, as contributing factors for additional contract spending. Mitigating factors could have been the need to get vehicles ready for "Y2K" and other major events.

The six reasons used by MPD to explain the under-funding in the out-of-target budget were among the elements the OIG recognized that led to the reporting of issue #1. While we recognize that repair and maintenance work are necessary for the continuation of vehicle operation and use to maintain maximum availability of vehicles to police officers, this report intended to inform agency officials of the need to have a good contract administration system to avoid uneconomical, ineffective, repetitive, or unnecessary work and other mistakes leading to cost overruns for any contract.

Management Response, OIG Audit Finding Comment 3:

MPD did not agree with the OIG audit finding on the effectiveness of contract administration because the agency, through its Fleet Services Branch (FSB), instituted daily inspections since November 2000.

OIG Comments

The fact that MPD instituted daily inspections since November 2000 did not alter our conclusion that MPD had no effective contract administration system to monitor the federal contract during the audit period. Even if MPD had instituted daily inspections since November 2000, we believe that such work was not conducted continuously, thoroughly, or sufficiently based on OIG discussions with the repair firm and the FSB employees during the beginning of the first option year period. Personnel assigned to FSB were limited in terms of number, qualifications, and training. They included sworn police officers assigned to the repair facility and therefore, subject to MPD mandatory redeployment policy. Furthermore, the same officers had to conduct other FSB responsibilities and were handicapped by not having an effective, operational fleet management information system. MPD did not aggressively begin the controlling of non-target expenditures until the Director of Business Services Division took over the financial oversight responsibility.

EXHIBIT 1

Schedules of Repair Orders

EXHIBIT 1

AUDIT OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Sample Review of Tire Repairs

EXHIBIT 3-A
OIG No. 01-2-08FA

Date	RO #	Vehicle #	Assign Unit	Mileage	Qty	Tire Description	Replacement Reason	NT ?	Hours Worked	Hourly Rate	Wage Total	Tire Price	Tire Cost Total	Comment	miles between service
01/18/01	9399	[redacted]	SOD	19703	3	General	worn	no	1.0	34.50	34.50	48.14	144.41		
					1	General	nail	no	0.6	34.50	20.70	48.14	48.14		
09/01/00	6865	[redacted]	1D	14452	1	Firehawk	flat spare tire	yes	0.5	31.27	15.64	49.82	49.82		1,171
08/15/00	6620	[redacted]	1D	13281	2	Firehawk	NA	yes	0.6	28.56	17.14	46.44	92.88		
					2	Firehawk	worn	no	0.6	28.56	17.14	46.44	92.88		
12/05/00	8564	[redacted]	3D	14295		used Goodyear	worn or damage	no	1.4	34.50	48.30			2 tires	3,809
09/29/00	6914	[redacted]	3D	10486	2	General	worn	no	1.0	31.37	31.37	48.14	96.27		
07/21/00	6223	[redacted]	3D	11724	2	Firehawk	worn	no	0.6	31.27	18.76	50.76	101.52	mileage on RO wrong	
03/07/00	2958	[redacted]	3D	3464	2	passenger tire	slow leak	no	1.0	28.56	28.56	60.57	121.13	mileage on RO wrong	
09/27/00	7264	[redacted]	IAD	1376	1	General	PM, nail in spare	yes	0.3	28.56	8.57	48.14	48.14		
11/08/00	8059	[redacted]	SOD	12452	2	General	PM, nails	yes	1.0	34.50	34.50	48.15	96.29		10,985
04/07/00	4099	[redacted]	SOD	1467	1	Firehawk	nails	no	0.6	34.50	20.70	46.44	46.44	NT not posted	
						used Firehawk		no						1 tire	
11/29/00	8459	[redacted]	3D	15853	3	Firehawk	worn	no	1.3	31.05	40.37	46.44	139.32	no tail light bulb charge	
					1	Firehawk	nail	yes	0.3	31.05	9.32	46.44	46.44		
					3	Firehawk	worn	no	1.3	31.05	40.37	46.44	139.32	duplicate charges	
					1	Firehawk	nail	yes	0.3	31.05	9.32	46.44	46.44	duplicate charges	6,941
10/27/00	7860	[redacted]	3D	8912	1	Firehawk	flat spare	yes	0.6	31.05	18.63	92.88	92.88	overcharge	1,500
06/13/00	5415	[redacted]	3D	7412	1	Firehawk	flat spare	yes	0.4	31.27	12.51	46.44	46.44		4,873
02/16/00	2426	[redacted]	3D	2539		used Firestone	flat spare	no	0.3	28.56	8.57			1 tire, NT not posted	
01/18/01	9352	GT2616	2D	21355	1	General	smooth/cupped	yes	0.6	34.50	20.70	48.14	48.14		

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EXHIBIT 1

AUDIT OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Sample Review of Tire Repairs

EXHIBIT 3-A
OIG No. 01-2-08FA

Date	RO #	Vehicle #	Assign Unit	Mileage	Qty	Tire Description	Replacement Reason	NT ?	Hours Worked	Hourly Rate	Wage Total	Tire Price	Tire Cost Total	Comment	miles between service
12/27/00	8959	[redacted]	2D	19860	1	General	flat spare	yes	0.6	31.05	18.63	48.14	48.14	mileage on RO wrong	
11/27/00	8388	[redacted]	2D	17642	1	General	flat spare	yes	0.6	34.50	20.70	48.14	48.14	no tire cost on RO	778
10/06/00	7338	[redacted]	2D	16864	3	General	worn	no	1.4	34.03	47.64	48.15	144.44		
					2	General	nails	yes	1.0	34.03	34.03	48.15	96.29		
12/22/00	8900	[redacted]	4D	13359	1	General	chunk- sidewall	yes	0.6	34.50	20.70	48.14	48.14		
					3	General	worn	no	1.4	34.50	48.30	48.14	144.41		7,376
09/19/00	7143	[redacted]	4D	5983	2	General	PM, nails	yes	0.6	34.50	20.70	48.14	96.27		
12/19/00	8831	[redacted]	5D	22276	3	General	worn	no	2.0	31.05	62.10	48.14	144.41		
						used General	worn							1 tire	11,072
07/10/00	5906	[redacted]	5D	11204	2	Firehawk	worn	no	0.5	31.27	15.64	50.76	101.52		
					2	Firehawk	out-target	no	0.5	31.27	15.64	50.76	101.52		4,129
05/22/00	5009	[redacted]	5D	7075		used Goodyear	worn	yes	0.6	28.56	17.14			5/22 missed PM letter, 1 tire	5,892
03/13/00	3332	[redacted]	5D	1183	1	passenger tire	cut side wall	yes	0.6	31.27	18.76	60.57	60.57		
12/26/00	8924	[redacted]	2D	18467	1	Firehawk	worn	no	0.6	34.50	20.70	46.44	46.44		
					1	Firehawk	NA	yes	0.6	34.50	20.70	46.44	46.44		
						used tire		yes						1 tire	8,598
08/28/00	6790	[redacted]	2D	9869	2	Firehawk	nails	yes	1.0	28.56	28.56	49.82	99.63		731
08/16/00	6634	[redacted]	2D	9138	1	Firehawk	tire-pneumatic	yes	0.4	28.56	11.42	50.17	50.17		6,087
05/09/00	4789	[redacted]	2D	3051		used tire	nail	yes	0.6	31.27	18.76			1 tire	2,201
03/24/00	3774	[redacted]	2D	850	1	Goodyear	screw in spare	n	0.6	31.27	18.76	46.44	46.44		
01/22/01	9489	[redacted]	Mobile Forc	9403	4	General	worn	no	1.6	31.05	49.68	48.14	192.54		78
01/18/01	9414	[redacted]	Mobile Forc	9325	1	Firehawk	flat spare, tie spare	no	0.8	34.50	27.60	46.44	46.44	NT not posted	2,038
10/11/00	7522	[redacted]	Mobile Forc	7287		used tire	check tire	no	0.5	34.03	17.02			1 tire	

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EXHIBIT 1

EXHIBIT 3-A
OIG No. 01-2-08FA

AUDIT OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Sample Review of Tire Repairs

Date	RO #	Vehicle #	Assign Unit	Mileage	Qty	Tire Description	Replacement Reason	NT ?	Hours Worked	Hourly Rate	Wage Total	Tire Price	Tire Cost Total	Comment	miles between service
10/20/00	7234	[redacted]	1D	14227	2	General	worn	no	1.0	34.50	34.50	48.15	96.29		4,809
06/23/00	5644	[redacted]	1D	9418	2	Firehawk	rotate tires/worn	no	0.5	28.56	14.28	50.76	101.52		7,611
03/10/00	3265	[redacted]	1D	1807	1	passenger tire	flat spare	no	0.6	28.56	17.14	60.57	60.57		
12/18/00	8806	[redacted]	4D	5984	1	Firehawk	no spare-prior accider	no	0.6	34.50	20.70	46.44	46.44		47
11/30/00	7486	[redacted]	4D	5937	2	Firehawk	NA	yes	1.0	34.50	34.50	46.44	92.88		2,958
04/21/00	4351	[redacted]	4D	2979	1	Firehawk	same match	no	0.6	31.27	18.76	46.44	46.44		
					1	Firehawk	NA	yes	0.6	31.27	18.76	46.44	27.86	undercharge tire price	
12/19/00	8856	[redacted]	7D	5786	1	General	smooth/cupped	yes	0.6	30.50	18.30	48.14	48.14		
						spare	flat	no	0.2	30.50	6.10			1 tire	
02/12/01	9976	[redacted]	4D	4511	1	Firehawk	bubble sidewall	yes	0.6	34.50	20.70	46.44	46.44		
TOTAL	40	14 [redacted]			74				37.7		1,212.55		3,625.42	overall car average:	4,461
										cost average per tire:			49.26		
														PS car average:	4,135

Note: Tire size for model year 2000 Ford Crown Victoria is P225/60R16, V-rated speed

Abbreviations / Explanations

D	District	NA	data not available	PS	patrol scout		
IAD	Internal Affairs Division	NT	Non-target service	RO	repair order		
SOD	Special Operations Division	PM	preventive maintenance	Qty	quantity	VRR	vehicle repair request

Source: [redacted] Repair Orders byes Vehicle Identification Number

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EXHIBIT 1

AUDIT OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Sample Review of Brake Repairs

EXHIBIT 3-B
OIG No. 01-2-08FA

Date	RO #	Vehicle #	Assign Unit	Mileage	Brake Work Description	Service Request	NT ?	Mechanic	Job Hours	Hourly Rate	Wage Total	Pad Price	Rotor Price	Comment	miles between service
01/18/01	9399	[redacted]	SOD	19703	rr front pads, turn rotors	low pads		AT	1.9	34.50	65.55	64.03			
01/05/01	9117	[redacted]	3D	16344	rr front pads, turn rotors	PM		HM	1.9	31.05	59.00	64.03			5,858
09/29/00	6914	[redacted]	3D	10486	rr front pads, turn rotors	low pads		EJ	1.9	31.27	59.41	55.16			
07/21/00	6223	[redacted]	3D	11724	clean & adj brakes	PM		AB	0.7	31.27	21.89			mileage on RO wrong	
04/03/00	3966	[redacted]	3D	4696	rr front pads, turn rotors	worn		HM	1.9	31.05	59.00	64.03		mileage on RO wrong	
11/08/00	8059	[redacted]	SOD	12452	clean & adj pk br shoes			AR	0.5	31.27	15.64				
11/29/00	8459	[redacted]	3D	15853	rr front pads & rotors	brake light on		LG	1.9	31.05	59.00	64.03	148.24		7,109
07/12/00	5962	[redacted]	3D	8744	rr front pads, turn rotors	PM/DC Inspection		AR	1.5	31.27	46.91	47.86		wrong VRR (GT3201)	
04/03/00	3959	[redacted]	3D	NA	*brake pads* *resurfaced front rotors*			na na	*1.9* *0.8*	*28.56* *28.56*	54.26 22.85	na		RO missing	
01/18/01	9352	[redacted]	2D	21355	rr front pads, turn rotors	cut on rotor		AB	1.9	34.50	65.55	64.03			4,491
10/06/00	7338	[redacted]	2D	16864	rr front pads, turn rotors	low pads		RM	1.9	34.03	64.66	55.16			5,499
07/07/00	5880	[redacted]	2D	11355	rr front pads & rotors	cut on rotor		na	1.0	28.56	28.56	55.16	148.24		
12/22/00	8900	[redacted]	4D	13359	rr front pads & rotors rr rear pads, turn rotors	poor brake effort		RM LT	1.9 1.9	34.50 34.50	65.55 65.55	64.03 66.38	148.24		7,376
09/19/00	7143	[redacted]	4D	5983	rr front pads, turn rotors clean & adj parking brake	PM		AB AB	1.9 0.5	31.27 31.27	59.41 15.64	55.16			
07/22/00	6031	[redacted]	4D	3725	diagnostic-warranty req	spongy brakes		MM	0.8	31.27	25.02				450
06/21/00	4998	[redacted]	4D	3275	check dealer brake work	poor brake effort		AT	0.5	31.27	15.64				839
05/10/00	4786	[redacted]	4D	2436	NGS brake & road test	ABS defective		DH	0.0	31.27					

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EXHIBIT 1

AUDIT OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Sample Review of Brake Repairs

EXHIBIT 3-B
OIG No. 01-2-08FA

Date	RO #	Vehicle #	Assign Unit	Mileage	Brake Work Description	Service Request	NT ?	Mechanic	Job Hours	Hourly Rate	Wage Total	Pad Price	Rotor Price	Comment	miles between service
11/30/00	7486	[redacted]	4D	5937	resurfaced rear rotors	worn & cut		AT	1.0	34.50	32.78				
					rr rear brake shoes			GM	2.0	31.05	62.10	90.72			
					rr rear brake pads			GM	1.0	31.05	29.50	66.38			
12/19/00	8831	[redacted]	5D	22276	rr front pads, turn rotors	spongy brakes		HM	1.9	31.05	59.00	64.03			
					rr parking brake shoes			RT	0.6	31.05	18.63			no pk brake shoe chg	4,738
10/03/00	7239	[redacted]	5D	17538	rr front pads & rotors	damage		GM	1.9	31.27	59.41	84.54	148.24	o-t not posted	
					rr rear pads, turn rotors	low pads		GM	1.9	31.27	59.41	66.38			6,334
07/10/00	5906	[redacted]	5D	11204	rr front pads, turn rotors	unsched maint		DH	1.0	31.27	31.27	55.16		no insp check list	4,129
05/22/00	5009	[redacted]	5D	7075	rr front pads, turn rotors	missed PM		HM	1.9	28.56	54.26	55.16			
12/26/00	8924	[redacted]	2D	18467	rr parking brake shoes	spongy brakes		FB	2.0	34.50	69.00	90.72		unusual brake job-hrs	
					rr front pads, turn rotors			FB	1.9	-	-	64.03			
					rr rotors, bleed brakes			HM	3.3	31.05	102.47		148.24		
					assist bleed brakes			RM	0.2	34.50	6.90				8,598
08/28/00	6790	[redacted]	2D	9869	rr front pads, turn rotors	poor brake effort		RE	2.0	28.56	57.12	-		no pad charge	
01/22/01	9489	[redacted]	Mobile Force	9403	rr front pads, turn rotors	low pads		LS	3.8	31.27	118.83	64.03		unusual brake job-hrs	
					rr rear pads, turn rotors	caliper broke						66.38			
					rr parking brakes			LS	2.0	31.27	62.54	90.72			
10/20/00	7234	[redacted]	1D	14227	rr front pads, adj emer br	clearance/effort		LT	1.9	34.50	65.55	55.16	148.24		8,645
05/04/00	4655	[redacted]	1D	5582	resurfaced front rotors	brake squeaking		HM	1.9	28.56	54.26				1,029
04/20/00	4299	[redacted]	1D	4553	rr front pads & rotors	worn & warp		EJ	1.9	28.56	54.26	55.16	175.67		
TOTAL	30	11							61.2		1,866.34	1,687.62	1,065.11	overall car average:	5,007
								number of instances				26	7		
														PS car average:	5,007

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EXHIBIT 1

EXHIBIT 3-B
OIG No. 01-2-08FA

AUDIT OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Sample Review of Brake Repairs

Date	RO #	Vehicle #	Assign Unit	Mileage	Brake Work Description	Service Request	NT ?	Mechanic	Job Hours	Hourly Rate	Wage Total	Pad Price	Rotor Price	Comment	miles between service

Abbreviations / Explanations

D	District	ABS	automated brake system	adj	adjust	o-t	out-target
DC	District of Columbia	NT	non-target service	br	brakes	rr	right rear
SOD	Special Operations Division	RO	repair order	chg	charge	rq	requisition
		PM	preventive maintenance	emer	emergency	pk	parking
		VRR	vehicle repair request	insp	vehicle inspection	rr	removed and replaced
		PS	patrol scout	maint	maintenance	turn	resurfaced
				na	data not available	unsched	unscheduled

Source: [redacted], Repair Orders by Vehicle Identification Number

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EXHIBIT 1

AUDIR OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Analysis of Surveyed Vehicles with More Than $500 of Work

Exhibit 3-C
OIG No. 01-2-08FA

	Vehicle ID #	Model	Model Year	Date Surveyed	Total Job History	Surveyed Costs	leadman 85-000 to 85-006	survey 85-004 °	pm C or A assessment, mod, annual	engine 45-000	towing 85-002 87-000	other	last RO work - largest other cost item	RO work - largest cost item (><30 days) description	date	amount		last RO
1	[redacted]	Rebel	1997	07/27/00	539.73	129.04		57.12	71.92									#6354
2		Van, Chevy	1986	04/10/00	1,147.85	1,147.85	18.76	57.12	128.52			943.45	✓	parts	03/24/00	850.89	U	#3778
3		Crown Vic	1989	01/05/00	626.93	-												#1229
4		Crown Vic	1991	04/10/00	509.56	434.56	18.76	56.29	14.28			345.23	✓	parts	03/30/00	154.88		#3904
5		Blazer	1992	12/23/99	3,279.47	3,279.47		80.68			81.90	3,116.89	✓	vendor services	1/10/00	3,106.89	U	#0249
6		F350	1992	05/17/00	707.49	650.29	17.14					633.15	✓	PM C	05/08/00	192.71		#4695
7		Lumina	1992	04/10/00	1,237.52	1,237.52	18.76	62.54	71.40			1,084.82	✓	parts	03/15/00	515.40	U	#2768
8		Taurus	1992	01/18/00	1,714.27	236.36		85.68	85.68		55.00	10.00	✓	2 vendor services	2/3, 2/4/00	1,437.49	U	#2990
9		Van, Chevy	1992	06/30/00	2,518.07	204.44		137.90	66.54						-			#5539
10		Taurus	1993	04/10/00	2,469.51	94.16	18.76	75.40										#3894
11		Taurus	1993	07/07/00	2,053.81	109.38		46.84	62.54									#5603
12		Taurus	1993	04/13/00	1,751.96	862.80		42.84	62.54		32.50	724.92	✓	parts	02/28/00	406.54	U	#2488
13		Taurus	1993	09/01/00	1,048.21	75.92	18.76	57.16										#6869
14		Taurus	1993	04/13/00	697.71	129.14	18.76	105.38				5.00	✓	engine	03/07/00	115.70		#3849
15		Taurus	1993	01/13/00	1,880.32	169.24		57.12		84.62	27.50		✓	vendor services	12/07/99	1,631.69	W	#1491
16		Taurus	1993	01/11/00	2,013.91	99.96		57.12	42.84				✓	vendor services	12/13/99	1,782.68	W	#1619
17		Taurus	1993	01/07/00	579.45	67.12		57.12		10.00			✓	2 control valve-tie rods	12/15/99	212.64		#1264
18		Taurus	1993	08/25/00	2,095.69	347.56	15.64	62.54	76.05			193.33	✓	parts	08/02/00	89.27		#6009
19		Crown Vic	1994	05/05/00	1,205.03	177.07	18.76	59.41	71.40		27.50							#4548
20		Crown Vic	1994	04/20/00	964.57	200.93	18.76		78.18		27.50	76.49	✓	strip vehicle	04/20/00	59.98		#4258
21		Crown Vic	1994	09/27/00	2,852.59	100.94	18.76	82.18										#6898
22		Crown Vic	1994	04/10/00	1,504.15	653.40		85.68	128.52			439.20	✓	vendor services	03/03/00	241.22		#2742
23		Crown Vic	1994	09/25/00	6,247.14	136.17	18.76	56.29	61.12									#7258
24		Crown Vic	1994	05/05/00	1,135.29	181.05	18.76	46.91		111.38		4.00	✓	steering	04/24/00	4.00		#4413
25		Crown Vic	1994	09/01/00	1,512.85	44.65	18.76	25.89										#6868
26		Crown Vic	1994	04/10/00	546.81	194.00	18.76	57.12	85.68			32.44	✓	engine noise asst	03/01/00	14.38		#2252
27		Crown Vic	1994	09/25/00	6,815.70	72.67	18.76	53.91					✓	road test	08/30/00	25.02		#6899
28		Crown Vic	1994	08/25/00	3,401.72	201.19	9.38	57.12			31.50	103.19	✓	brakes	08/01/00	93.81		#4738
29		Crown Vic	1994	02/28/00	549.85	-							✓	cylinder head gasket	02/01/00	308.45		#2013
30		Crown Vic	1994	09/06/00	1,194.55	198.50	18.78	119.66			27.50	32.56	✓	no start	08/25/00	32.56		#6758
31		Crown Vic	1994	02/24/00	1,280.79	-							✓	no start	02/24/00	85.68		#2541
32		Crown Vic	1994	08/25/00	2,105.25	337.23	28.14	156.35	51.80			100.94	✓	driver side window	08/23/00	50.91		#6683
33		Crown Vic	1994	08/25/00	2,422.31	197.78	15.64	78.18	42.84			61.12	✓	gas fumes	08/23/00	61.12		#6637
34		Crown Vic	1994	07/07/00	2,304.29	88.62		57.12			31.50							#5751
35		Crown Vic	1996	02/25/00	956.61	170.40	9.38	133.52			27.50							#2335
36		Crown Vic	1996	07/05/00	2,003.67	380.47	9.38	57.12	169.94		27.50	116.53	✓	air bag diagnose	02/22/00	108.53		#1457
37		Crown Vic	1996	04/19/00	677.83	182.73	18.76		118.31			45.66	✓	engine light on	04/07/00	30.02		#3538
38		Crown Vic	1996	08/25/00	3,035.70	131.28	15.64	42.84	56.29	16.51								#6529
39		Crown Vic	1996	01/07/00	1,300.49	123.18		113.18		10.00								#0800
40		Crown Vic	1996	03/27/00	634.92	92.04		58.48				33.56	✓	strip car	04/03/00	28.56		#2757

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EXHIBIT 1

AUDIR OF THE
DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT
FLEET MAINTENANCE CONTRACT
Analysis of Surveyed Vehicles with More Than $500 of Work

Exhibit 3-C
OIG No. 01-2-08FA

	Vehicle ID #	Model	Model Year	Date Surveyed	Total Job History	Surveyed Costs	leadman 85-000 to 85-006	survey 85-004 °	pm C or A assessment, mod, annual	engine 45-000	towing 85-002 87-000	other	last RO work - largest other cost item				last RO
													RO work - largest cost item (>30 days)				
													description		date	amount	
41	[redacted]	Crown Vic	1996	08/25/00	7,828.98	196.72	15.64	78.18	71.40		31.50						#6613
42		Crown Vic	1996	12/21/99	799.89	799.89		-				799.89	✓	vendor services	1/8/00	789.89	U #0847
43		Crown Vic	1996	02/07/00	740.37	183.52		57.12	71.40		55.00		✓	PM C	3/7/00		U #1277
44		Crown Vic	1996	08/01/00	3,667.03	164.67		71.40	34.27	4.00	55.00						#5809
45		Crown Vic	1996	08/07/00	3,811.52	194.22	18.76	71.40				104.06	✓	check engine light	09/01/00	90.68	#6982
46		Lumina	1996	02/25/00	627.08	328.23		57.12	128.52	84.43		58.16	✓	gearshift indicator	01/27/00	50.03	#1871
47		Lumina	1996	08/25/00	4,977.51	203.05	15.64	125.08	50.91			11.42	✓	charging system	08/01/00	11.42	#5814
48		Lumina	1996	04/07/00	1,238.07	-							✓	PM C	03/29/00	756.03	U #3886
49		Lumina	1996	06/02/00	3,993.04	46.84		42.84				4.00	✓	front springs	06/01/00	4.00	#5195
50		Lumina	1996	08/16/00	4,672.52	208.87	15.64	134.23			59.00						#5782
51		Lumina	1996	09/06/00	3,223.43	157.24	28.14	78.19				50.91	✓	brakes	08/29/00	50.91	#6827
52		Crown Vic	1997	07/14/00	656.90	169.24		114.24			55.00						#6356
53		Crown Vic	1997	09/12/00	1,880.49	105.95	10.35	62.10			29.50	4.00	✓	accident (non-target)	11/13/00	4.00	#8112
54		Crown Vic	1997	07/06/00	1,763.35	-											#5856
55		Crown Vic	1997	07/27/00	3,084.95	98.90		98.90									#6372
56		Crown Vic	1997	04/10/00	1,564.88	539.16		4.00			27.50	507.66	✓	glass	7/31/00	301.27	U #4216
57		Crown Vic	1997	09/05/00	7,134.86	85.30	18.76	66.54									#6151
58		H-D FLHTP-I	1997	07/23/00	4,697.87	160.35		156.35				4.00	✓	accident (non-target)	07/25/00	4.00	#5970
59		Crown Vic	2000	01/09/01	4,177.77	137.00	17.25	90.25			29.50						#7573
60		Crown Vic	2000	01/09/01	3,946.73	100.94	18.76	82.18									#6663
	Grand Total				[redacted]	16,890.16	579.46	3,772.81	1,830.97	320.94	739.40	9,646.58	29	8			
						100.0%	3.4%	22.3%	10.8%	1.9%	4.4%	57.1%					

Average cost for 60 vehicles	2,257.85

U	unwarranted - repairs made before or on survey date	4
U	unwarranted - repairs made after survey date	5
	total unwarranted repairs	9
W	expensive repairs wasted (i.e., different RO)	2

Total for 86-94 model years only	33 cars	62,374.62
Average cost for 33 cars, 86-94 model years		1,890.14

Notes:
° Survey cost under job code 85-004 includes stripping, removing seat and removing hood
t Transmission repair (job code 86-002)
U Unwarranted repair made before vehicle surveyed on the same repair order (RO)
W Wasteful repair - vehicle surveyed shortly afterward

Source: Serco Management Services, ExtraFleet database

2

EXHIBIT 2

MPD COMMENTS/RESPONSES TO THE DRAFT REPORT FINDINGS AND RECOMMENDATIONS

EXHIBIT 2

GOVERNMENT OF THE DISTRICT OF COLUMBIA
METROPOLITAN POLICE DEPARTMENT

OCT 31 2001

Charles C. Maddox, Esq
Inspector General
717 14th Street, N.W.
Washington, D.C. 20005

Dear Mr. Maddox:

Thank you for the opportunity to provide comments on the Office of the Inspector General's report (OIG-01-2-08FA) regarding the administration of the Metropolitan Police Department's (MPD) Fleet Maintenance and Repair Contract.

As you are aware, the Metropolitan Police Department has taken several corrective measures to improve the management and monitoring of our Fleet Maintenance and Repair Contract. The enclosed response outlines these improvements and further describes initiatives now underway.

I look forward to receiving your final report. If you have any questions regarding these comments, please have a member of your staff contact [redacted], Director of the Business Services Division, at (202) 727-[redacted].

Sincerely,

Charles H. Ramsey
Chief of Police

Enclosures

2001 NOV -1 AM 9:53

P.O. Box 1606, Washington, D.C. 20013-1606

EXHIBIT 2

M ETROPOLITAN POLICE DEPARTMENT
RESPONSE TO FINDINGS AND RECCOMMENDATIONS
OIG DRAFT REPORT (OIG-01-2-08FA)

COMMENTS ON FINDINGS

OIG COMMENT 1: *MPD did not have an effective program for monitoring and administering the contractor's performance of the fleet maintenance and repair contract. Pg. 5, par. 1*

MPD RESPONSE: MPD does not concur with this comment. MPD was not responsible for contract administration under the terms and conditions of the contract. This was a federal General Services Administration (GSA) contract where the applicable governing regulations were the Federal Acquisition Regulation (FAR). While MPD concedes that contract monitoring needed to be strengthened, it is important to distinguish between the contract administration and contract monitoring responsibilities. MPD's role in the contract was technical oversight and compliance. All changes and modifications and other contract administration functions were the responsibility of GSA. To date, MPD has taken the following actions to strengthen the contract monitoring and compliance process:

Goal	*Action Taken*	*Completion Date*
Increase management accountability and contract oversight	Hired new Director of Business Services Division	8/00
Strengthen financial oversight of contract	Director of Business Services Division approves all out of target expenditures	11/00
Institute a performance contract monitoring program	MPD Office of Contract Monitoring began monitoring performance of [redacted]	2/01
Strengthen fleet management administration	Hired Qualified Fleet Manager	7/01
Strengthen technical contract administration	Hired ASE Certified Fleet Maintenance and Repair Supervisor	7/01
Strengthen quality assurance inspection	Reassigned an ASE Certified Mechanic to Quality Assurance position in the MPD Fleet Services Branch	9/01

OIG COMMENT 2: ... *As a result, MPD experienced more frequent vehicle repairs, database and other recording errors, and payment mistakes. These outcomes may have led to an additional $1.3 million being spent on the fleet maintenance contract due to uncontrolled spending for the 14-month contract base year ending September 30, 2000.... Pg. 5, par. 2*

EXHIBIT 2

COMMENTS ON FINDINGS (Continued)

MPD RESPONSE: MPD does not concur with this finding. This audit assumes that frequent repairs, recording errors and payment mistakes attributed to the increase in contract spending. This assumption is incorrect.

More frequent vehicle repairs:

The very nature of a municipal police fleet operation is that repairs are frequent, simply due to the fact that these types of vehicles endure extraordinary use. All repairs made were required in order to get the vehicles up to standard.

This report does not list any specific examples of frequency of repairs to specific vehicles. Therefore, MPD requests specific work order numbers that were reviewed in order to reach this conclusion.

Recording errors /Payment Mistakes:

Our payment records indicate that a total of $34,218 was billed incorrectly by [redacted] to MPD and that the MPD Accounts Payable Unit over paid [redacted] by $6,695. The over billed amount was .007 % of the total paid amount of $4,605,011. The amount that MPD overpaid [redacted] was .001 % of the entire budget. It should be noted that both errors were discovered and corrected during reconciliation prior to the year-end close out. Hence, MPD does not concur that this is a material finding.

Uncontrolled spending:

Uncontrolled spending implies that MPD exceeded our budget authority. This was not the case. The Metropolitan Police Department found additional funds to increase the contract and chose to properly repair the vehicles. MPD spent .09% over the original budget for In Target services, which represents 75% of all work performed on the contract. In November 2000, MPD department officials provided testimony to the D.C. City Council regarding the gross under funding of the Out of Target budget for the Fleet Maintenance and Repair Contract. Several factors contributed to this under funding. Specifically:

- An inaccurate baseline that established the budget for Non target services at $389,000. This amount was totally unreasonable for a police fleet operation of 1,500 vehicles.
- Pre-existing condition of the fleet, which necessitated costly repairs in order for the vehicles to be rendered safe to operate.
- An under funded accident repair budget
- Y2K and IMF /World Bank demonstrations.
- An over valued parts inventory.
- Unanticipated OSHA requirements to bring Fleet Facility up to code.

-2-

EXHIBIT 2

COMMENTS ON FINDINGS (Continued)

MPD believes that spending was controlled since each contract increase was supported by the appropriate contract modification and purchase order modification prior to any work being performed. The MPD was faced with a choice to repair vehicles or risk compromising vital police services. The choice was simple; we repaired the vehicles.

OIG COMMENT 3: *MPD did not have an effective system for monitoring vehicle maintenance and repair and rarely conducted reviews or tests work to assess the quality of services performed by the contractor. Pg. 7, par. 3*

MPD RESPONSE: MPD does not concur with this finding. Since November of 2000, the Fleet Services Branch instituted daily inspections of [redacted] repairs. These inspections included a review of PM's, accident repairs, and mechanical repairs. See Attachment A (MPD Contract Monitoring Procedures).

EXHIBIT 2

COMMENTS ON RECOMMENDATIONS

OIG RECOMMENDATION 1: *Complete planned actions to hire a sufficient number of ASE certified personnel to monitor and oversee performance of the vehicle maintenance and repair contract.*

MPD RESPONSE: MPD concurs with this recommendation. The Metropolitan Police Department has hired two-experienced ASE certified staff members to oversee and monitor the Fleet Maintenance and Repair Contract. Specifically, [redacted] Fleet Maintenance and Repair Supervisor, was hired in July 2001. [redacted] has over nineteen years of automotive management experience and is ASE certified in six different areas. [redacted], Quality Assurance Inspector, has been reassigned to the Fleet Services Branch. [redacted] has an extensive automotive background and is ASE certified in eleven different areas.

OIG RECOMMENDATION 2: *Update existing MPD guidance (FSD Manual) or develop new guidelines for monitoring and overseeing the contract performance*

MPD RESPONSE: MPD concurs with this recommendation. It should be noted, however, that the contract and administration guidelines are governed by the Terms and Conditions of the Contract, not the (FSD Manual). The Fleet Services Branch has developed a number of policies and procedures governing contract monitoring (See Attachment B).

OIG RECOMMENDATION 3: *Take immediate action to improve the monitoring and oversight of maintenance and repair work.*

MPD RESPONSE: MPD concurs with this recommendation. The aforementioned new hires now perform the following contract monitoring functions:

[redacted]

- Contract Management
- Contract Monitoring
- Contract Compliance
- Contract Reporting and Invoice Review
- Vehicle Inventory
- Property Disposal Approvals

[redacted]

- Ensures repairs are performed according to Automotive Industry Standards
- Inspects vehicles for mechanical deficiencies
- Initiates appropriate corrective action
- Analyzes and investigates adverse quality trends and conditions

EXHIBIT 2

COMMENTS ON RECOMMENDATIONS (Continued)

In addition, [redacted] was hired as the new Fleet Manager in July 2001 [redacted] has over fifteen years of fleet management and contract administration experience.

OIG RECOMMENDATION 4: *Implement a new fleet information system that meets all fleet management and oversight requirements.*

MPD RESPONSE: MPD concurs with this recommendation. The Metropolitan Police Department sought to procure a new Fleet Information System in November 2000 (See Attachment C). At that time, the Office of the Chief Technology Officer delayed our request in favor of a new citywide Fleet information System. Subsequently, MPD has led the effort in directing a Fleet Consortium that was tasked with identifying a state of the art fleet system. Recently, an award was made to DMG Maximus to provide a citywide Fleet Information System. This new system meets all the requirements necessary to effectively monitor the Fleet Maintenance and Repair Contract. MPD will be the first agency to use the new system. The installation kick off meeting is scheduled for the week of November 5, 2001.

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EXHIBIT 2

COMMENTS ON OTHER ISSUES

OIG ISSUE #1: *Cost not related to Statement of Work included in contract.*

MPD RESPONSE: MPD does not concur with this issue. The Fleet Maintenance and Repair Contract, **Section C.5.2. Non-Target Service, Part D - Directed Work,** allows MPD to "direct the contractor to perform additional tasks to meet the operating needs of the MPD".

OIG ISSUE #2: *Inadequacy of Non-target Funding.*

MPD RESPONSE: MPD concurs with this issue. MPD has identified an appropriate Non–target budget of $630,592 for FY 02. However, it should be noted that Non-target expenditures are used for items that cannot be predicted, such as accidents and directed work.

OIG ISSUE #3: *Dependence on the Contractor.*

MPD RESPONSE: See previous responses for *OIG Recommendation No.1*, OIG Comment No. 2 and OIG Recommendation No. 4.

EXHIBIT 3

MPD ATTACHMENTS TO ITS COMMENTS/RESPONSES

ATTACHMENT A

"MPD Contract Monitoring Procedures"

EXHIBIT 3

METROPOLITAN POLICE DEPARTMENT
Fleet Services

CONTRACT MONITORING PROCEDURES

I. INVOICE MONITORING

A. Daily Monitoring (visual invoice inspections)

1. MPD contract monitor will be quartered in an area conducive to oversee [redacted]s day to day activities (i.e. desk in control booth)
2. A minimum of one (1) time daily, spot check a minimum of five percent (5%) of the current parts, supplies, subcontractor, and labor invoices.
3. On a monthly basis, spot check a minimum of five percent (5%) of the total invoice report [redacted] presented to MPD for payment. [redacted] to supply MPD with copies of requested invoices within 5 days of MPD request.
4. Daily spot checking of [redacted]'s performance by MPD monitor through utilization of the ExtraFleet computer program maintained by [redacted]
5. Discrepancies will be documented and reported. If no discrepancies these will also be documented

II. PHYSICAL MONITORING

A. Weekly Monitoring

1. Inspect a minimum of three (3) vehicles, a minimum of two (2) times weekly. These inspections will be attended by MPD contract monitor, a [redacted] representative, and a selected MPD fleet servicier.
2. Inspection will take place in an MPD dedicated service bay supplied by [redacted]. This service bay shall be equipped and maintained by [redacted]. [redacted] will utilize this service bay in absences of MPD inspections.
3. MPD will inspect, on a monthly basis, all subcontracting affiliates of [redacted] as deemed necessary to perform all monitoring inspections.
4. Discrepancies will be documented. [redacted] shall repair defected vehicle immediately at no cost except when additional undiscovered problems justify additional expenditures.

EXHIBIT 3

III. ACCIDENT INVOICE MONITORING

A. Daily Monitoring

1. Monitor accident invoices daily.
2. Compare [redacted] invoices against [redacted] estimates for variances. Document discrepancies.
3. Obtain monthly report form [redacted] outlining number of accidents and costs by unit

IV. PREVENTIVE MAINTENANCE (PM)

A. Daily/Weekly Monitoring

1. Monitor daily downcount reports for PM compliance as well as total fleet availability.
2. Determine percentage of fleet availability compared to percentage of down vehicles.
3. Track and report PM non-compliance to the EAC Gainer through Eric Coard. This will expose instances of cost overruns due to missed PM's.
4. Monitor with emphasis on limiting out-of-target expenses.

B. Physical Monitoring

1. Hands on monitoring of daily downcount reports provided by [redacted] at a minimum of two (2) times a week. This would comprise meeting with a [redacted] representative and physically inspect each down vehicle on the daily downcount report. Note and document discrepancies.

V. PERFORMANCE MEASURES

A. Customer Satisfaction

1. On the first of each month, the monitor will open the customer satisfaction/survey receptacle and tabulate results. Tabulations will be provided to the Fleet Services Manager.

B. Availability

1. The monitor will inspect daily downcount documents provided by SERCo and spot check for accuracy and unusual trends.
2. Daily downcount percentages of vehicles assigned to all Patrol Districts 1-7, SOD, and SID shall be formulated and reported to the Fleet Manager, Fleet Services, for appropriate dissemination.

EXHIBIT 3

C Quality

1 The monitor will inspect the quality of the contractor's vehicle reworks. This will be accomplished by periodic daily visual inspections and tabulations of rework requests and reports.

EXHIBIT 3

CONTRACT ADMINISTRATION PLAN

1	CONTRACT	MV-98-100 D.C. Metropolitan Police Department Fleet Management Services Contract Amount: $3.4 million Contract Type: Date of Award: October 19, 1998
2	CONTRACTOR	[redacted]
3	FILES	
4	SCOPE OF WORK	The contractor will provide fleet management services for the MPD, including preparation, licensing and title work for new acquisitions, preventive maintenance on entire fleet, repairs, emergency services, inventory purchase and control, and technical assistance.
5	PLACE OF PERFORMANCE	MPD Central Maintenance Garage 1501 South Capitol Street, SW Washington, DC 20024
6	REPORTING REQUIREMENTS	Schedule that reflects when the contract stipulated reports will be submitted to MPD.
7	CONTRACT MILESTONES	

TASK	DATE	RESPONSIBLE PARTY
Issue COR delegation letters		Contracting Officer
Notify contractor of delegations		Contracting Officer
Conduct orientation meeting with COR and contractor representative(s) to discuss pertinent contract administration issues		Contracting Officer
Establish compliance monitoring schedule		Contract Monitoring Manager Contractor Representative
Implement monitoring		Contract Monitoring Manager/Designee

EXHIBIT 3

FLEET SERVICES MONITORING CHECKLIST

Monitoring Date: Conducted By:

CONTRACT REFERENCE	ACTIVITY FOR MONITORING	COMMENTS
C.7.B	**REFERENCE FILES** • Service Manuals • Parts Manuals • Service Bulletins • Lubrication	
C.7.C	**Vehicles & Order Repair History** (hard copy history folder) • Repair orders by order number for ALL repairs • Repair orders, by ORDER NUMBER, by vehicle	
C.7.F	**WEEKLY FRPORT** (contractor generated for delivery to COR by 12 noon each Monday (see pg. C14 for cklist) • evidence of weekly meetings	
C.7.G	**MONTHLY REPORTS** (see pg. C 14)	
C.7.H	**ANNUAL REPORTS**	
C.7.I	**COMPLAINTS** (see Customer surveys)	
C.8	PERSONNEL (employee training, improvement, development program)	

EXHIBIT 3

METROPOLITAN POLICE DEPARTMENT

Fleet Management Contract – Summary of Terms and Conditions

C.1 DESCRIPTION OF SERVICES

Contractor will assume responsibility for the management of the MPD's fleet preventive maintenance and repair operation, acquire the MPD's current [as of contract award] parts inventory and continue to manage the inventory for the MPD's fleet maintenance and repair, and to perform other functions routinely associated with the efficient management of the MPD's fleet. The current fleet complement consists of 1470 units of vehicles and equipment, approximately 115 of which are take-home vehicles.

C.2 GOALS

To reduce overall fleet maintenance costs; improve vehicle and equipment availability; increase overall fleet operating efficiencies, including a reduction in capital expenditures for fleet assets; and, improve customer service and fleet safety.

C.4 CONTRACTOR RESPONSIBILITIES

- provision of all fleet maintenance and repair service
- provision of scheduled preventive maintenance, remedial repairs, towing, parts inventory acquisition and management, and other associated fleet management services;
- supervision, labor, parts, supplies and subcontract work required to maintain the fleet in a state-of-repair and service consistent with generally accepted industry fleet practices;
- provision and maintenance of a permanent, detailed automated recordkeeping system for each vehicle and vehicle category;
- provision of fleet management services from vehicle licensing and title work through information management, delivery acceptance, life-cycle costing, and remarketing;
- provision of technical assistance to support the MPD's decisions regarding fleet size and composition, policy formulation, and capital investments in the fleet and fleet facilities;
- provision of emergency services during snow and ice storms, and other special police details and declared emergencies.

C.5 CONTRACTOR PERFORMED SERVICES

C.5.1 Target Services shall be performed within a specified total ceiling price managed by the contractor.

A. *Preventive Maintenance* – develop an automated schedule to cover all the vehicles in the MPD fleet, and handle the notification process to achieve service provision.

B. *Vehicle Safety and Emission Inspections* - as part of the PM service, ensure that all required safety and emissions inspections are completed in a timely manner, in accordance with Federal, local and MPD requirements.

C. *Repairs to Vehicles and Limitations* – necessary repairs to vehicles and equipment will be made, as identified through PM or by users, limited to the nature and extent consistent with age, mileage, and cost criteria in accordance with sound fleet management practices.

D. *Roadcalls and Towing* – provided 24 hours a day, seven days a week with response time of 45 minutes during business hours, and 60 minutes during non-business hours.

EXHIBIT 3

[redacted] SUMMARY OF SERVICES
Page 2 of 2

E. *Quick Fix* service for repairs that can be completed in less than one hour when operator delivers the vehicle to the garage for service and chooses to wait for the service.

F. *Warranty and Recall Work* shall be administered for all vehicles, parts and subcontractor repairs, including receiving reimbursement for such work.

G. *Rework* – track and identify multiple repairs for the same deficiency on the same vehicle.

H. *Road Testing* shall be conducted on all vehicles that have had safety-related repairs or adjustments.

I. *Investigations and Audits* shall be provided related to the fleet, and may involve accidents, fire, electrical contact, or other issues of a technical nature

J. *Waste Management* shall be provided for the disposal of all used oils, oil filters, coolants, tires, etc. generated from maintenance and repair activity, in accordance with local and federal regulations.

K. *Additional Target Services*

- disposal of vehicles and vehicle parts not handled through the auction process, in accordance with instruction by the Contracting Officer's Representative (COR);
- support the MPD's alternative fueled vehicle program, as applicable
- locksmith services, including key duplication and opening locked vehicles; and,
- all vehicle licensing and title work for the fleet.

L. *Outside Repairs* – arrange, manage, and pay for the conduct of outside repairs with full responsibility and liability for subcontractor work, in accordance with the plan for same as approved by MPD.

M. *Development of Vehicle Specifications* - assist in preparation of specifications, for MPD approval, for additional or replacement vehicles, and conduct acceptance inspections of vehicles received.

N. *New Vehicle Preparation and Vehicle Remarketing*

1. receive and prepare newly acquired equipment for service, in accordanc with MPD provided requirements, at the rate of 200 per year
2. prepare retired equipment for disposal, and store pending disposal.

O. *Fleet Assessment* – perform PM on every piece of equipment in the fleet and correct or identify any deficient vehicles.

P. *Parts Operation*

1. procure, stock, and furnish all parts, materials, supplies, and fluids required for operation and maintenance of all vehicles, in accordance with parts management practices meeting all relevant OEM and MPD standards/specifications;
2. present options to purchase and/or liquidate the current (at time of award) inventory;
3. provide parts that will meet or exceed the quality of parts furnished originally for the equipment.

Q. *Warranty* – supplies furnished under this contract or any provision of this contract will be warranted by the Contractor for sixty (60) days, or the length of time of any warranty given by the manufacturer, whichever is greater.

R. *Garage and Equipment*

1. contractor will utilize the garage located at 1501 South Capitol Street, SW, Washington, DC, at the sublease price of $1.00, to include maintenance and repair

EXHIBIT 3

[redacted] SUMMARY OF SERVICES
Page 3 of 3

of equipment, tools, computer systems, service vehicles, and furniture that are MPD property and [currently] used by the Fleet Management Division;

2 MPD will supply utilities to the garage at no cost to the contractor;

3 MPD will be responsible for preventive maintenance and repair of garage structure

4. Contractor shall perform preventive maintenance and normal maintenance and repair of all MPD owned garage equipment, as approved by the COR;
5. MPD may add shop equipment, and periodically replace equipment, tools, computer hardware, service vehicles, or furniture, as needed;
6. Contractor is responsible for the security of all properties and assets designated for its use or management; and,
7. garage shall be open for two shifts. five davs a week (Monday through Friday), excluding MPD holidays.

S. *Management Information System* – contractor shall maintain accurate fleet, parts inventory and labor information in the MPD "CCG Faster" fleet management system, following existing policies for adding or modifying any information thereto.

B.C.5.2 **Non-Target Services** must be approved by the COR prior to beginning the work, and the contractor shall "staff" to perform the majority of these services on straight time basis.

A. *Accident and Vandalism Repairs* - contractor shall process accident repairs, including obtaining repair estimates from the MPD claims service provider, transporting vehicle to/from the repair site, ensuring repair quality and timeliness, and performing overall administration, including paying invoices.

B. *User Abuse Repairs* - shall provide MPD with documentation of suspected user abuse, as appropriate.

C. *Emergency Service* shall be provided, at MPD's request, with an appropriate complement of personnel within one hour of notification.

D. *Directed Work* shall be provided, at MPD's request, in accordance with an agreed-to schedule and work effort.

C.6 **QUALITY ASSURANCE PROGRAM**

The Contractor shall implement a Quality Assurance Program that will include provisions for meeting specified performance standards, for maintaining quality workmanship, for providing a high level of customer service, and, for reducing fleet costs incurred by the MPD.

C.7 **RECORDKEEPING AND REPORTING**

- Complete file of service manuals, parts manuals, service bulletins, lubrication charts and other information needed to properly service and repair the fleet.
- History folder for all maintenance and repair work done, by repair order number and by piece of equipment.
- Weekly report of previous week activity
- Monthly report of activity.
- Annual report that summarizes the year's activity.

EXHIBIT 3

[redacted] SUMMARY OF SERVICES
Page 4 of 4

C.8 *PROVIDER PERSONNEL*

The Contractor shall provide a complete staffing plan, with an organization chart that identifies specific job classifications, the number of employees in each job classification., and an employee training, improvement and certification program. The Contractor's Project Manager and other key personnel shall have proven managerial experience in the field of fleet management, maintenance, and repair. The Project Manager must be interviewed by MPD representatives, and once selected, cannot be changed without the prior approval of the Contracting Officer, in consultation with the MPD COR.

C.9 ANNUAL MEETING

The Contractor will meet with MPD by July of each year, to review a summary of work accomplished relative to service performance standards, and recommendations for changes to improve same during the upcoming year.

E.1 PERFORMANCE STANDARDS

The Contractor shall document the performance baseline, develop a methodology for measuring performance, and submit for the Contracting Officer's approval by September 15, 1999 [within forty-five (days) after contract award]. The baseline for measuring the performance shall be the starting point for measuring the availability for the fleet (downtime), the quality of work (returns for re-work) and, customer satisfaction. The contractor shall meet or exceed the following performance standards by the end of the first six (6) months of the contract:

- monthly availability rates shall be 95% for all vehicles
- monthly returns rates shall not exceed 3%
- customer satisfaction rate shall be 95%.

E.2 PERFORMANCE REWARDS AND DEDUCTIONS

Award Fee

PERFORMANCE STANDARD CATEGORY	AMOUNT OF AWARD FEE	PERCENTAGE OF AWARD FEE EARNED				
		100%	75%	50%	25%	0%
Fleet Availability	1/3	95% or better	90 -94%	85 - 89%	80 – 84%	83% or less
Quality of Work	1/3	3% or less	4 - 5%	6 - 7%	8 – 9%	10% or more
Customer Satisfaction	1/3	95% or better	90 - 94%	85 - 90%	80 – 84%	83% or less

Incentive Fee

If performance standards are met in all three categories and exceeded in one (1) category, the categories and the Contractor exceeds the standards in two (2) categories, the Contractor earns two-thirds of the Incentive Fee. If the performance standards are exceeded in all three (3) categories the Contractor earns the full Incentive Fee.

EXHIBIT 3

ATTACHMENT B

"MPD Policies and Procedures"

EXHIBIT 3

Metropolitan Police Department
Business Services Division
Fleet Management Branch

MEMORANDUM

TO: [redacted]
Contract Manager

FROM: [redacted]
Fleet Manager

DATE: September 20, 2001

SUBJECT: Quality Assurance Inspection Procedures

In response to your memorandum dated 9/19/01, I would like to reiterate the conversation we previously had in reference to certifications. As stated during our meeting on 09/10/01, there are mechanics within your work force that are making repairs without being certified in the particular areas. We discussed this matter and recommended that an eighteen (18) month time span will be given to assure that all mechanics presently employed by your facility get certified in the areas they are presently not certified in.

Relative to [redacted], our Quality Assurance Specialist, he holds certification as a Master Technician. In my opinion, this certification qualifies him in the areas necessary to perform Quality Assurance checks on vehicle repairs.

Vehicle inspections will be performed daily which will include completing the PD-775A Checklist. ALL vehicles repaired by [redacted] will be released to [redacted] *prior* to being released to the Fleet Servicers/VMOs to be returned to the units/districts. The results of the Quality Assurance check may not affect vehicle availability, downtime, rework or other contractual requirements, depending on the quality of work that is being performed. Any discrepancies will be referred to [redacted] and [redacted] for resolution.

EXHIBIT 3

Acceptable Standards will be determined by verification of the repairs performed by SERCo, and verification by the vehicle checklist. [redacted] will be available from 8:00 a.m. to 4:30 p.m., Monday thru Friday. Available bay space may be needed, depending on repairs made to vehicle.

Accidents and bodywork will continue to be inspected by [redacted] will continue to repair vehicles and then release repaired vehicles to [redacted] for quality assurance inspection. This will not affect the Scope of Work for the [redacted] current nor the 6-month extended contract.

If further clarification is needed or other questions arise, please do not hesitate to contact me on 202-576-[redacted]

EXHIBIT 3

Acceptable Standards will be determined by verification of the repairs performed by SERCo, and verification by the vehicle checklist. [redacted] will be available from 8:00 a.m. to 4:30 p.m., Monday thru Friday. Available bay space may be needed, depending on repairs made to vehicle.

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If further clarification is needed or other questions arise, please do not hesitate to contact me on 202-576-[redacted]

EXHIBIT 3

METROPOLITAN POLICE DEPARTMENT
BUSINESS SERVICES DIVISION
FLEET MANAGEMENT DEPARTMENT

MEMORANDUM

TO: [redacted]
Department of Public Works

FROM: [redacted]
Fleet Services Manager

SUBJECT: Fuel Card Request

DATE: July 27, 2001

Effective immediately, all fuel card request must go through the Metropolitan Police Department, Fleet Manager's office. Anyone requesting a fuel card, please refer them to the Fleet Services Manager, [redacted] or his designated alternate.

cc: [redacted]

EXHIBIT 3

METROPOLITAN POLICE DEPARTMENT
OFFICE OF CORPORATE SUPPORT
BUSINESS SERVICES DIVISION
FLEET MANAGEMENT BRANCH

MEMORANDUM

TO: [redacted]
Director

FROM: [redacted]
Manager

DATE: October 18, 2001

SUBJECT: Emergency Response Plan Relative to Fleet Management Branch of Business Services Division

The following action plan will outline the response of Fleet Management Branch during emergency levels one, two and three. These actions will include the response to any terrorist activity, civil disturbance, natural catastrophe and weather emergencies. The sworn officers and civilian personnel assigned to Fleet Management Branch that will be utilized for this operation are as follows:

1 [redacted], Fleet Manager
2 [redacted], Supervisor of Maintenance and Repair
3. [redacted]
4. [redacted]
5. [redacted], Fleet Sevicer
6. [redacted], Fleet Servicer
7 [redacted], Quality Assurance Specialist

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LEVEL ONE

A predictable or significant possibility of a major threat to public safety.

1.) During a level one emergency all personnel assigned to Fleet Management Branch will be cautious for unusual activity, including inspection of all delivery vehicles entering the facility.

2.) [redacted] will be placed in a state of heightened alert. Identification will be verified for all sworn and civilian personnel entering the facility. The [redacted] guard will conduct a plain view search of all vehicles prior to granting entrance to the facility.

3.) Specific attention will be given to any suspicious vehicles or persons seen near the facility's fence line or on adjacent streets or sidewalks. If deemed necessary the Fifth District will be requested to assist with stops and inspections of suspicious activities.

4.) All personnel will continue to work their regular tours of duty. However, they will be informed that they may be held over for an undetermined amount of hours.

5.) [redacted] will continue to operate on a normal sixteen-hour service schedule. They will be informed of the possibility of their services being needed for a twenty-four hour period.

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LEVEL TWO

Information/Intelligence indicating that a major threat to public safety is imminent.

1.) An immediate recall of all sworn and essential personnel on day off or annual leave will be conducted. The optional sick leave program will be cancelled.

2.) The Fleet Manager and Supervisor of Maintenance and Repair will be placed on twelve-hour shifts to provide twenty-four hour coverage and days off cancelled.

3.) [redacted] will be required to provide twenty-four hour seven days per week coverage in the maintenance shop. This coverage will consist of a two man team per 12 hour shift.

4.) During a level two emergency all personnel assigned to Fleet Management Branch will be cautious for unusual activity, this will include inspecting all delivery vehicles entering the facility.

5.) [redacted] will be placed in a state of heightened alert. Identifications will be checked for all sworn and civilian personnel entering the facility. The [redacted] guard prior to granting entrance into the facility will conduct a plain view search of all vehicles. An MPD sworn officer will escort all visitors from the front gate to their destination. All mail deliveries will be denied entry.

6.) The sworn members assigned to Fleet Management Branch will conduct inner perimeter patrols of the location in two-hour intervals. Specific attention will be given to any suspicious vehicles or persons seen near the facility's fence line or on adjacent streets and sidewalks. If deemed necessary the Fifth District will be requested to assist with stops and inspections of suspicious activities.

7.) The entrances will be blocked with vehicles.

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LEVEL THREE

A major threat to public safety is in progress or has occurred.

1.) An immediate recall of all sworn and essential personnel on day off or annual leave will be conducted. The optional sick leave program will be cancelled.

2.) All essential personnel will be placed on twelve-hour shifts to provide twenty-four-hour coverage and days off cancelled.

3.) [redacted] will be required to provide twenty-four hour seven day per week coverage in the maintenance shop. This coverage will consist of a two man team per 12 hour shift.

4.) During a level three emergency all personnel assigned to Fleet Management Branch will be cautious for unusual activity, this will include inspecting all delivery vehicles entering the facility.

5.) [redacted] will be placed in a state of heightened alert. Identification will be verified for all sworn and civilian personnel entering the facility. A sworn member will conduct an extensive search with the assistance of [redacted] prior to granting entrance to any vehicles entering the facility. A sworn member will escort all visitors from the front gate to their destination within the facility. All mail deliveries will be denied entry.

6.) Sworn members assigned to Fleet Management Branch will conduct hourly patrols of the inner and outer perimeter. Specific attention will be given to any suspicious vehicles or persons seen near the facility's fence line or on adjacent streets and sidewalks. The Fifth District will be requested to give this location special attention during the second and third watches and assist with outer perimeter security during the first watch.

7.) The entrances and the entire inner perimeter along the fence line will be blocked with vehicles.

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METROPOLITAN POLICE DEPARTMENT
OFFICE OF CORPORATE SUPPORT
BUSINESS SERVICES DIVISION
FLEET MANAGEMENT BRANCH

MEMORANDUM

TO: [redacted]
Contract Manager
[redacted]

FROM: [redacted]
Manager

DATE: October 12, 2001

SUBJECT: Daily Lot Inventory

Effective October 15, 2001, the following procedures will take effect to establish a Daily Lot Inventory Count:

1) A copy of the Repair Order must be placed on the left side of the dashboard of the vehicle.

2) A copy of all PD-415s must be submitted to Fleet no later than 10:00 a.m. the following day

3) A Daily DownCount Report must be submitted to Fleet no later than 10:00 a.m.

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METROPOLITAN POLICE DEPARTMENT
BUSINESS SERVICES DIVISION
FLEET MANAGEMENT BRANCH

MEMORANDUM

TO: Fleet Management Staff

FROM: [redacted]
Fleet Manager

DATE: October 1, 2001

SUBJECT: New procedures In Regards to the Loaner car Program

The Loaner Car program currently consists of a fleet[redacted] The fleet consist of marked sedans, and unmarked sedans. The vehicles are lent primarily for vehicles that are out of service due to accidents or major mechanical work.

Effective immediately the following procedures will be utilized when issuing a loaner vehicle:

ISSUANCE:

- The Fleet Management Staff member must obtain a repair order from the member requesting the loaner vehicle.
- Ascertain if a loaner car is available by querying the loaner car board located in the Fleet Headquarters file room.
- After identifying a loaner vehicle, accompany the member to the vehicle and conduct a thorough inspection of the vehicle while preparing a PD 775A in duplicate (vehicle inspection form)
- Advise the requesting member to sign the PD 775A, therefore agreeing to the result of the inspection and return the vehicle with a full tank of gas.
- Distribution of the PD 775A. One copy of the vehicle inspection form will be filed in the loaner car jacket relative to that vehicle. The duplicate will be attached to the repair order and delivered to[redacted] The attachment of the PD 775A to the repair order will alert[redacted] not to release the vehicle without authorization from Fleet Management.
- Indicate on the Loaner Car Board who the vehicle was lent.

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METROPOLITAN POLICE DEPARTMENT
BUSINESS SERVICES DIVISION
FLEET MANAGEMENT BRANCH

MEMORANDUM

TO: Fleet Management Staff

FROM: [redacted]
Fleet Manager

DATE: October 1, 2001

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- Indicate on the Loaner Car Board who the vehicle was lent.

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RETURN:

- Upon return of a loaner vehicle, a Fleet Management staff member will respond to the vehicle and conduct a thorough inspection, notating any additional damage on an additional PD 775A. Staff members will ensure the vehicle has no additional damage and has a full tank of gas.
- The staff member will notify [redacted] to release the member's vehicle
- Notate available on the loaner car board.

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ATTACHMENT C

"Fleet Management Information System"

EXHIBIT 3

REQUEST FOR QUOTATION FOR A COMPUTERIZED
FLEET MANAGEMENT INFORMATION SYSTEM

A. PURPOSE OF SOLICITATION

The District of Columbia Metropolitan Police Department (MPD) is issuing this Request for Quotation (RFQ) for the purpose of identifying a commercial company to furnish, install, integrate, and support a web-enabled computerized fleet management information system (FMIS) for the MPD Fleet Services Department

This solicitation will serve as a pilot program for the DC Government. The program will be judged as to how effectively it meets MPD's requirements and the scalability of the software to meet the requirements for Fleet Management Software district-wide.

B. BACKGROUND

Organizationally, the Fleet Services Department (FSD) is part of MPD Corporate Support Services. The Department manages a fleet of approximately 1,400 vehicles and pieces of equipment. FSD is responsible for specifying, buying, in-servicing, assigning, maintaining, fueling, replacing, and disposing of all MPD fleet assets. The operation of Fleet Services is financed through direct General Fund appropriations; however, MPD is considering the establishment of a fleet internal service fund under which the costs of all fleet assets and services would be charged back to the organizational units within MPD that consume them.

The District outsourced all maintenance and repair services for the MPD fleet. All maintenance activities are performed in a single maintenance facility. The selected FMIS will be the primary tool used by the contractor to calculate and document charges to MPD for vehicle maintenance and repair and other services it provides the Department, and to develop and report information on its adherence to performance standards incorporated in its contract. The majority of the end-users of the FMIS will be fleet management contractors. The contractor currently uses a PC-based fleet maintenance management software package to process work order and parts data and to handle other fleet maintenance management chores.

The selected FMIS shall support MPD's fleet asset management and maintenance contract management endeavors. FSD currently uses a commercial off-the-shelf client-server based FMIS package; Extra Fleet 2000 by Current Software.

Fleet fueling services for the MPD fleet are provided by the District of Columbia Department of Public Works and by retail gas stations.

C. GENERAL SYSTEM REQUIREMENTS

Respondents shall include copies of their standard Warranty, Software License, and Maintenance Agreements for the Department's review with their proposal. Brochures, company literature and

EXHIBIT 3

other pre-printed documentation shall not to be used as a response to any element of the RFP - however, respondents are free to include it as supporting documentation to their responses.

The software shall run on IBM-compatible personal computers within the MPD wide-area network configuration. The web-enabled software shall feature full multi-user operations and be scalable, such that an unlimited number of workstations can all access any function included in the software at any time, without regard for what is occurring at any other workstation. The software shall include adequate safeguards to insure against possible loss of data that might result from simultaneous update of the same information from more than one station.

All functions that update data in any files shall occur on-line, in real time, with no deferred batch processing. It is permissible for the software to process files of input transactions generated from another system, such as an automated fuel dispensing system, but the update processing shall occur while the input transaction file is being processed, with no other deferred processing. All processing shall be completely integrated and not require duplicate keying to post data to separate modules.

D. USER SUPPORT SERVICES

The contractor shall provide a customer service number that users can call with questions about the FMIS software. The contractor shall provide answers to questions in a timely manner, and ensure that support staff is available for questions from 7:30 AM to 5:00 PM EST. A 24-hour emergency contact number shall be provided.

The Contractor shall provide user manuals, training materials, training sessions, and on-site support to District staff during the period of implementation and beyond and shall be prepared to discuss options for ongoing training. Additional support options and services available to MPD, such as software enhancements, discussion boards, annual user group meetings, etc. are also of interest.

E. FUNCTIONAL FEATURES AND ATTRIBUTES

The proposed system will be evaluated against several functional features and attributes. Address in narrative form how the proposed system addresses each major functional area of the RFP. This information shall be sufficiently detailed to provide the reviewers with an understanding of how the proposed system functions, its integration, and what may be required to make the system "functional" within the MPD environment including costs. The fleet system that is selected must be compatible with the existing District-wide fleet reporting system. An underlying technical architecture must be developed that allows an on-demand, simple interface between the two systems.

The proposed system shall accomplish most of the functions desired and any missing functions shall be identified. If the proposed system does not contain the function stated, comment on how this can best be handled or explain why the function isn't important when using the proposed system. Include the cost of any proposed modification/addition to fully support functional criteria

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GENERAL APPLICATIONS
The proposed system shall support maintenance activities on a variety of equipment including:

- Fleet equipment
- Auxiliary engines
- Electronic and communications devices
- Facilities
- Plant equipment

The proposed system shall address the functional areas of:

- Equipment inventory management
- Maintenance workflow management
- Preventive maintenance
- Warranty recovery
- Parts/fuel inventory control and disbursement
- Parts/fuel procurement/purchasing
- Cost determination and reporting
- Shop scheduling
- Management reporting

The table below indicates specific desired features. The contractor should indicate how each of these features is accommodated by the proposed system.

	Function/Feature
General	IBM PC's on WAN
	24-hour a day access, 7 days a week
	Unlimited number of workstations without processing conflict (all work stations can access any function w/o regard to activity on other workstations)
	Safeguards against loss of data resulting from simultaneous updates from multiple work stations
	Updates on-line and real time, no deferred batch processing
	Input from another system achieved as input file is being processed
	No duplicate keying of data to accommodate separate modules
	Scope: fleet equipment, auxiliary engines, electronic and communications devices, facilities?, plant equipment?
	Auxiliary items tracked by vehicle, facility, or department
	Conform to ATA/VMRS standards
	Minimize use of paper data collection forms
	Bar code input for labor and parts receipts and issues
	Bar code employees and all items
	Easy to use screens for less sophisticated users – touch screens preferred.
Unit Inventory	Unlimited number of functional assets (vehicles, vehicle components, equipment); FEMS estimate is 2000+
	Unique unalterable asset ID

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	Function/Feature
	Automatic alert whenever a failed asset being replaced is under warranty (vehicle component or part)
Parts/ Fuel Inventory	Transactions processing and capture: inventory receipts, stockroom issues, non-stock issues, transfers, and adjustments
	Real time parts inventory: quantity on-hand, quantity reserved, quantity on-order, on-order vendor, price
	Real time parts inventory: bin location, ability to identify parts no longer used, e.g., due to fleet changes
	Control multiple warehouses and/or stock rooms
	Query for functionally equivalent or interchangeable part
	Metered hours at each fueling event
	Monthly use statistics – summary and by vehicle (mpg or hpg as appropriate)
	Record inventory "issues to equipment" (parts that can be installed outside the shop, e.g., fire equipment manager at the fire station) identifying the specific truck or company.
Procure-ment	Create purchase orders or BPAs from items requisitioned from the warehouse(s)
	Inquiry for purchase order status
	Integrate with external electronic parts manuals or sourcing services
	For items to be purchased by credit card, produce and print an itemized list of what is needed
	Automatic re-order notification
	Vendor data base
	Delivery lead time by vendor and item
	For major equipment purchasing capture: specifications, assembly, construction status, inspection status and results (on site and delivery inspections)
Cost	Calculate total operating costs based on maintenance costs (internal labor, internal parts, stock/inventory issued parts, non-stock purchased parts, etc.)
	Report cost as a function of total operating, maintenance or ownership
	Life cycle costing for each unit
Analysis and Reporting	Inventory related: master equipment lists, all equipment with expiration flags, current fleet maintenance work load, expediting report of critically overdue work orders, all current work orders tagged as high priority, all equipment currently awaiting repair, organized by shop
	Accumulate costs, report generation, cost summarization for multiple locations
	Cost reports showing work orders, total labor hours, labor charges, parts charges, outside vendor charges, work order total
	Easy information retrieval
	Availability rates for units
	Apparent comebacks – units returned repeatedly for the same complaint (user-supplied parameters, e.g., number of times, over what period)
	Tire performance analysis by individual tire and by manufacturer
	Fuel usage reporting
	Flexible reporting capability to permit user-defined reports: combinations of data,

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	Function/Feature
	On-line access to asset information
	Cross-tracking of multiple independent assets
	Update Bill of Materials when parts are issued to work orders for the assets
	Trace assets by all known characteristics in the database
	Report on groups of assets with similar characteristics
	Warranties on each asset
	Unit specification data to include: weights, capacities and fluid types, belts, filters, hoses, brakes, all subsystems of trucks – i.e., complete bill of materials
	Track individual tires including where and when installed, when re-capped, tread depth at inspections, total cost – complete use and maintenance history
Work orders	Update an open work order at any time
	View parts availability and reserve parts from inventory
	View all work orders by status
	Identify multiple outside vendors on work orders
	Real time input of work order number, employee work on/off time, system and component worked on codes, work accomplished codes, indirect labor codes, with automatic date and time stamps for events
	Also included on work orders: parts, commercial charges, estimated cost of the work order (parts and labor), whether work is warranty or non-warranty, work delays and reason (e.g., lack of bays, labor, parts), user-defined repair categories
	Identify the reason for the work order including accident data.
	Display entire history of work orders on any asset
	Adjustments to work orders whether open or closed
	Asset and associated work order data on-line at least until the unit has been retired for 2 years and user control of aging before purging
	Handle maintenance for a variety of customers
	Work orders indicate who is logged on
	Custom preventive maintenance work orders
Employee Data	Employee identification, certifications, training, skills
	Employee planned absences
Preventive Maint.	Multiple preventive maintenance echelons and tasks for each asset including inspection data and dates
	Detailed checklist for each preventive maintenance service, including all parts needed and task instructions
	Print preventive maintenance schedules by maintenance location or asset's maintenance class
	Preventive maintenance schedules by late, due, or due soon (based on user-supplied parameters)
Warranties	Describe applicable warranties for each unit (vehicle or vehicle component) and part
	Monitor warranty periods based on elapsed time, units of utilization, or combination

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	Function/Feature
	Automatic alert whenever a failed asset being replaced is under warranty (vehicle component or part)
Parts/ Fuel Inventory	Transactions processing and capture: inventory receipts, stockroom issues, non-stock issues, transfers, and adjustments
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	Real time parts inventory: bin location, ability to identify parts no longer used, e.g., due to fleet changes
	Control multiple warehouses and/or stock rooms
	Query for functionally equivalent or interchangeable part
	Metered hours at each fueling event
	Monthly use statistics – summary and by vehicle (mpg or hpg as appropriate)
	Record inventory "issues to equipment" (parts that can be installed outside the shop, e.g., fire equipment manager at the fire station) identifying the specific truck or company.
Procure-ment	Create purchase orders or BPAs from items requisitioned from the warehouse(s)
	Inquiry for purchase order status
	Integrate with external electronic parts manuals or sourcing services
	For items to be purchased by credit card, produce and print an itemized list of what is needed
	Automatic re-order notification
	Vendor data base
	Delivery lead time by vendor and item
	For major equipment purchasing capture: specifications, assembly, construction status, inspection status and results (on site and delivery inspections)
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	Report cost as a function of total operating, maintenance or ownership
	Life cycle costing for each unit
Analysis and Reporting	Inventory related: master equipment lists, all equipment with expiration flags, current fleet maintenance work load, expediting report of critically overdue work orders, all current work orders tagged as high priority, all equipment currently awaiting repair, organized by shop
	Accumulate costs, report generation, cost summarization for multiple locations
	Cost reports showing work orders, total labor hours, labor charges, parts charges, outside vendor charges, work order total
	Easy information retrieval
	Availability rates for units
	Apparent comebacks – units returned repeatedly for the same complaint (user-supplied parameters, e.g., number of times, over what period)
	Tire performance analysis by individual tire and by manufacturer
	Fuel usage reporting
	Flexible reporting capability to permit user-defined reports: combinations of data,

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	Function/Feature
	selections of data based on supplied values and ranges, sorting, sub-totals and averages
	Export data to spread sheets
	Save user-customized reports
	Access to specific reports for types of users without update authority
	Replacement analysis: optional replacement point or rehabilitation point for both the entire vehicle and components
	Inventory turns to identify stock not moving or heavily used
Shop Scheduling	Schedule resources: labor, bays, parts, materials
	Capture unscheduled demand
	Re-schedule as needed
Data Processing	Comprehensive, context-sensitive, on-line help
	Relational data base and easy to use report generator
	24-hours-a-day access
	Complete user oriented "data dictionary" for user defined reporting purposes
	Operating system level transaction journalizing, on-line and batch update transactions with accompanying audit trail
	Reasonable security and control to safeguard the use of the application and protection of the data
	Web-enabled to allow offsite access to management reports, at a minimum
Other	Compatible with MS Windows environment, be extensible through external scripting, and be XML export capable.
	Loading of hard copy history
	On-going on site support for a period following implementation
	Training for all users sufficient to ensure successful use at all levels

IMPLEMENTATION TIMEFRAME

Once the contract is awarded and all specifications and requirements are fully defined and articulated to the contractor by MPD, the contractor shall fully implement the system within 120 days. Implementation will include support to MPD in the development of user-supplied parameters, advice as to the selection of any workflow options to be compatible with MPD business processes, or suggestions regarding changes to business processes to take better advantage of system features.

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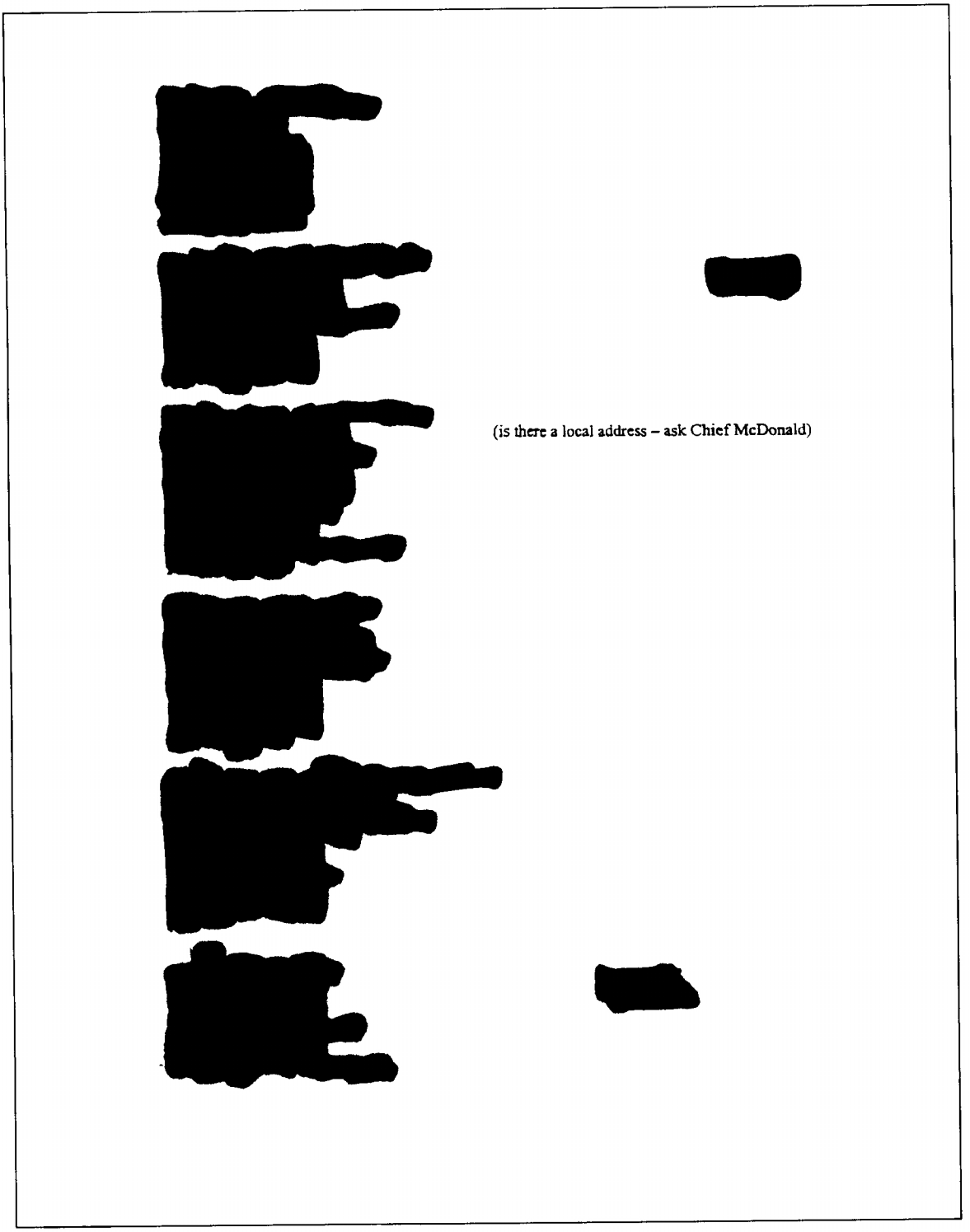
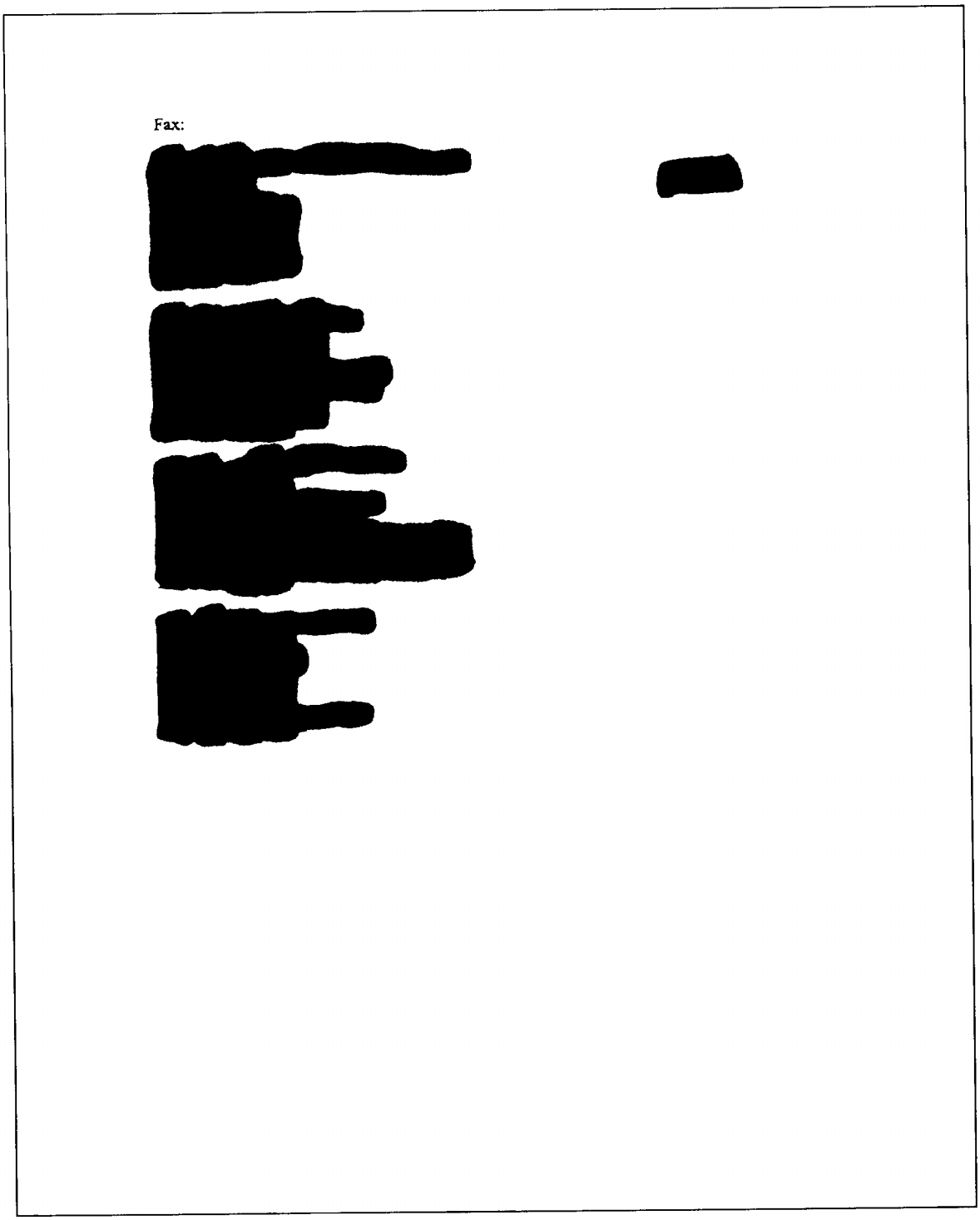
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