



COUNTY OF DUTCHESS
DEPARTMENT OF PUBLIC WORKS
ADMINISTRATION

November 27, 2013

James Coughlan, Comptroller
County Office Building, 4th Floor
22 Market Street
Poughkeepsie, NY 12603

RE: 2013 Dutchess County DPW Auto Service Center Audit

Dear Comptroller Coughlan:

DPW offers the following response to the Draft 2013 Dutchess County DPW Auto Service Center Audit. I begin by thanking you and your staff for conducting a thorough audit. Your staff demonstrated professionalism and respect while interviewing Auto Service Center employees and management. As you are aware, DPW took on supervisory and management responsibilities of the Auto Service Center on January 1, 2013. It has been a challenge for DPW management to change the institutional culture of the workforce and much is yet to be done. Adding to DPW's challenges was the retirement of the Garage Superintendent who directly managed the Auto Service Center. Although officially retired in November 2013 he has been absent from work since August 2013. Also adding to the challenge was the intermittent presence of the Auto Service Center's Accounting Clerk, who has been out of work frequently throughout 2013. Despite the obstacles, DPW has been able to effect significant operational and accountability improvements during the first 11 months of 2013. This has been the result of dedicated employees, conscientious management, and a cooperative inter-department approach to problem-solving. Improvements were made on many Auto Service Center processes during the audit. These included inventory reconciliation, vehicle asset tracking, and scrap metal handling.

As the audit pointed out, there is still room for improvement in many areas of the Auto Service Center's operations and accounting procedures. DPW management is currently working to develop an updated Vehicle Policy Manual. This policy will clearly define DPW's role in fleet management, explain end-user departments' responsibilities when utilizing fleet assets, codify driver roles and responsibilities, and offer guidance to fleet users when accidents, damage, or breakdowns occur. The development of a revised Vehicle Policy Manual is DPW's highest priority item for improving Auto Service Center operations and we expect that this Policy Manual will be completed early in 2014.

Another initiative being developed at the Auto Service Center is an internal policy and procedure manual for defining employee roles and responsibilities concerning parts inventory; billing; scrap handling; parts salvage; revenue tracking; and documentation of accidents and towing. This internal policy will establish segregation of duties, define supervisory roles, insure independent checking of invoices and billing, and establish reporting documentation. It is expected that this internal procedure manual will be developed and in place in early 2014. This document will be revised as necessary to allow for continued improvement and efficiency in operations and accountability.

DPW is currently working with OCIS-Central Services to streamline vehicle asset management using LOGOS, Fleetmax, Fuelmaster and other resources. As the audit initially pointed out, there has not been a definitive master vehicle asset list within the County and it is difficult to identify which department or agency a vehicle has been assigned to. Although there has been a significant improvement in this regard over the course of 2013, there is still improvement to be made. DPW and Central Services will continue to develop inventory protocols, asset transfer and disposal documents and a clear policy over the course of 2014.

DPW will continue to work with Central Services in regard to shared service agreements with outside agencies. Currently, Auto Service Center provides vehicle repair services to non-County municipal agencies and districts. Agreements will be reviewed to make sure all agencies are bound by written agreements, and agreements which reflect reasonable industry and market standards for service rates and terms. Again, this is an ongoing issue and agreements will be reviewed and developed as more shared services are employed. Shared services represent an opportunity to create additional revenue for the County and DPW will pursue these opportunities throughout 2014 and beyond with assistance from Central Services.

DPW and Central Services upgraded the County's vehicle fueling facilities and software management systems during 2012 and 2013. As a result, the new vehicle fueling infrastructure is capable of detailed reporting and accounting. DPW will use this system to monitor vehicle fuel usage and offer recommendations to the County Executive's Office to improve fuel usage policy and budgeting. As pointed out in the audit, County vehicles have been fueling at the Town of Pine Plains fuel station since 2001. This practice will be reviewed and likely be terminated in 2014 upon consultation with involved agencies.

DPW has proposed a capital project for 2014 at the Auto Service Center. This project will seek to install new access control systems, video surveillance systems, improve the potable water system, repair aging restroom and break room facilities, replace out-dated vehicle lift systems, install new and efficient heat and ventilation systems, and convert one of the garage buildings into a tire shop for both automobiles and heavy machinery. If approved by the Legislature and County Executive, this capital project will be planned and designed early in 2014 with construction scheduled for mid-2014.

Certain findings of the audit cited particular incidents where vehicles were damaged with no reports prepared by the assigned department. Also cited was the salvage or scrap of buses with little or no documentation regarding the disposition of salvaged vehicles or parts. While these instances occurred prior to DPW's engagement as the managing department, it is duly noted that DPW must remain vigilant and develop sound procedures and policy to prevent lapses in fleet management. DPW management is focused on this task and will work to correct the deficiencies or inconsistencies noted in the audit.

In closing, the audit appears to be comprehensive and accurate, and it reflects both the improvements made at the Auto Service Center as well as the operational and accountability areas that require continued improvement. Thank you for the opportunity to offer this response to the 2013 DPW Auto Service Center Audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert H. Balkind". The signature is fluid and cursive, written over a light blue horizontal line.

Robert H. Balkind, P.E.
Deputy Commissioner of Public Works

- c: N. Knille, Commissioner of Public Works
G. Cooper, Director of Highway Construction & Maintenance
M. Aldrich, DPW Director of Budget and Finance