

City of Alexandria, Virginia
FY 2026 Proposed Operating Budget & CIP
Budget Questions & Answers

April 2, 2025

Question:

What is the amount of savings to be gained if the City and Schools combined the 'white car' fleets?

Response:

The estimated cost savings from consolidating the City of Alexandria and Alexandria City Public Schools (ACPS) "white car" fleets is approximately **\$15,000**, based on the findings from the 2019 Mercury Associates Report and limited available updated data. However, the actual savings may differ and require further analysis due to changes in fleet size, maintenance costs, and operational efficiencies over the past six years.

Breakdown of Cost Estimates and Savings Potential:

1. Estimated ACPS Non-Bus Fleet Maintenance Costs:

- a. The current estimate for ACPS's non-bus fleet maintenance is approximately \$40,000 per year, based on an average monthly maintenance cost of \$49.08 per vehicle for 67 vehicles.
- b. This estimate reflects updated fleet data from the FY24 budget process and does not include major repair costs for vehicle components like transmissions or engines, which are billed separately.

2. Projected Savings from Consolidation:

- a. The original 2019 study estimated a savings of \$7,800 from combining the white fleets.
- b. Given the changes in fleet management efficiencies and updated cost data, staff now estimate potential cost savings of \$15,000 from consolidating ACPS's non-bus fleet maintenance with the City's fleet operations. These calculations were conducted by City Staff, while the \$40,000 annual maintenance cost for ACPS's non-bus fleet was provided by ACPS. Actual savings will require further collaboration between City and ACPS staff to refine estimates and assess long-term feasibility. It should also be noted that the saving estimate does not include staffing modifications that may create additional savings.
- c. These savings would primarily come from reducing duplicate administrative functions, leveraging economies of scale in parts and services, and optimizing fleet maintenance scheduling.

3. Operational Implications and Budget Impact:

- a. It currently costs ACPS \$40,000 for maintenance of its non-bus fleet. A consolidated fleet model would shift maintenance of this fleet to the City's Transportation & Environmental Services (T&ES) budget, increasing expenses for the City by an estimated \$25,000 in FY26 while reducing costs for ACPS estimated at \$40,000.

- b. The City would internally bill ACPS for maintenance services, similar to the existing fuel cost recovery model. This ensures that ACPS continues to bear its share of costs without burdening the City's general fund.
- c. The transition would allow ACPS's technical staff to focus on maintaining school buses, which are their primary operational focus.

4. Challenges and Considerations for Future Savings:

- a. Although immediate cost reductions are possible, the City is unlikely to experience financial savings for at least 2-5 years, as efficiency gains take time to materialize.
- b. Any major cost reductions would require optimizing fleet size, improving vehicle replacement planning, and ensuring that the Fleet Management Information System (FMIS) is fully integrated to track performance metrics.
- c. Additional analysis is needed to account for updated maintenance costs, fleet usage patterns, and potential facility space constraints.

Conclusion:

While a preliminary estimate suggests **\$15,000** in annual savings from consolidating the City and ACPS white fleets, actual financial benefits depend on updated data and operational adjustments. The transition would streamline fleet management, reduce administrative overhead, and improve service efficiency over time. Further analysis is required to refine cost estimates and determine the long-term impact of this consolidation.

For reference, attached is a copy of the 2019 Report on Fleet Maintenance Program Consolidation Feasibility.