



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: March 24, 2026

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TO: Board of Supervisors

SUBJECT

OPTIMIZING COUNTY FLEET MANAGEMENT TO CAPTURE MILLIONS IN ONGOING TAXPAYER SAVINGS (DISTRICTS: ALL)

OVERVIEW

As the federal government withdraws key investments and budget uncertainties grow nationwide, local governments are being asked to do more with less. The County of San Diego (County) cannot control instability in Washington, D.C., but we can control how responsibly we steward public resources and protect the services our residents depend on. With rising costs and increasing demand for essential services, we must ensure every taxpayer dollar is directed where it delivers the most for our communities. This work starts with examining our own operations and finding cost-saving opportunities.

This item is part of a broader effort by the County to identify every reasonable efficiency and cost-saving opportunity before any service reductions are considered—an effort that has already produced millions in ongoing savings through modernizing County communications technology and centralizing space management.

This item focuses on another practical opportunity to strengthen fiscal stewardship and protect core services: improving oversight and management of the County's vehicle fleet. The County maintains approximately 4,500 vehicles and off-road equipment across departments, and the Department of General Services procures hundreds of vehicles each year on behalf of departments. Most are standard light-duty vehicles used to transport staff between work sites. Light duty vehicles are defined as a passenger car or light truck with a gross vehicle weight rating of 8,500 pounds or less (e.g. sedans, SUVs, trucks, or vans). Board Policy H-1 was adopted to reduce underutilized vehicles and control long-term fleet costs. It establishes two utilization benchmarks: (1) vehicles driven fewer than 10,000 miles annually, or (2) vehicles averaging less than one trip

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per day. Board Policy H-1 requires departments to justify retaining vehicles that fall below those standards. Department directors may retain underutilized vehicles by submitting a justification within 30 days of receiving the utilization report. The principle is straightforward: if a vehicle is not being used regularly and no operational need can be demonstrated, those dollars could be better directed toward services that directly benefit residents. However, in the most recent fiscal year, hundreds of vehicles were identified as underutilized, but only a small fraction were returned. Stronger utilization data will ensure that vehicles are retained based on operational needs.

Today's action directs the Chief Administrative Officer to strengthen our approach in three ways, resulting in fleet reductions and long-term cost savings. First, it calls for improved transparency and accountability by installing GPS technology in eligible vehicles to ensure accurate, real-time utilization data. Objective data will allow the County to make informed decisions about fleet size and deployment across departments. Second, it calls for managing the fleet as a coordinated enterprise asset rather than a collection of separate departmental inventories. Before purchasing new vehicles, departments should assess whether underutilized vehicles can be reassigned or shared between departments in collaboration with General Services and their Group Executive Office. Expanding vehicle pooling and redeployment will reduce unnecessary procurement and ensure fleet size reflects actual operational demand. Finally, it calls for the modification of Board Policy H-1 to incorporate a cost analysis as part of any justifications provided to retain underutilized standard light-duty vehicles, mandatory installation of GPS on any standard light-duty vehicles for which justifications were approved, and mandatory turn-in of any standard light-duty vehicles subject to the policy that accrue less than 5,000 miles annually or average less than one trip per day of usage.

Potential Cost Savings

Every vehicle we do not unnecessarily purchase or maintain represents meaningful savings over time. Acquisition costs are significant, and maintenance, fuel, and replacement costs compound year after year.

The scale of this savings opportunity is already visible. In Fiscal Year 2024–25, County staff identified 444 standard vehicles as underutilized, yet only 7% were returned, with the remainder approved for retention. County staff estimates an additional 104 vehicles could potentially be reduced from the fleet, resulting in approximately \$5 million to \$5.3 million in cost avoidance over the useful life of a vehicle. This figure reflects both avoided vehicle replacement costs—purchases that would otherwise be required as existing vehicles reach the end of their service life—and reduced lifecycle maintenance expenses. For example, to replace an existing vehicle, the average cost for a new electric vehicle is \$77,000. Moreover, it costs per vehicle an average of \$1,100 annually for 5 to 7 years, or \$5,500–7,700 total, for overhead and maintenance costs during its life cycle. Thus, depending on whether the vehicle is gas, hybrid, or electric, the County saves between

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\$48,000 and \$77,000 for each vehicle that is not replaced. Better utilization data will allow the County to identify further opportunities to streamline the vehicle fleet.

At a time of federal retrenchment and fiscal pressure, the County must be prepared to protect the services our residents count on. Every unnecessary cost we eliminate today preserves our ability to sustain health, housing, and safety programs when it matters most. Strengthening oversight of our fleet is how we stay ready.

**RECOMMENDATION(S)
SUPERVISOR TERRA LAWSON-REMER AND SUPERVISOR MONICA MONTGOMERY STEPPE**

1. Direct the Chief Administrative Officer to take the following actions:
 - a. Install GPS in eligible vehicles for data analytics on vehicle utilization.
 - b. Optimize enterprise vehicle usage by reducing underutilized and/or sharing/pooling vehicles to right-size the fleet and save enterprise costs.
2. Approve amendments to Board Policy H-1, *Fleet Management Internal Service Fund*, to incorporate cost analysis as part of the vehicle retention justification process, mandatory GPS installation on approved justifications, and a mandatory requirement to turn in standard light-duty vehicles that accrue less than 5,000 miles annually or average less than one trip per day of usage.

EQUITY IMPACT STATEMENT

Strengthening oversight of the County’s vehicle fleet and reducing unnecessary operating costs help preserve resources for the essential services that residents rely on every day. By ensuring that public dollars are directed toward actual operational needs rather than maintaining an oversized fleet, the County strengthens its ability to sustain health, housing, public safety, and economic stability programs, particularly for communities disproportionately impacted by rising costs of living and potential federal service reductions.

SUSTAINABILITY IMPACT STATEMENT

Reducing the size of the County’s vehicle fleet and improving utilization oversight supports the County’s long-term sustainability goals. Fewer vehicles in operation means reduced fuel consumption, lower emissions, and less demand for vehicle manufacturing, maintenance, and disposal. As the County continues its transition toward cleaner fleet options, correcting the fleet size ensures that future investments are targeted where they will have the greatest operational impact. These actions advance a more efficient and environmentally responsible County fleet over time.

FISCAL IMPACT

Over time, today’s recommendations would result in cost avoidance and savings through avoided vehicle replacement costs and reduced lifecycle maintenance expenses.

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Current estimates suggest approximately 104 retained vehicles may lack sufficient operational justification. Over the 5-year useful life of a vehicle, this represents \$5 million to \$5.3 million in potential savings through avoided vehicle replacement costs and reduced lifecycle maintenance expenses. The estimated cost for General Services to install GPS is approximately \$602 per vehicle, and the ongoing annual subscription cost is \$242 per vehicle. The majority of vehicles already have GPS installed and costs are worked into the current departmental ISF rates. Any additional costs for the balance of vehicles needing GPS installed would be minimal and anticipated to be absorbed within existing ISF budgets. For context, over 5 years, the estimated cost to install GPS in remaining vehicles is approximately \$82,000 as compared to the anticipated cost avoidance of \$5 million to \$5.3 million through anticipated reductions to fleet.

Any cost avoidance or savings resulting from implementation of the revised Board Policy H-1 will be incorporated into future Operational Plans. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A.

BACKGROUND

The County of San Diego maintains a fleet of approximately 4,500 vehicles and off-road equipment to support service delivery across departments, with the Department of General Services procuring vehicles on behalf of departments each year. Most are standard light-duty vehicles used to transport staff between work sites. Acquisition, maintenance, fuel, and replacement costs are significant and compound over time.

Board Policy H-1 was adopted to control these costs by establishing utilization benchmarks and requiring departments to justify retaining vehicles that fall below these benchmarks. Vehicles driven fewer than 10,000 miles annually or averaging less than one trip per day are flagged as underutilized, and department directors have 30 days to submit a justification for retention. If a vehicle is not being used and no operational need can be demonstrated, those dollars should be directed elsewhere to support core County services.

In Fiscal Year 2024–25, a utilization review identified 444 standard vehicles as underutilized. Department directors submitted justifications to retain approximately 93% of them. County staff estimates that improved utilization data may identify additional reduction opportunities beyond those already captured. Current estimates suggest approximately 104 retained vehicles may lack sufficient operational justification, representing \$5 million to \$5.3 million in potential cost avoidance through avoided vehicle replacement costs and reduced lifecycle maintenance expenses.

Current utilization tracking relies on departmental reporting rather than independently verified data, which limits the County’s ability to evaluate whether retention justifications reflect genuine operational need. The proposed GPS hardware includes automated fueling recognition at County

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fuel pumps, as well as telematics on vehicle data, and thus installing this technology in eligible vehicles would provide objective, real-time utilization data to inform those determinations.

The current structure also manages the fleet as a collection of separate departmental inventories rather than as a coordinated enterprise asset. When departments identify a vehicle need, the standard response is procurement, without a systematic process to assess whether underutilized vehicles elsewhere in the County could meet that need. Expanding cross-departmental coordination and vehicle redeployment would reduce unnecessary procurement and better align fleet size with actual operational demand.

Lastly, even with Board Policy H-1's established utilization benchmarks, department heads and General Managers typically approve the retention of identified underutilized vehicles, as there are no guidelines nor requirements associated with providing these justifications. Creating additional standards and requirements for the retention of underutilized vehicles would effectuate the intent of the policy and protect tax dollars.

This item directs the Chief Administrative Officer to address these gaps by improving utilization data collection and establishing fleet management as an enterprise function, and requests the Board to amend Board Policy H-1 to apply additional standards and requirements for retaining identified underutilized vehicles. These steps are part of the County's broader effort to identify every reasonable efficiency before any reductions to services are considered.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

This proposal aligns with the County of San Diego's 2026–2031 Strategic Plan by advancing the goals of the Health, Sustainability, and Community pillars. By exploring sustainable savings options, this proposal supports the County's commitment to the "Live Well San Diego" vision of building better health, living safely, and thriving in sustainable, equitable communities.

Respectfully submitted,



TERRA LAWSON-REMER
Supervisor, Third District



MONICA MONTGOMERY STEPPE
Supervisor, Fourth District

ATTACHMENT(S)
Board Policy H-1 Draft