

### Mercury Vehicle Report Questions

Mercury was the Vehicle Maintenance Consultant. Here are 10 questions concerning the Mercury Report that should be answered. All questions concern the 250-Series Utility Trucks. Similar questions could be asked concerning the Dump Truck section of the report.

1) What comprises the first column number (\$883) of the Actual M&R Cost Exhibit 3, i.e., what is the physical description of the tasks performed. Does this include things like PM? I will analyze if given the data.

I have filed a Public Request for this info and initially received a spreadsheet of numbers. I rejected the numbers only reply as not what I asked for. At a meeting to discuss what I asked for specifically, I recommended that SWA ask the consultant how that number was derived. That was two weeks ago. My analysis of the spread sheet data indicates that number may be as low as \$129. Page 8 of the report indicates they only used the last year's data for year one.

2) With the existing inputs, to the proprietary *ORCA* program, extend the time interval out to 15 years.

3) Re run the *ORCA* program with a decrease in column one of \$100 from \$883 to \$783. Again, extend the time interval to 15 years.

To see how sensitive the result is to changes in program input values.

4) Re run the *ORCA* program with new values of #5, page 15 for an Annual Fuel Efficiency Deterioration rate of one (1) percent and for #6 an Annual inflation rate for M&R and fuel costs of two (2) percent. Again, extend the time interval to 15 years.

To see how sensitive the result is to changes in program input values.

5) Page 15, last sentence on the page, states "However, annual vehicle capital costs would be higher under the optimal replacement cycle, meaning that the aggregate net cost saving would be lower than this amount." Please quantify this number, the lower cost saving number.

6) The report notes that it reflects the focus on ... within the agreed upon scope of our study. Please provide the agreed upon scope.

7) The report notes that ... to be clear, it (the objectives of the study) did not include an evaluation of outsourcing the management of the fleet. Please explain why not.

8) In speaking to replacement, the report indicates candidates should be scrutinized using criteria that are **not limited to** (emphasis added) age and life-to-date miles or hours use. Are there other factors than cost to restore usability.

9) The report states ... the recommended replacement cycles used for asset types in the Authority fleet were not identified through independent empirical analysis - instead these are replacement guidelines recommended by Mercury Associates based on the replacement planning work we have performed ... What does that mean? And why not independent analysis?

10) The report states ... regarding Preventative Maintenance, This should, of Course, be accomplished at a competitive cost ... Does this imply outsourcing?

Most of the above was taken from my 3 page memo of comments on the Mercury Report. There are other things in that memo that should be questioned.

Mike Sampsel 3/4/20