



P O R T L A N D  
CITY AUDITOR  
Audit Services

February 11, 2021

TO: Mayor Ted Wheeler  
Tom Rinehart, Chief Administrative Officer

FROM: City Auditor Mary Hull Caballero *MHC*

SUBJECT: Ending Audit of CityFleet Services

We have decided to discontinue this audit because CityFleet's ongoing strategic planning process may address some of the reasons we originally initiated it. This letter documents our observations from work-to-date and next steps.

We decided to audit CityFleet because infrastructure bureaus that rely on its services identified delays in repairs of heavy equipment, which risks their ability to maintain the City's water, street, and sewer systems.

We observed the following risk areas in Kerby Garage operations:

- The garage itself impeded efficient workflow;
- Communication with customers was sporadic;
- Some vehicles were out of service for weeks;
- Multiple factors play a role in work delays; and,
- The current funding model may not support adequate staffing to meet demand.

The deciding factor to suspend the audit was that CityFleet operates without a current management framework that would enable them to address these risks. However, we also learned that management has taken steps to develop such a framework, including:

- Launching a strategic planning process;
- Moving to implement metrics to measure progress toward goals;
- Committing to data-driven decision-making, including building and improving dashboards and hiring an analyst;



- Holding “listening forums” with customers;
- Shedding non-core services and aligning staff and funding with strategic goals; and,
- Working toward a new unit-based, demand-driven funding model based on service level agreements and rates that tie performance to strategic goals.

Had we continued our audit work, we likely would have recommended an approach similar to what CityFleet has already initiated.

We will check back on CityFleet’s progress in a year and may proceed with an audit at that time, depending on the status of its work on the framework.

We would like to thank everyone who offered their time and cooperation, especially Mike Roy, who consistently carved out time to answer questions, provide us with documents, data, and a guided tour of the Kerby building and its surroundings.

If you have any questions about this decision, please call me at 823-4078 or Kari Guy at 823-3544.

cc: Carmen Merlo, Deputy Chief Administrative Officer  
Maty Sauter, Manager Division of Asset Management  
Mike Roy, Manager CityFleet Services  
Amanda Watson, Mayor’s Office