



TO: Final Distribution
FROM: Mark Pinsley, County Controller
DATE: January 14, 2022
RE: Compliance Audit of the County Vehicle Policy
County of Lehigh Ordinance 2017-114
"Revising the Vehicle Policy for the County of Lehigh"

We have recently completed a compliance audit of the County Vehicle Policy, County of Lehigh Ordinance 2017-114, *"Revising the Vehicle Policy for the County of Lehigh"* for the calendar years 2019 and 2020. Our report number 22-02 is attached.

The results of our audit are:

- General Services is in general compliance with County of Lehigh Ordinance 2017-114.
- The duty of tracking employee driver's license and insurance information was not performed during the audit period. Auditors were unable to validate whether employees who utilized county vehicles provided current driver's license and insurance information to management.
- The county lacks a corrective action plan for employees involved in accidents using county vehicles.
- The Office of Children & Youth (OCYS) accounted for 48% of total employee mileage reimbursement expense paid by the County. The usage of vehicles assigned to OCYS should be closely monitored and reevaluated by General Services.
- General Services should consider conducting an Alternative Fuel Vehicle Fleet Performance Feasibility Study to evaluate the benefits and return on investment of modernizing the county fleet, with the addition of electric and hybrid vehicles.

Attachment

AUDITS/VEHICLE COMPLIANCE

COUNTY OF LEHIGH, PENNSYLVANIA

INDEPENDENT AUDITOR'S REPORT

Compliance Audit of the County Vehicle Policy
County of Lehigh Ordinance 2017-114
“Revising the Vehicle Policy for the County of Lehigh”

For the Years 2019 and 2020

REPORT 22-02

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF THE COUNTY VEHICLE POLICY

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COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF THE COUNTY VEHICLE POLICY

Background

The Department of General Services provides functional leadership support to the Bureaus of Building Maintenance, Parks and Recreation, Bridge Utility, Vehicle Utility, Duplicating, Mail Services, Record Retention, 911 Communications Center, Emergency Management Services, Solid Waste and Recycling, Compost Facility, Public Information, Inmate Work Program and Agriculture Extension, including Farmland Preservation and the Conservation District. This office also coordinates the County utility functions and services, parking plans, vehicle fleet management and serves as a management center for all construction and modification projects for the County's general operations. General Services coordinates and supports capital improvement projects for the County in general and will seek to prioritize capital maintenance in order to maximize effective budget application.

Source: County of Lehigh 2020 Budget

Vehicle Policy and related items

14. Audit: The County Controller shall review compliance with this policy on a biennial basis, or upon request of the County Executive or the Board of Commissioners.

Source: County of Lehigh Ordinance 2017–No. 114 “*Revising the Vehicle Policy for the County of Lehigh*”



OFFICE OF THE CONTROLLER

Mark Pinsley, MBA Nanton John, CFE
COUNTY CONTROLLER DEPUTY CONTROLLER

Richard Molchany, Director
Office of General Services
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101

Compliance

We have audited the Office of General Services' management compliance with Lehigh County Ordinance 2017-114, "*Revising the Vehicle Policy for the County of Lehigh*" for the years 2019 and 2020. Compliance with the requirements referred to above is the responsibility of the Office of General Services' management. Our responsibility is to express an opinion on the Office of General Services' management compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on county vehicle use. An audit includes examining, on a test basis, evidence about the Office of General Services' management compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Office of General Services' management compliance with those requirements.

In our opinion, the Office of General Services' management complied, in all material respects, with the compliance requirements referred to above that are applicable to Lehigh County Ordinance 2017-114 "*Revising the Vehicle Policy for the County of Lehigh*" for the years 2019 and 2020. However, we noted compliance deficiencies or other management issues that are described in the accompanying "*Schedule of Audit Findings and Recommendations*".

Internal Control Over Compliance

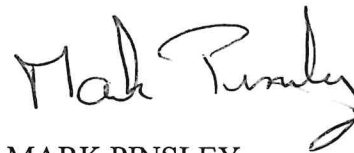
Management of the Office of General Services is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Office of General Services' management internal control over compliance to determine the auditing procedures for the purposes of expressing an opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Office of General Services' management internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies in internal control over compliance, such that there is reasonable possibility that a material noncompliance with a compliance requirement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Director of General Services' response to our audit is included in this report. We did not audit the Director of General Services' response, and accordingly, we do not express an opinion on it.

This report is intended solely for the information and use of county management and is not intended to be and should not be used by anyone other than these specified parties listed in the final distribution below. However, this report is a matter of public record and its distribution is not limited.



MARK PINSLEY
County Controller

January 13, 2022
Allentown, Pennsylvania

Audited by: Nanton John and Nam Tran

Final Distribution:

Phillips Armstrong, County Executive
Board of Commissioners
Paul Chambers, Trade Foreman, Utility Garage
Joseph Hanna, Sheriff
Edward Hozza Jr., Director of Administration
Darbe Dehaven, Human Resources Administrator
Timothy Reeves, Fiscal Officer
Angela Zemyan, Manager, General Services

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Reconciled Vehicle List per Vehicle Form, By Department, as of December 31, 2020

Department	Vehicles per		Reconciled Number of Vehicles	Adjustment Notes
	General Services Report	Audit Adjustments		
Adult Probation	4	1	5	A
Aging	1	-	1	
Blank	1	-	1	B
Cedarbrook - Admissions	2	-	2	
Cedarbrook - Facilities	2	-	2	
Community Corrections	0	-	0	
Coroner	6	-	6	
DA	11	-	11	
DA - Auto Theft	11	-	11	
DA - Drug Task Force	29	(1)	28	C
DA - Insurance Fraud	5	-	5	
DA - Narcotics Information	2	-	2	
Detox Center Maintenance	1	-	1	
Emergency Management	18	-	18	
Fountain Hill - Facilities	2	1	3	D
General County-Archives	1	-	1	
General Services	2	-	2	
Government Center	4	-	4	
Hazmat	4	-	4	
Juvenile Probation	11	-	11	
Maintenance	2	(1)	1	E
OCYS	2	-	2	
Office of the Jail	5	-	5	
Parks and Rec	29	3	32	F,G,H
Sheriff - Civil	7	-	7	
Sheriff - Court	3	-	3	
Sheriff - Operations	4	-	4	
Sheriff - Warrants	5	-	5	
Utility Service - Bridges	13	-	13	
Utility Service - Vehicles	6	(1)	5	I
Work Program	4	-	4	
	197	2	199	

- A. Vehicle #666 was transferred to Courthouse Maintenance in 2021 - ADD
- B. Vehicle #697 was transferred from CB-Allentown to Fountain Hill; wrong DOB used; s/b 070233.
- C. Vehicle #871 was added to the fleet on 1/28/21 – REMOVE
- D. Vehicle #545 is missing from the report; marked as Sold in error – ADD
- E. Vehicle #666 was received from Adult Probation in 2021 – REMOVE
- F. Vehicle #558 was sold at auction in 2020 but picked up/removed from fleet in 2021 – ADD
- G. Vehicle #638 was transferred Utility Services-Vehicles from Parks on 3/23/21 - ADD
- H. Vehicle #677 was sold in 2020 but removed from the fleet in 2021 – ADD
- I. Vehicle #638 received from Parks in 2021 – REMOVE

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Summary of Employee Mileage Expense from 2019 to 2020

Top 5 Departments	<u>2019</u>	<u>2020</u>
1). Children & Youth	\$ 129,104	\$ 94,446
2). Aging	35,339	14,652
3). Mental Health	28,198	13,135
4). Intellectual Disabilities	15,904	7,411
5). Sheriff-Court / Adult Probation	<u>10,269</u>	<u>4,951</u>
Total for Top 5 Departments	<u>\$ 219,814</u>	<u>\$ 134,595</u>
Percentage of Total Mileage Expense	73%	83%
Total Mileage Expense	<u>\$ 301,117</u>	<u>\$ 161,521</u>

Source: General Ledger Accounts

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Schedule of Prior Audit Findings and Recommendations

1. Noncompliance with Employee Proof of Insurance Information

Condition: The County of Lehigh Personnel Policies & Procedures Manual cites that “Employees, who in the course of their employment, transport clients or use County vehicles or their own vehicles for County business, must show proof of insurance on an annual basis. The Office of Human Resources has developed a method to track an employee’s proof of a driver’s license and an insurance policy. However, our testing revealed instances where employee insurance information provided was incomplete or missing altogether.

Recommendation: The Office of Human Resources or General Services should monitor compliance with driver license and insurance request information. Employees who do not comply with this request should not be permitted to use any vehicle, personal or county owned, for business purposes until all the required information is provided.

Current Status: The Office of Human Resources had established a process to obtain employee driver license and insurance information; however, this duty was not performed during years 2019 and 2020.

2. Weak Controls Surrounding the Issuance and Tracking of EZPass Transponders

Condition: Controls surrounding the issuance and tracking of EZPass transponders and transactions should be strengthened.

- One vehicle listed license plate on the EZPass account is registered to Lehigh County Authority.
- It is unknown if EZPass transponders are being used for non-county vehicle toll transactions, outside of business hours.
- There were six instances where the EZPass transponder was not present in the county vehicle, or was in a location unable to be scanned, resulting in unnecessary toll violation charges.
- There was one instance in which a county vehicle used an EZPass lane, without a valid EZPass transponder present, resulting in a toll violation charge.

Recommendation: The Office of General Services, in conjunction with the Office of Fiscal Affairs, should administer, track, and suspend EZPass transponders, as deemed necessary. Any instances of toll violations from improper mounting, or missing transponders, should require an explanation from the employee assigned to the vehicle. Repeated instances of toll violations for failure to adhere to EZPass requirements should result in employee-to-county reimbursement for the cost of the toll violations incurred.

Current Status: The Office of Fiscal Affairs employs a process to administer, monitor, and suspend EZPass transponders as needed. Overall, toll charges during the audit period were accurately allocated to their respective departments and appear reasonable. Current audit testing, however, revealed four instances of toll violations due to undetermined entry/exit locations, which resulted in \$40 assessed fees (\$10 flat fee per occurrence). There was no documentation or explanation provided regarding these infractions. Management should ensure department review and documentation of toll violation charges.

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Schedule of Current Audit Findings and Recommendations

1. Noncompliance with 10-day written notification and Untimely Vehicle System updates

Condition: The vehicle policy mandates any permanent vehicle reassignments must be done in accordance with policies and procedures, and requires 10-day written notification to the Fiscal Office, the Board of Commissioners, and the Controller. This notification is accomplished using the “Vehicle Assignment Form” which also requires management approval. The form serves as an internal control to add, change, and remove vehicles on the roster as they occur, and is also used to update the KEA vehicle system. During this engagement, auditors identified several instances of untimely vehicle assignment form completion, vehicle assignment forms not completed or approved by management, which led to untimely or inaccurate vehicle system updates, inaccurate vehicle reports used by management, and untimely reassignment notification to required parties. The overall manual nature of this process increases the risk of human error, and appears to be a major contributing factor to the inaccuracies identified.

Recommendation: The Office of General Services should ensure the above mentioned form is consistently used for all vehicle reassignments, and provided to the required recipients within the 10-day period as required under the vehicle policy. Consideration should be given to enhancing the process and the vehicle system application using a more modern, automated approach to managing the vehicle fleet. This will improve reporting accuracy and timeliness, and reduce the risk of human error from manual recordkeeping.

2. Noncompliance with Employee Proof of Driver’s License and Insurance Information

Condition: The County of Lehigh Personnel Policies & Procedures Manual cites that “Employees, who in the course of their employment, transport clients or use County vehicles or their own vehicles for County business, must show proof of insurance on an annual basis”. The Office of Human Resources has developed a method to track an employee’s proof of a driver’s license and an insurance policy; however, there was no evidence provided that this task was performed during 2019 and 2020. Auditors were unable to validate employees who used a county vehicle possessed a valid driver’s license. The duties associated with this task appears to have not been reassigned.

Recommendation: Management should assign the responsibility of notifying departments, and subsequently receiving and tracking provided proof of driver’s license and insurance information for compliance with the policy. Failure to document this may increase the County’s liability risk exposure. Employees who do not comply should not be allowed to drive a county vehicle.

3. Lack of Insurance Claim Documentation

Condition: The Office of Human Resources is responsible for the County’s Risk Management, which includes accurately documenting all insurance and liability claims for, or against the County. During the audit period, the Office of Human Resources did not maintain or provide adequate documentation of claimable events resulting from vehicle accidents reported. Auditor was unable to trace insurance carrier’s auto insurance claims information to HR department records. The duty associated with this task appears to have not been reassigned.

Recommendation: Management should ensure this duty is reassigned, and employ a process of documenting all accident reports, insurance claims, and subsequent dispositions.

4. Lack of Corrective Action for Employees with Multiple Accident Reports

Condition: The Office of General Services mandates the use of a “County Vehicle Accident Report Form” by employees involved in incidents using a county vehicle. Accident report analysis for the audit period indicated eight drivers consisting of eighteen reports (40% of total reports in 2019 and 2020), were involved in multiple accidents due to various reasons. Auditor inquiry determined the County does not have a policy or employ a Corrective Action Plan (CAP) for employees involved in one or more accidents. General Services relies on department management’s judgement in determining whether employees should face any disciplinary action. Employees involved in multiple accidents pose a greater risk of reoccurrence and financial liability to the County.

Recommendation: Management should consider partnering with the insurance carrier to implement a Corrective Action Plan, including an employee acknowledgement form, vehicle training, defensive driving certification, and a driver safety program, before allowing offending employees to use a county vehicle. Establishing a CAP assists in minimizing risk and potentially reduces insurance premiums. Employees who do not comply should not be allowed to drive a county vehicle.

5. Underutilization of Vehicles Assigned to the Office of Children and Youth Services

Condition: The Office of Children and Youth Services (OCYS) accounted for 48% of the County’s reimbursement expense for employee personal mileage (\$223,550 out of a total cost of \$462,639) for calendar years 2019 and 2020. Detailed audit testing was performed to determine if OCYS was adequately using the two vehicles that were assigned to their department during the audit period.

In reviewing three of the top five OCYS employees receiving mileage expense reimbursements during three randomly selected months in 2019 and 2020, it was determined employees opted to use their personal vehicle 67%, 57%, and 100% of the time when a County vehicle assigned to OCYS was unused and available for use.

Recommendation: The Office of General Services should continue to monitor and evaluate the number of vehicles assigned to OCYS. A strong emphasis should be placed on the most economical approach, which would be to use County vehicles first before using one’s own personal vehicle to conduct business on behalf of Lehigh County. Management has added a percentage of usage indicator to the monthly vehicle logs submitted by departments, which should be closely monitored to ensure policy compliance and evaluate the economic use of county assets.

6. Gas Pump System Control Breakdown

Condition: The County gas pump system (GasBoy) allows approved employee access for gas can refills using a specific code. The administrative system uses a control feature that limits gas can refill to 15 gallons. Audit testing revealed fifteen instances of gas usage that exceeded the 15-gallon maximum allowed, for which management was unable to determine the reason. There appears to be a breakdown in this control feature which increases the risk of excessive or potentially fraudulent refills.

Recommendation: Management should investigate why this control feature is not functioning as intended. Consideration should be given to contacting the vendor and the Office of Information Technology for possible solutions to this issue.

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Management Comments & Future Considerations

1. Alternative Fuel Use Vehicles

The vehicle fleet is comprised of roughly 200 vehicles (per KEA vehicle system) of various types and usage throughout the county. Currently, there are no vehicles on the roster which use an alternative fuel source. In an economy of rising gasoline costs and technology advancements, there appears to be benefits and cost savings from using electric or other alternative fuel sources to power vehicles used in the fleet.

The Controller's Office conducted a research exercise to determine the potential benefits to be gained from investing in alternative fuel use vehicles. The goal of this review was to present management with a high-level overview of data for consideration; a more in-depth and expert analysis is warranted before investing in alternative fuel use vehicles. The vehicles considered in this review were all-electric vehicles (EVs), hybrid electric vehicles (HEVs), plug-in hybrid vehicles (PHEVs), and fuel cell electric vehicles (FCEVs) Hydrogen.

Factors to consider include:

- **Vehicle costs** – conventional vehicles typically cost less than alternative fuel use vehicles; however, the higher upfront costs spread over the life of the vehicle can produce significant savings.
- **Fuel/Electric costs** – the average cost of charging EVs or PHEVs appear to be significantly less than the average cost of fuel used in conventional vehicles.
- **Maintenance costs** - alternative fuel use vehicles appear to benefit from lower maintenance costs compared to conventional vehicles largely due to the fact that they do not use traditional motors and parts. The fleet would also benefit from decreased service down time.
- **Batteries** - with advances in battery technology, most batteries for EVs and PEVs last an average of 12 to 15 years in moderate climates and 8 to 12 years in extreme ones.
- **Emissions** – significant advantages exist, as EVs produce zero tailpipe emissions.
- **Driving range** – EVs have a shorter range per charge than comparable conventional vehicles have per tank of gas. Technology advances continue to improve EV efficiency as well as high powered charging equipment.
- **Laws & Incentives** – there are various State and Federal grant funding and incentive programs available for use in reducing the implementation costs of charging stations and vehicle purchase.
- **Regional/Local developments** – recently, PPL Corp. joined a national coalition to promote a network of rapid-charging stations for electric vehicles, with the goal of advancing a cleaner energy future and reducing range anxiety. Regionally, Central Bucks EMS conducted an alternative fuels feasibility study to determine the benefits and return on investment (ROI) of transitioning eligible vehicles within their fleet.

There appears to be sufficient data and research models available to analyze and determine whether positive ROI from implementing alternative fuel use vehicles can be derived. Future consideration of conducting an Alternative Fuel Vehicle Fleet Performance Feasibility Study by management appears warranted, as the benefits gained can impact both the county and its citizens alike.



COUNTY OF LEHIGH
Department of General Services

Richard D. Molchany
Director of General Services

TO: Mark Pinsley, County Controller
FROM: Richard D. Molchany, Director of General Services
DATE: January 13, 2022
RE: Audit Comments

Schedule of Audit Findings and Recommendations

Current Audit Findings and Recommendations

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Recommendation: The Office of General Services should ensure the above-mentioned form is consistently used for all vehicle reassignments, and provided to the required recipients within the 10-day period as required under the vehicle policy. Consideration should be given to enhancing the process and the vehicle system application using a more modern, automated approach to managing the vehicle fleet. This will improve reporting accuracy and timeliness, and reduce the risk of human error from manual recordkeeping.

GS Response: The Department of General Services will continue to develop technology to eliminate the continued need for manual processing. The project is on the current IT list; however, we deem this to be a moderate level priority and will be completed as time permits.

Government Center
17 South Seventh Street
Allentown, Pennsylvania 18101-2401
Phone: 610-782-3001
Fax: 610-871-2755
rickmolchany@lehighcounty.org

2. Noncompliance with Employee Proof of Driver's License and Insurance Information

Condition: The County of Lehigh Personnel Policies & Procedures Manual cites that "Employees, who in the course of their employment, transport clients or use County vehicles or their own vehicles for County business, must show proof of insurance on an annual basis". The Office of Human Resources has developed a method to track an employee's proof of a driver's license and an insurance policy; however, there was no evidence provided that this task was performed during 2019 and 2020. Auditors were unable to validate employees who used a county vehicle possessed a valid driver's license. The duties associated with this task appears to have not been reassigned.

Recommendation: Management should assign the responsibility of notifying departments, and subsequently receiving and tracking provided proof of driver's license and insurance information for compliance with the policy. Failure to document this may increase the County's liability risk exposure. Employees who do not comply should not be allowed to drive a county vehicle.

GS Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for Employee Proof of Driver's License and Insurance information. I expect this new process to be develop in 2022.

3. Lack of Insurance Claim Documentation

Condition: The Office of Human Resources is responsible for the County's Risk Management, which includes accurately documenting all insurance and liability claims for, or against the County. During the audit period, the Office of Human Resources did not maintain or provide adequate documentation of claimable events resulting from vehicle accidents reported. Auditor was unable to trace insurance carrier's auto insurance claims information to HR department records. The duty associated with this task appears to have not been reassigned.

Recommendation: Management should ensure this duty is reassigned, and employ a process of documenting all accident reports, insurance claims, and subsequent dispositions.

GS Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for Employee Proof of Driver's License and Insurance information. I expect this new process to be develop in 2022.

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involved in multiple accidents due to various reasons. Auditor inquiry determined the County does not have a policy or employ a Corrective Action Plan (CAP) for employees involved in one or more accidents. General Services relies on department management's judgement in determining whether employees should face any disciplinary action. Employees involved in multiple accidents pose a greater risk of reoccurrence and financial liability to the County.

Recommendation: Management should consider partnering with the insurance carrier to implement a Corrective Action Plan, including an employee acknowledgement form, vehicle training, defensive driving certification, and a driver safety program, before allowing offending employees to use a county vehicle. Establishing a CAP assists in minimizing risk and potentially reduces insurance premiums.

Employees who do not comply should not be allowed to drive a county vehicle.

GS Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for County Vehicle usage. The Deputy Director will work with current insurance provider to initiate a best practice (or policy) for vehicle usage, in addition, the best practice (or policy) will be developed to include reviews and audits of accidents and provide corrective action as required. I expect this new process to be developed in 2022.

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Condition: The Office of Children and Youth Services (OCYS) accounted for 48% of the County's reimbursement expense for employee personal mileage (\$223,550 out of a total cost of \$462,639) for calendar years 2019 and 2020. Detailed audit testing was performed to determine if OCYS was adequately using the two vehicles that were assigned to their department during the audit period.

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Recommendation: The Office of General Services should continue to monitor and evaluate the number of vehicles assigned to OCYS. A strong emphasis should be placed on the most economical approach, which would be to use County vehicles first before using one's own personal vehicle to conduct business on behalf of Lehigh County. Management has added a percentage of usage indicator to the monthly vehicle logs submitted by departments, which should be closely monitored to ensure policy compliance and evaluate the economic use of county assets.

GS Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for evaluating the departmental need for vehicle assignment; as well as, developing best practices to ensure vehicle usage is correctly being administered throughout departments. I expect this new process to be develop in 2022.

6. Gas Pump System Control Breakdown

Condition: The County gas pump system (GasBoy) allows approved employee access for gas can refills using a specific code. The administrative system uses a control feature that limits gas can refill to 15 gallons. Audit testing revealed fifteen instances of gas usage that exceeded the 15-gallon maximum allowed, for which management was unable to determine the reason. There appears to be a breakdown in this control feature which increases the risk of excessive or potentially fraudulent refills.

Recommendation: Management should investigate why this control feature is not functioning as intended. Consideration should be given to contacting the vendor and the Office of Information Technology for possible solutions to this issue.

GS Response: The Office of Utility Vehicle will immediately reach out to the County gas pump system (GasBoy) and ensure the system is acting in the required manner. I expect resolution for this system failure will be completed in the first quarter of 2022.

Management Comments & Future Considerations

Management Comments & Future Considerations

- Alternative Fuel Use Vehicles

The vehicle fleet is comprised of roughly 200 vehicles (per KEA vehicle system) of various types and usage throughout the county. Currently, there are no vehicles on the roster which use an alternative fuel source. In an economy of rising gasoline costs and technology advancements, there appears to be benefits and cost savings from using electric or other alternative fuel sources to power vehicles used in the fleet.

The Controller's Office conducted a research exercise to determine the potential benefits to be gained from investing in alternative fuel use vehicles. The goal of this review was to present management with a high-level overview of data for consideration; a more in-depth and expert analysis is warranted before investing in alternative fuel use vehicles. The vehicles considered in this review were all-electric vehicles (EVs), hybrid electric vehicles (HEVs), plug-in hybrid vehicles (PHEVs), and fuel cell electric vehicles (FCEVs) Hydrogen.

Factors to consider include:

- **Vehicle costs** - conventional vehicles typically cost less than alternative fuel use vehicles; however, the higher-upfront costs spread over the life of the vehicle can produce significant savings.
- **Fuel/Electric costs** - the average cost of charging EVs or PHEVs appear to be significantly less than the average cost of fuel used in conventional vehicles.
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- **Laws & Incentives**- there are various State and Federal grant funding and incentive programs available for use in reducing the implementation costs of charging stations and vehicle purchase.
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There appears to be sufficient data and research models available to analyze and determine whether positive ROI from implementing alternative fuel use vehicles can be derived. Future consideration of conducting an Alternative Fuel Vehicle Fleet Performance Feasibility Study by management appears warranted, as the benefits gained can impact both the county and its citizens alike.

GS Response: The Department of General Services, through the Capital Planning Process will begin to introduce plans for alternative energy. All levels of Government and Private Citizens are searching for this prospective option. This initiative is being (and has been) discussed at the Lehigh Valley Transportation Study (Federal, Commonwealth and Local) and we are developing plans for "alternate fuel distribution" opportunities throughout our regional area. The Federal Infrastructure Act has dedicated funding for alternative fuel initiatives, and these funding opportunities are being evaluated.

All alternative fuel initiatives need to have the appropriate and functioning support mechanism to be an effective and efficient source of alternate vehicle management. The County will begin to explore options, which may include leasing opportunity for standard vehicles (typically used for human movement), and determine the opportune means to manage the fleet.