



Equipment Maintenance Division (EMD) Fleet Operations

October 15, 2026

Edward Michel, CIG

Inspector General





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Re: Equipment Maintenance Division (EMD) Fleet Operations

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

Edward Michel
Inspector General

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
I. OBJECTIVES, SCOPE, AND METHODS	5
II. INTRODUCTION	6
III. FLEET MANAGEMENT SYSTEMS.....	7
Positive Finding 1: The EMD developed a comprehensive Fleet Management Information System, resulting in increased controls over fuel pins and fuel card usage.	8
Finding 1: The EMD spent \$1.4 million annually on a telematics contract, but the software was installed in only 62 percent of the City’s vehicles due to privacy concerns.....	9
Recommendation 1: By April 30, 2027, the EMD should work with the CAO and the NOPD to address privacy concerns and amend CAO Policy Memorandum No. 5(R). The amended policy should require that all City vehicles, with some exceptions, use City-designated telematics tools.	12
Finding 2: EMD staff failed to consistently input electronic data on vehicle maintenance and repairs into the digital fleet management software.	13
Recommendation 2: The EMD should provide targeted training to maintenance staff and update all performance and accountability goals.	15
IV. VEHICLE ALLOCATION METHODOLOGY.....	17
Positive Finding 2: The EMD formally established and implemented a Vehicle Allocation Methodology in accordance with best practices.	17
Finding 3: The EMD utilized a micro-purchase process when procuring services to dispose of the City assets that, while permissible under City policies, increased opportunities for fraud.	18
Recommendation 3: The CAO, Purchasing, and the Law Department should revise procurement policies to require RFPs or ITBs for all contracts where the estimated value to the vendor significantly exceeds the dollar threshold for professional or non-professional services	22
V. CONCLUSION.....	24
OFFICIAL COMMENTS FROM CITY OF NEW ORLEANS.....	25

LIST OF FIGURES

Figure 1.	Samsara Dashboard.....	10
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The Office of Inspector General for the City of New Orleans (OIG) conducted an in-depth evaluation of Equipment Maintenance Division (EMD) Fleet Operations. The purpose of this evaluation was to determine whether the EMD maintained policies and procedures to account for all City assets, had equipment and systems to analyze and track performance of maintenance and repairs, and policies and procedures to dispose of retired City assets.

The EMD was responsible for managing, obtaining, monitoring, and fueling the City assets valued at up to 80 million dollars.¹ In 2016, the OIG published its *Fleet Management* report, which found that the EMD lacked efficient policies, procedures, and systems to maintain the assets.² A different report on *Fuel Dispensing*, also published in 2016, and the subsequent follow-up released in 2024, found that EMD lacked internal controls over fuel cards and fuel pin usage.³

During the current evaluation, the OIG found the EMD had addressed some of the findings of the OIG's previous reports. Specifically, the EMD developed a comprehensive Fleet Management Information System and formally established and implemented a vehicle allocation methodology. However, there was still room for improvement. Evaluators found the department wasted almost \$500,000 in unused software licenses and had inconsistent electronic data entry. The report discusses the following findings:

1. The EMD spent \$1.4 million annually on a vehicle monitoring software, but the software was installed in only 62 percent of the City's vehicles due to privacy concerns.

¹ "Home," Equipment Maintenance Division, City of New Orleans, last modified February 27, 2024, <https://nola.gov/next/equipment-maintenance-division/home/>. Note: The \$80 million calculation is based on data submitted by EMD.

² New Orleans Office of Inspector General, *Fleet Management* (New Orleans: Office of Inspector General, 2016), <https://nolaig.gov/wp-content/uploads/2023/03/OIG-Fleet-Management-Final-Report-160713.pdf>.

³ New Orleans Office of Inspector General, *Fuel Dispensing Report* (New Orleans: Office of Inspector General, 2016), <https://nolaig.gov/wp-content/uploads/2023/03/20160629-Fuel-Dispensing-Final-Draft-A.pdf>; New Orleans Office of Inspector General, *Fuel Dispensing Follow Up Report* (New Orleans: Office of Inspector General, 2024), <https://nolaig.gov/wp-content/uploads/2024/03/Fuel-Dispensing-follow-up-report-FINAL-for-public-release.pdf>.

2. EMD staff failed to consistently input electronic data on vehicle maintenance and repairs into the digital fleet management software.
3. The EMD utilized a micro-purchase process when procuring services to dispose of the City assets that, while permissible under City policies, increased opportunities for fraud.

Based on these findings, the OIG made the following recommendations:

1. By April 30, 2027, the EMD should work with the CAO and the NOPD to address privacy concerns and amend CAO Policy Memorandum No. 5(R). The amended policy should require that all City vehicles, with some exceptions, use City-designated monitoring tools.
2. The EMD should provide targeted training to maintenance staff and update all performance and accountability goals.
3. The CAO, Purchasing, and the Law Department should revise procurement policies to require RFPs or ITB for all contracts where the estimated value to the vendor significantly exceeds the dollar threshold for professional or non-professional services.

The EMD accepted two of the OIG's three OIG recommendations. Further, the department indicated work that has already begun to address some of the findings of this report. The OIG encourages the CAO, Purchasing, and the Law Department to seek mechanisms and policies that will continue to reduce the risk of fraud, waste, and abuse.

I. OBJECTIVES, SCOPE, AND METHODS

The Office of Inspector General (OIG) for the City of New Orleans (City) conducted an evaluation of the City's Equipment Maintenance Division (EMD) Fleet Management Program. The purpose of the evaluation was to determine if the EMD had policies and procedures to accurately inventory, track, and maintain the City assets. The OIG also evaluated whether the department had adequate systems to analyze and track the performance of maintenance and repair of City assets. Lastly, the OIG sought to determine whether the department had policies and procedures to dispose of end-of-life equipment efficiently. The period of review was January 1, 2024 to December 31, 2024; however, the report also discusses policies and procedures that were implemented through March 2026.

During the evaluation, OIG staff reviewed federal and state laws, City ordinances, policies and procedures, and national best-practice standards for fleet management and the oversight of government assets.

Pursuant to Section 2-1120 of the Code of the City of New Orleans and La. R.S. 33:9613, evaluators interviewed City employees and obtained documents from the EMD. In addition, evaluators reviewed the EMD's policies and procedures for overall operations, maintenance and repair logs, and contracts.

This evaluation was performed in accordance with the Principles and Standards for Offices of Inspector General for Inspections, Evaluations, and Reviews.⁴

⁴ Association of Inspectors General, "Quality Standards for Inspections, Evaluations, and Reviews by Offices of Inspector General," *Principles and Standards for Offices of Inspector General* (New York: Association of Inspectors General, 2022).

II. INTRODUCTION

The Equipment Maintenance Division (EMD), a division of the New Orleans Chief Administrative Office, was responsible for the operations, management, acquisition, and maintenance of the City of New Orleans (City) fleet.⁵ This included fleet administration, fuel, maintenance, and management services for over 2,500 vehicles valued at over \$80 million.⁶

In 2016, the OIG published an evaluation titled *Fleet Management*, which found that the EMD had an inaccurate list of the City assets, a nonexistent fleet management system, and a lack of internal controls.⁷ Since that time, the EMD achieved recognition from national fleet associations, including being named to the National Association of Fleet Administrators' Top 100 public fleets in both 2024 and 2025. The EMD worked to improve its data collection efforts by discontinuing its contract with RETIF, a fuel management system, due to RETIF's inability to provide accurate data. Instead, the department entered into an agreement with a new management system, WEX Fuel, which provided fuel card services.⁸

In this evaluation, the OIG sought to determine whether the EMD had policies and procedures for inventorying, maintaining, and monitoring the City fleet. Evaluators also sought to determine whether the department had adequate equipment and systems to analyze and track the performance of maintenance and repairs, and whether the EMD had adequate policies and procedures to surplus City assets.⁹

OIG evaluators were greatly assisted in the preparation of this report by the full cooperation of City employees.

⁵ "Home," Equipment Maintenance Division, City of New Orleans, last modified February 27, 2024, <https://nola.gov/next/equipment-maintenance-division/home/>.

⁶ Ibid.

⁷ New Orleans Office of Inspector General, *Fleet Management* (New Orleans: Office of Inspector General, 2016), <https://nolaig.gov/wp-content/uploads/2023/03/OIG-Fleet-Management-Final-Report-160713.pdf>.

⁸ State of Louisiana, *K4400025031, WEX Bank and State of Louisiana*, 1.

⁹ Note: For the purpose of this report, the term "surplus" is the process used by EMD to remove vehicles from the City fleet.

III. FLEET MANAGEMENT SYSTEMS

A fleet management information system (FMIS) is a “centralized system to identify, collect, and analyze” information about an organization’s vehicles that “enables agencies to report all costs incurred for the operation, maintenance, acquisition, and disposal of its vehicles.”¹⁰ An FMIS ensures government entities have a centralized place to store fleet information vital for reporting, performing, and monitoring maintenance, and supporting the end-of-life cycle for fleet assets.¹¹

While not required by City policies, best practices recommended implementing an FMIS to adequately administer and maintain a government fleet. The United States Code required federal departments to have a monitoring system for fleet operations that collected data on vehicle use.¹² Additionally, federal law required department heads to develop an FMIS and designate someone to manage the system.¹³

For example, the United States Department of Transportation (DOT) incorporated several federal regulations in its *Fleet Manual (DOT Fleet Manual)*. Specifically, the *DOT Fleet Manual* required the DOT to upload new vehicle information into their inventory system, maintain fuel records, document all fuel transactions, make transactions available for audit and reporting upon request, and periodically review fuel charges for unusual transactions and improper fuel usage.¹⁴ Further, the DOT’s preventive maintenance program required DOT staff to schedule routine maintenance to minimize unscheduled service and detect and correct minor problems before they escalated into major repairs.¹⁵

Similarly, the City implemented ordinances, policies, and procedures to monitor and maintain the City fleet. Specifically, the New Orleans City Code (City Code)

¹⁰ “FEMP Best Practices: Fleet Management Framework,” FEMP Best Practices: Fleet Management Framework, U.S. Department of Energy, <https://www.energy.gov/cmei/femp/femp-best-practices-fleet-management-framework>.

¹¹ United States Department of Transportation, *Fleet Manual*, DOT Order 4440.3D (Washington DC: U.S. Department of Transportation, 2015), 26, www.transportation.gov/sites/dot.gov/files/2023-10/DOT-Order-4440.3D-Fleet-Manual.pdf.

¹² 40 U.S.C. §§17502 and 17503.

¹³ *Ibid.*

¹⁴ United States Department of Transportation, *Fleet Manual*, DOT Order 4440.3D, 12, 17-18, 23.

¹⁵ *Ibid.*, 20-21.

required the City’s Chief Administrative Officer (CAO) to submit to the Clerk of Council a quarterly inventory report of each “passenger-type” vehicle owned or leased by the City.¹⁶ Reporting requirements for City vehicles included documenting the asset number, license plate number, and vehicle identification number.¹⁷ For take-home vehicles, the City Code also required documenting the employee's name and job title, the distance from the employee's residence to the employee’s duty station, and odometer readings at the beginning and end of the reporting period.¹⁸

Positive Finding 1: The EMD developed a comprehensive Fleet Management Information System, resulting in increased controls over fuel pins and fuel card usage.

CAO Policy Memorandum No. 5(R) required departments to maintain an accurate inventory of the City assets, including leased and take-home vehicles.¹⁹ The policy also required departments to submit quarterly reports to the EMD for all vehicles, whether take-home or pool, that included the quarterly preventive maintenance schedule for each vehicle.²⁰ CAO Policy Memorandum No. 5(R) specifically required the EMD to notify the CAO’s office and the respective department of potential misuse or abuse of a City vehicle.²¹

Consistent with City policies and federal best-practice guidelines, evaluators found that the EMD built a comprehensive FMIS that incorporated products from several vendors. In 2023, the EMD contracted with Ron Turley & Associates to obtain an asset management software (referred to as RTA) that monitored, tracked, and helped to schedule maintenance and repairs.²² According to EMD officials, RTA stored all City vehicle fleet data and supported EMD’s fleet replacement system.

¹⁶ City Code Sec. 2-902.

¹⁷ Ibid.

¹⁸ City Code Sec. 2-902(a).

¹⁹ CAO Policy Memorandum No. 5(R), 5-6.

²⁰ Ibid.

²¹ Ibid., 7.

²² City of New Orleans, *Professional Services Agreement By and Between the City of New Orleans and Ron Turley Associates, Inc.*, Contract No. K23-714, October 26, 2023; City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual: Inventory, Maintenance, and Repairs*, (New Orleans: City of New Orleans Equipment Maintenance Division), 2-5.

EMD mechanics were also able to track assets and process work orders with this software.

In conjunction with RTA, the EMD used Samsara, a telematics system that used GPS to track and monitor the fleet's location and provide real-time diagnostics.²³ Finally, the EMD used WEX Fuel (WEX) to monitor fuel usage by vehicle and operator.²⁴ The EMD also had the ability through WEX to check for fuel personal identification number (PIN) duplications, control fuel limits on fuel cards and vehicles, and generate fuel reports.

In its 2016 *Fuel Dispensing Report*, the OIG found that the EMD lacked processes to prevent the misuse of fuel cards and fuel PINs.²⁵ A 2024 follow-up report found some issues with identifying and deactivating fuel cards and PINs persisted.²⁶ Considering the findings of the previous reports, the OIG is encouraged that the current coordinated use of various software systems helped the EMD increase controls on fuel cards and PINs. Further, the coordinated system has helped the EMD obtain the data necessary to comply with the City's requirement for quarterly reports under CAO Policy Memorandum No. 5(R).

Finding 1: The EMD spent \$1.4 million annually on a telematics contract, but the software was installed in only 62 percent of the City's vehicles due to privacy concerns.

Although the EMD purchased a telematics software, the department did not use the program as efficiently as possible. As part of its oversight of the City assets, the EMD began using a State contract with Samsara in 2025 for approximately \$1.4 million per year.²⁷ A review of the associated invoices shows that the EMD paid for 2481 software licenses. This breaks down to approximately \$564.00 per license. In addition to real-time GPS tracking, Samsara monitored driver behavior, issued vehicle maintenance alerts, recorded mileage data, and reported overall

²³ State of Louisiana, K4400033182, *Contract between Samsara Inc. and State of Louisiana*.

²⁴ City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual*, 7; State of Louisiana, K440025031, *WEX Bank and State of Louisiana*. Note: WEX Fuel was a software system for fuel card services.

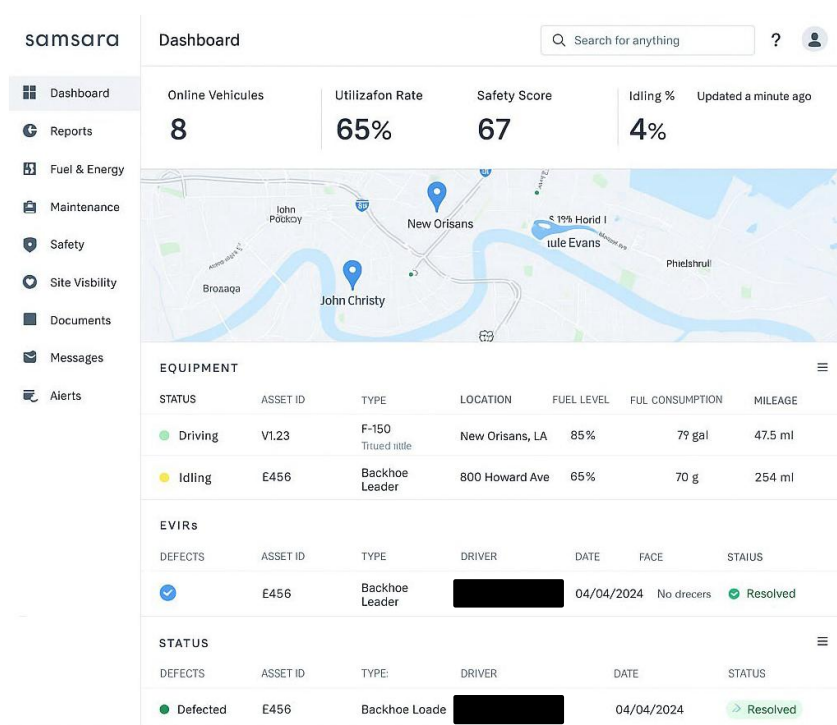
²⁵ New Orleans Office of Inspector General, *Fuel Dispensing* (New Orleans: Office of Inspector General), 1.

²⁶ New Orleans Office of Inspector General, *Fuel Dispensing Follow Up Report* (New Orleans: Office of Inspector General), iv.

²⁷ State of Louisiana, K4400033182, *Samsara Inc. and State of Louisiana*, 1.

performance metrics for the City fleet.²⁸ According to EMD representatives, the EMD’s executive staff and a limited number of other authorized personnel were able to access location data through the software’s dashboard.²⁹ Samsara also generated alerts regarding potentially problematic driver behavior, including speeding and unauthorized after-hours use of City vehicles, which aligned with the requirement in CAO Policy Memorandum No. 5(R) to report on suspected misuse and abuse of vehicles.³⁰ **See Figure 1.**

Figure 1. Samsara Dashboard



Source: Snapshot is taken from the City of New Orleans Equipment Maintenance Division’s Fleet Policies and Procedures Manual.³¹

OIG evaluators requested an inventory of the City assets and a list of City vehicles connected to Samsara. Comparison analysis showed that of the City’s 2,577 vehicles, only 62 percent were connected to Samsara, limiting the software's

²⁸ City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual*, 4, 9.

²⁹ *Ibid.*, 9.

³⁰ *Ibid.*, 9-10; CAO Policy Memorandum No. 5(R), 7.

³¹ City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual*, 8.

applicability. EMD representatives reported that, while most department heads supported the use of Samsara, some employees in those departments were against its use. Specifically, the EMD reported resistance from individual City employees and police unions due to privacy concerns about the EMD tracking employees' movements.

Evaluators noted that approximately 64 percent of the vehicles not connected to Samsara were police vehicles. EMD representatives explained that the NOPD had its own process for tracking officers' movements. However, the NOPD's tracking mechanisms were tied to the officers, not to the City-owned vehicles, leaving a gap in EMD's oversight of the fleet.

A representative of the NOPD reported that the department had no problem with the use of Samsara's GPS functionality, stating that most NOPD vehicles were connected to Samsara. The NOPD was not comfortable, however, with Samsara's ability to audio record the interior of vehicles. When asked, EMD representatives reported that the dash cam audio function could be turned off in NOPD vehicles, and the EMD limited software access for NOPD vehicles to only members of the NOPD's Public Integrity Bureau. However, the NOPD expressed concern that anyone, including EMD employees or even unauthorized police officers, may have access to information that could potentially impact victim safety or jeopardize pending court cases.

The large proportion of City vehicles not connected to Samsara limited the EMD's ability to efficiently oversee and monitor fleet operations. For vehicles not connected to Samsara, EMD staff had to take additional steps to verify vehicle locations and usage. Rather than quickly accessing automatically generated information from Samsara's electronic interface, the EMD Vehicle Coordinator conducted on-site verifications. The EMD was also unable to monitor vehicle diagnostics and instead relied on reviews of maintenance logs to determine whether the department brought the vehicle in for routine maintenance.

These alternative methods did not produce real-time data like Samsara could have provided, and inefficiently used staff time. As mentioned earlier, Samsara issued vehicle maintenance alerts, which aligned with best practices to reduce repair

costs from mechanical failures caused by idling.³² Considering the annual 1.4 million dollar expense of City funds for a software that could accurately and continuously provide location and monitoring data on the City fleet, having the software installed in only 62 percent of vehicles was not an efficient use of the technology.³³ Further, an estimated \$498,000 was wasted in unused licenses.

Recommendation 1: By April 30, 2027, the EMD should work with the CAO and the NOPD to address privacy concerns and amend CAO Policy Memorandum No. 5(R). The amended policy should require that all City vehicles, with some exceptions, use City-designated telematics tools.

During the evaluation, the EMD implemented a comprehensive FMIS, including the use of Samsara, a telematics software. Yet, the EMD lacked enforcement authority related to this issue. Although CAO Policy Memorandum No. 5(R) gave the EMD authority to oversee and monitor the use of City vehicles, it was silent on the use of telematics.

As mentioned above, only 62 percent of the City fleet were connected to Samsara. To increase the efficiency of the EMD's oversight of City vehicles, the OIG recommends the EMD work with the NOPD, the Law Department, and the CAO's office to amend CAO Policy Memorandum No. 5(R). Policy amendments should include provisions that grant the EMD broader authority to require telematics in City vehicles. The new policy provisions should establish criteria, policies, and procedures under which departments, including the NOPD, may qualify for exceptions to the use of telematics software in their assigned vehicles in specific situations.

Prior to adopting any new provisions, however, the EMD and the NOPD, in consultation with the Law Department, should resolve any safety and privacy concerns that pose a barrier to the adoption of telematics in NOPD vehicles. While the NOPD had mechanisms to track officer locations, these methods did not

³² United States Department of Transportation, *Fleet Manual*, DOT Order 4440.3D, 20; City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual*, 4.

³³ City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual*, 9-10.

translate into real-time location and performance monitoring of the NOPD's vehicles, for which the EMD was responsible for inventory and maintenance. Further, EMD administrators did not have access to the NOPD's monitoring processes. Policy provisions related to the EMD's oversight of NOPD vehicles, therefore, should clearly define how, and under what circumstances, the NOPD can limit the use of audio recording software in their vehicles, whether the EMD should be able to obtain NOPD vehicle location data, and how all NOPD vehicle information should be protected. The EMD should also consult with the Law Department about any concerns related to the use of audio recording in City vehicles.

New policy provisions should also assign roles and implement internal controls for oversight, access, and monitoring of all City vehicles using telematics. While vehicles are assigned to various City departments, the assets belong to the City of New Orleans and the City has the right to track its own assets. Amending CAO Policy Memorandum No. 5(R) in this manner will improve the EMD's oversight and monitoring of the City fleet in real time and improve the efficiency of not only the EMD's operations, but of all City vehicles.

Finding 2: EMD staff failed to consistently input electronic data on vehicle maintenance and repairs into the digital fleet management software.

The maintenance of the City fleet was governed primarily by City policies; however, federal regulations and guidelines offered best practice standards for improved operations. The U.S. government required federal departments to keep an accounting of inventory, costs, and operations of government vehicles.³⁴ According to the *DOT's Fleet Manual*, a consistent maintenance management program maximized vehicle availability, minimized unscheduled maintenance, and decreased time spent repairing the fleet.³⁵ In New Orleans, CAO Policy Memorandum No. 5(R) dictated that the EMD must provide scheduled and unscheduled maintenance for City assets.³⁶ In turn, the EMD developed a manual applicable to all City departments, describing policies and procedures for the

³⁴ 41 C.F.R. §102-34-345.

³⁵ United States Department of Transportation, *Fleet Manual* (Washington DC: U.S. Department of Transportation, 2023), 20.

³⁶ CAO Policy Memorandum No. 5(R), 11.

inventory, maintenance, and repair of the City fleet.³⁷ The EMD's policy manual also defined its systems and responsibilities, while standardizing expectations and reporting.³⁸

The EMD used RTA, a digital fleet management software, to track inventory, maintenance, and repairs for the City fleet.³⁹ The manual stipulated that City departments schedule and deliver vehicles to the EMD for repairs and maintenance. Once the vehicle was delivered to the EMD, mechanics were to generate work orders in RTA, documenting and identifying the type of repair, including parts, labor, cause, and resolution.⁴⁰ However, OIG evaluators found that mechanics closed work orders without completing all required fields. The missing information was needed to track and document repairs, as well as ensure mechanics completed repairs timely.

OIG evaluators reviewed maintenance and repair logs for the period from January 1 to December 31, 2024, which included 2,684 work orders. Of these, approximately 61 percent of the entries included missing information, indicating inconsistent data entry. Further analysis revealed that staff sometimes closed work orders without documenting completion dates, the date when the vehicle was returned to the department, or the vehicle's mileage. EMD representatives suggested that the missing RTA data was at least partially due to difficulty transitioning from paper logs to electronic records.

In an effort to improve data collection, EMD staff reported that an RTA Office Assistant position was created in September 2025. This position was tasked with training staff in using RTA, running quality control reviews, monitoring data, and following up with supervisors on errors. The RTA Office Assistant used exception reports to flag missing data and identify internal training needs. The trainings were aimed at supervisors, who were then expected to disseminate the information to mechanics. The RTA Office Assistant also communicated with EMD mechanic supervisors and the EMD's RTA representatives to address immediate concerns, met weekly with mechanic supervisors, and began drafting policies and procedures for creating work orders.

³⁷ City of New Orleans Equipment Maintenance Division, *Fleet Policies and Procedures Manual*, 2.

³⁸ *Ibid.*

³⁹ *Ibid.*, 2-6.

⁴⁰ *Ibid.*, 2.

Despite their efforts, an EMD administrator reported that errors persisted with maintenance staff not closing work orders in a timely manner, improperly attaching notes to work orders, and failing to document the parts used for each job. In addition, failing to close work orders left incomplete maintenance logs that affected performance metrics. The on-going errors led EMD management to issue warnings to non-compliant staff in an effort to ensure mechanics completed all fields in RTA. However, at the time of the OIG's review, the EMD had not updated its policies and procedures manual to reflect new internal controls or other actions that would be taken in response to staff's failure to input data.

Recommendation 2: The EMD should provide targeted training to maintenance staff and update all performance and accountability goals.

While the OIG recognizes the EMD's efforts to minimize issues related to incomplete data, additional measures should be taken. According to the United States Government Accountability Office's *Internal Controls for the Federal Government*, the assignment of key roles to staff provided internal controls while fulfilling organizational needs and addressing risk.⁴¹ As noted in the previous section, incomplete maintenance logs were partially due to problems transitioning to electronic maintenance logs. The EMD created the RTA Office Assistant role to minimize issues related to incomplete maintenance logs, including training staff to use RTA properly. Yet, training sessions were aimed at supervisors, who were then expected to disseminate the information to EMD mechanics.

Therefore, the OIG recommends that the EMD provide targeted training directly to maintenance staff and update all performance and accountability goals. The RTA Office Assistant should implement training sessions for all maintenance staff to ensure they receive prompt and accurate information. Additionally, the RTA Office Assistant should measure the effectiveness of training and whether it reduces data entry errors.

⁴¹ United States Government Accountability Office, *United States Government Accountability Office Standards for Internal Control in the Federal Government* (Washington D.C.: United States Government Accountability Office Standards for Internal Control in the Federal Government, 2025), 35, <https://www.gao.gov/assets/gao-25-107721.pdf>.

The OIG noted that the EMD did not update its internal policies and procedures to reflect current practices. The EMD should also strengthen and update EMD policies to formalize the RTA Office Assistant role and include a reference to its responsibilities in its policies and procedures. The functional job description should include well-defined duties and responsibilities, identify expectations for the person in the role, identify primary and supervisory responsibilities, and formally delegate responsibility and authority to ensure accuracy in RTA maintenance logs. Lastly, the EMD should adopt performance measures to improve the accuracy of maintenance logs and mechanisms to ensure accountability of staff.

IV. VEHICLE ALLOCATION METHODOLOGY

In 2020, the United States Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy published *Federal Best Practices: Core Principles of Sustainable Fleet Management* to help managers reduce dependence on petroleum gas by implementing sustainable fleet methods.⁴² One of the DOE's core principles for sustainable fleet management was using a Vehicle Allocation Methodology (VAM) to identify opportunities to eliminate unnecessary, inefficient, or non-essential vehicles.⁴³

Various federal agencies have used VAMs to fulfill fleet initiatives and operations. For example, the DOT used this process to establish a "minimum required number and type [of fleet inventory] for accomplishing the [department's] mission and tasks."⁴⁴ In conducting a VAM analysis, the DOT required fleet managers to assess usage data; justify the purpose of each, including an assessment of whether to keep the vehicle; and determine which vehicles to rotate to increase vehicle life expectancy.⁴⁵

Positive Finding 2: The EMD formally established and implemented a vehicle allocation methodology in accordance with best practices.

CAO Policy Memorandum No. 5(R) required the EMD to coordinate with departments in purchasing new vehicles and gave the EMD authority to decide when to repair, replace, or decommission assets in the City fleet.⁴⁶ According to an EMD representative, when a department requested a new vehicle, the EMD assessed the department's need by reviewing the following:

- How often the current vehicle was used, as measured by fuel usage;

⁴² United States Department of Energy Office of Energy Efficiency & Renewable Energy, *Federal Best Practices: Core Principles of Sustainable Fleet Management* (United States Department of Energy: Washington, DC, 2020), iii.

⁴³ *Ibid.*, 4.

⁴⁴ United States Department of Transportation, *Fleet Manual* (Washington, DC: U.S. Department of Transportation, 2023), 27-28, www.transportation.gov/sites/dot.gov/files/2023-10/DOT-Order-4440.3D-Fleet-Manual.pdf.

⁴⁵ United States Department of Transportation, *Fleet Manual*, 27.

⁴⁶ CAO Policy Memorandum No. 5(R), 12.

- Whether the department had available funds; and
- Whether the department had received an exemption from the City Council’s electric vehicle requirements.⁴⁷

Regardless of whether the department had funds, the EMD had the authority to deny a department’s vehicle request.⁴⁸ If approved, the EMD purchased vehicles from an approved vehicle list using existing state and City contracts. The EMD had a structured framework for when to retain and replace City assets.⁴⁹ Aligning with best practices for fleet replacement, the EMD’s replacement strategy was based on the following principles:

- “Replace critical assets that impact operations
- Extend the life of stable assets where cost effective
- Reassign underutilized assets before purchasing new units
- Rebuild major components to defer capital replacement.”⁵⁰

Both the EMD’s *Deletion Process SOP* and *Fleet Replacement Plan and Strategy* discussed criteria for decommissioning and replacing vehicles whose annual maintenance costs exceeded 25 or 30 percent of the vehicle’s replacement value, or that had frequent repairs, long periods of inoperability, or safety risks.⁵¹ Nevertheless, according to administrators, the EMD sometimes extended the life cycle of large equipment if replacement was either too expensive or would disrupt City operations. Representatives indicated that the EMD also tried to reassign vehicles before deleting them from the fleet, including assigning them to the EMD’s loaner program, which allowed departments to borrow pool vehicles while awaiting repairs on their vehicles.

Finding 3: The EMD utilized a micro-purchase process when procuring services to dispose of the City assets that, while permissible under City policies, increased opportunities for fraud.

⁴⁷ See City Code Sec. 2-905. Beginning in 2025, City Code Sec. 2-905 prohibited the department from purchasing fossil-fueled passenger vehicles unless it received an exemption.

⁴⁸ CAO Policy Memorandum No. 5(R).

⁴⁹ City of New Orleans Equipment Maintenance Division, *Fleet Replacement Plan and Strategy* (New Orleans: Equipment Maintenance Division).

⁵⁰ *Ibid.*, 1.

⁵¹ *Ibid.*, 3-4; City of New Orleans Equipment Maintenance Division, *Deletion Process SOP* (New Orleans: Equipment Maintenance Division, November 4, 2024).

The City had several policies related to procurement of contracts, covering both professional and non-professional services. The procurement requirements varied depending on the type of contract sought and the amount of money to be expended. CAO Policy Memorandum No. 24(R) allowed departments to procure movable property and non-professional services valued at less than \$10,000 through micro-purchases without competition, provided the department attempted to obtain three quotes. Non-professional services were those rendered by a contractor that did not involve a professional skill.⁵² For repetitive, non-professional purchases where the cost was anticipated to exceed \$60,000, the policy required departments to issue contracts under a sealed bid process.⁵³

Executive Order LC 20-01, on the other hand, offered guidelines for the City's professional services contracts, which it defined as those provided by an independent contractor whose field included the attainment of specialized knowledge with the completion of advanced training, utilization, and compliance with technical skills.⁵⁴ According to the executive order, recognition as a professional service included the "exercise of skills based on experience and competence in a recognized discipline."⁵⁵ Finally, evidence of professional services status included licenses, certifications, and memberships in professional organizations that recognized standards and practices.⁵⁶ The executive order instructed the Chief Procurement Officer (CPO) to promulgate written policies and procedures for awarding professional services contracts.⁵⁷ The order also instructed the CPO to create, publish, and advertise Requests for Proposal (RFPs) and Requests for Qualification (RFQs), and to establish a selection committee.⁵⁸

CAO Policy Memorandum No. 8(R) outlined the process for professional services contracts over \$15,000 and required that contracts include the scope of services, the maximum contract amount, the contract duration, and a cancellation clause.⁵⁹

⁵² CAO Policy Memorandum No. 24(R).

⁵³ Ibid.

⁵⁴ Executive Order LC 20-01, issued April, 28, 2020, 4. Note: Executive Order LC 20-01 replaced Executive Order MJL 10-05.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid., 5.

⁵⁸ Ibid., 5-6.

⁵⁹ CAO Policy Memorandum No. 8(R) and CAO Policy Memorandum No. 8(R) Attachment 2; Executive Order LC 20-01, 4-9.

For further guidance, the Louisiana Legislative Auditor recommended seeking quotes, using an RFP process, or following Louisiana’s Public Bid Law.⁶⁰

The EMD regularly used the services of a private vendor to auction City vehicles. Under Louisiana Law, auctioneers who conducted live, real-time, simulated auctions were required to obtain an auctioneer's license.⁶¹ The licenses were regulated by the Louisiana Auctioneers Licensing Board, which administered written exams for licensing, as well as adopted and enforced rules to oversee auctioneers and auction houses.⁶² As such, auctioneer services could reasonably be considered a professional service, rather than non-professional.

Prior to August 2025, the EMD used GovDeals, a State vendor, to auction decommissioned vehicles.⁶³ Under this competitively awarded contract, GovDeals charged a 12.5 percent fee to buyers who purchased City vehicles at auction. No seller’s fee was charged to the EMD. Using GovDeals, the EMD sold 281 vehicles in 2024 for \$471,232.92. Under the terms of the contract, GovDeals earned approximately \$59,000 in 2024 for its services.

In late 2025, the EMD switched to J.J. Kane Auctions (J.J. Kane) to sell surplus vehicles.⁶⁴ EMD representatives stated J.J. Kane offered a turnkey auction service and could house decommissioned vehicles at its facility, minimizing opportunities for theft. The EMD’s agreement with J.J. Kane was substantially similar to the State’s GovDeals contract, in that the buyer paid a 17 percent commission on each sale, and the City paid no seller fees. The City, through the EMD, only paid J.J. Kane for towing fees if the City opted to use the vendor to transport vehicles to their facility in Robert, Louisiana.⁶⁵ However, unlike the State’s contract with GovDeals, the J.J. Kane agreement was not competitively awarded. Rather, the EMD used

⁶⁰ Louisiana Legislative Auditor, *Louisiana Legislative Audit Public Bid Law FAQ* (New Orleans: Louisiana Legislative Auditor, 2025), 44, [https://app.la.state.la.us/lla/nsf/87BD5C74CB17E03686257AB8006F37DE/\\$FILE/Public%20Bid%20Law%20FAQ.pdf](https://app.la.state.la.us/lla/nsf/87BD5C74CB17E03686257AB8006F37DE/$FILE/Public%20Bid%20Law%20FAQ.pdf).

⁶¹ La. R.S. 37:3105.

⁶² La. R.S. 37:3112.

⁶³ State of Louisiana, 4400029893, *Competitive Contract between Liquidity Services Operations LLC, GovDeals, and the State of Louisiana*.

⁶⁴ City of New Orleans, K25-1271, *Sellers Agreement between the City of New Orleans and JJ Kane Auctions*, December 18, 2025.

⁶⁵ For example, J.J. Kane quoted the City towing fees of \$435.00 to tow one Ford Crown Victoria to its facility. No seller commission fee was included.

the micro-purchase procedure, obtaining quotes from ServCorp, Brister Auctions, LLC, and J.J. Kane, before ultimately awarding the contract to J.J. Kane.⁶⁶

Because the anticipated cost to the City was below the threshold for either non-professional or professional services contracts, the EMD and other City officials stated that a micro-purchase agreement, which only required obtaining three quotes, was “legally permissible.”⁶⁷ However, a representative of the Law Department confirmed that, unless there were time constraints or too few possible vendors to make the process worthwhile, they recommended departments competitively bid contracts as a best practice, even when they were not legally required to do so.

City officials further explained that one reason the EMD used a micro-purchase was the expedience of the procurement mechanism. Using other procurement methods would have required the EMD to issue an RFP, a lengthier process. Still, Law Department representatives stated that the Law Department advocates for competitive procurements, “even for micro-purchases,” because it is a better practice.

Representatives from the EMD and the Law Department also felt there was little-to-no cost to the City from the J.J. Kane agreement. While the direct costs to the City seemed minimal, the OIG sought to determine the value of the auctioneer service to vendors. As mentioned above, GovDeals gained an estimated \$59,000 in 2024 under a similar agreement with the City. J.J. Kane, therefore, stood to gain significantly more than \$15,000 in accumulated fees.⁶⁸ For perspective, J.J. Kane held two auctions of City vehicles on February 4, 2026, and March 4, 2026. In total, the auction house sold 84 vehicles, netting the City \$169,625.00 within two months. In turn, J.J. Kane received approximately \$28,836.25 in purchaser fees from the two auctions. If the EMD decommissions and sells a comparable number of vehicles in 2026 as it sold in 2024 under the GovDeals contract, J.J. Kane could potentially earn approximately \$93,000.

⁶⁶ Brenna C. Macnamara to Donesia D. Turner Morrison, Interoffice Memorandum, December 9, 2025.

⁶⁷ CAO Policy Memorandum No. 24(R).

⁶⁸ State of Louisiana, K440002989, *Liquidity Services Operations LLC GovDeals and State of Louisiana, Attachment B*; City of New Orleans, City of New Orleans, K25-1271, *Sellers Agreement between the City of New Orleans and JJ Kane Auctions*, 6.

Therefore, while the contract had minimal direct cost to the City, the monetary value to J.J. Kane was much more significant, highlighting the need for a competitive selection process to limit opportunities for fraud, waste, and abuse.

Recommendation 3: The CAO, Purchasing, and the Law Department should revise procurement policies to require RFPs or ITBs for all contracts where the estimated value to the vendor significantly exceeds the dollar threshold for professional or non-professional services.

Although State law generally permitted state and local governments to procure services, including professional services, without a competitive process, the City's executive order on professional service contracts opened with a list of recitations that highlighted a commitment to fairness and transparency in the selection of vendors. Among these recitations were statements such as:

"It is in the interest of the City to create a process that is open, honest, fair, transparent, just, and inclusive;" and

"It is in the interest of the City to develop a process that increases public confidence in the City's procurement procedures and provides safeguards for the maintenance of the procurement system of quality and integrity."⁶⁹

Although it was legally permissible for departments to issue micro-purchase agreements for non-professional services when the expense to the City was below \$10,000, contracts that enriched vendors by significantly more than this amount warranted additional scrutiny.

In its guidance on the Louisiana Public Bid Law, the Louisiana Legislative Auditor urged local subdivisions to obtain quotes, use an RFP process, or follow the Public Bid Law when issuing professional services contracts.⁷⁰ In the case of J.J. Kane, the EMD did obtain three quotes. However, it is the opinion of the OIG that the department should have used a competitive selection process, consistent with the

⁶⁹ Executive Order LC 20-01, 1.

⁷⁰ Louisiana Legislative Auditor, *Louisiana Legislative Auditor Public Bid Law FAQ*, 44.

competitive selection that the State of Louisiana used for the similarly structured GovDeals contract.

Further, the OIG recommends that the City use RFPs or Invitations to Bid (ITB) for all contracts where the estimated value of the contract to the vendor significantly exceeds the dollar threshold for professional or non-professional services. While the City may not expend large amounts of money, this increased transparency prevents the risk of lucrative contracts based on personal relationships and ensures the City receives the most benefit.

V. CONCLUSION

In 2016 and 2024 the OIG released two reports related to the City's Equipment Maintenance Division, namely *EMD Fuel Dispensing* and *EMD Fuel Dispensing Follow Up Report*. While this project was not a follow-up to either of those reports, the OIG was pleased to note that progress was made on the findings of both. Specifically, the OIG found that the EMD developed a comprehensive FMIS, increased internal controls, and established and implemented a vehicle allocation methodology.

However, there was room for improvement. In the current report, OIG evaluators found that the EMD spent \$1.4 million annually on a telematics contract, but the software was only installed in 62 percent of vehicles due to privacy concerns. This limited the usefulness of the software. Evaluators also found that EMD staff failed to consistently input electronic data on vehicle maintenance and repairs. Finally, the EMD failed to use a transparent process when procuring services to dispose of City assets, increasing opportunities for procurement fraud.

To address these issues, the OIG recommended that the EMD work with the CAO to amend CAO Policy Memorandum No. 5(R) to require all vehicles to be connected to telematics tools, with specific exceptions. Amending the policy would give the EMD more efficient oversight of City vehicles. Secondly, the EMD should provide targeted training to maintenance staff on the use of electronic data and update all performance and accountability goals. Having accurate maintenance and repair data is critical to extending the life of vehicles and is a component in the determination of when an asset should be retired or decommissioned. Lastly, the OIG recommends that the City use RFPs or ITBs competitive processes for all contracts where the estimated value to the vendor significantly exceeds the dollar threshold for professional or non-professional services to be let by RFP or ITB. Doing so will increase transparency and minimize opportunities for fraud, waste, and abuse.

OFFICIAL COMMENTS FROM CITY OF NEW ORLEANS

CITY OF NEW ORLEANS CHIEF ADMINISTRATIVE OFFICE
EQUIPMENT MAINTENANCE DIVISION



KIM T. DELARGE, JR., MBA
ASST. CHIEF ADMINISTRATIVE OFFICER
OPERATIONS DIVISION

SHELITA STEWART, MBA
CHIEF OF STAFF OF OPERATIONS

TO: Edward Michel, CIG, Inspector General
FROM: Kim T. DeLarge, Jr., Assistant Chief Administrative Officer
CC: Shelita W. Stewart, MBA, Chief of Staff, Operations
DATE: September 29, 2026

SUBJECT: Management Response – Equipment Maintenance Division Fleet Operations, I&E 25-0002

The Equipment Maintenance Division (EMD) appreciates the opportunity to provide its formal management response to the Office of Inspector General's review of Fleet Operations. EMD thanks the OIG team for the time, professionalism, and diligence devoted to this review and welcomes recommendations that strengthen accountability, transparency, operational efficiency, and stewardship of public resources.

Recommendation 1 – ACCEPT

EMD accepts the recommendation regarding continued implementation of City-designated telematics and the need to address related policy, privacy, security, and operational considerations.

EMD has been working collaboratively with the Chief Administrative Office (CAO), New Orleans Police Department (NOPD), and Law Department to address these matters and facilitate the continued rollout of Samsara across applicable City vehicles. This work includes consideration of appropriate privacy protections, access controls, security requirements, operational procedures, and any necessary revisions to CAO Policy Memorandum No. 5(R).

EMD also took action to address the financial concern identified during the OIG review regarding unused Samsara licenses. As part of the City's continued management of the telematics program, EMD negotiated a new five-year Samsara agreement designed to better align licensing with operational needs and fleet deployment. The agreement provides 2,314 vehicle gateway licenses and 2,314 dual-facing camera licenses, along with additional asset tracking licenses, over a 60-month term.

Based on EMD's analysis of the negotiated pricing, the savings achieved under the new agreement over its five-year term are expected to offset the financial impact associated with the unused licenses identified by the OIG. EMD will continue monitoring license utilization and deployment to ensure telematics expenditures remain aligned with actual fleet needs.

Anticipated Completion Date: June 30, 2027

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Recommendation 2 – ACCEPT

EMD accepts the recommendation regarding targeted training and enhanced performance and accountability measures. The review reinforces work already underway within EMD to improve the accuracy and completeness of electronic fleet maintenance records.

EMD maintains a contractual agreement with Ron Turley Associates (RTA) for its fleet management system that includes annual on-site system training for EMD staff and supervisors. EMD management requires the RTA team to provide hands-on, live training directly on the shop floor so employees can receive practical instruction while using the system in their actual work environment. This training also provides an opportunity to address system updates, workflow questions, and data-entry requirements in real time.

The most recent on-site RTA training was conducted on March 10, 2026. EMD anticipates conducting its next annual system review and on-site training during approximately the same period in 2027.

These annual vendor-led training sessions supplement EMD's internal training and quality-control activities. As the Division continues its transition from paper-based maintenance documentation to electronic fleet maintenance records, EMD will continue providing direct instruction on work-order creation and closure, labor and parts documentation, mileage, repair notes, completion dates, and other required maintenance information. EMD will also continue data-quality monitoring, exception reporting, supervisory review, and follow-up training when deficiencies are identified.

Anticipated Completion Date: June 30, 2027

Recommendation 3 – REJECT

EMD respectfully rejects Recommendation 3 as it relates to EMD's procurement actions. EMD acknowledges the OIG's recommendation regarding potential enhancements to Citywide procurement policies and supports continued efforts to strengthen transparency, competition, and internal controls.

EMD respectfully disagrees, however, with the characterization that the procurement process utilized in this matter increased opportunities for fraud. EMD understands the OIG's terminology as identifying potential procurement risk and not as an allegation that fraud occurred. Because the report will become part of the public record, EMD believes it is important to distinguish clearly between an identified risk and an actual instance of fraud, misconduct, or noncompliance.

In this instance, EMD utilized a procurement method permitted under the City's policies and procedures in effect at the time and obtained three quotes. EMD is not aware of any finding in the review that fraud occurred in connection with this procurement.

EMD appreciates the OIG's perspective that additional competition may further strengthen transparency and reduce procurement risk and welcomes continued collaboration with the CAO, Purchasing, Law Department, and OIG regarding prospective improvements to Citywide procurement policies. The establishment or revision of Citywide procurement thresholds and requirements falls within the authority of the appropriate City departments, and EMD will fully comply with any revised procurement policies or procedures adopted by the City.

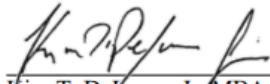
Commitment to Continued Improvement

EMD is especially proud of the dedicated public servants whose work has driven this progress. The improvements recognized in this review reflect the daily efforts of our mechanics, supervisors, administrative personnel, systems staff, and leadership team to modernize an essential City operation while continuing to serve departments and residents across New Orleans.

EMD's modernization efforts have also received national recognition, including recognition among NAFA's Top 100 Fleets for three consecutive years, a first in the City's history, as well as a Government Fleet & Expo (GFX) Honorable Mention in 2025.

We recognize that modernization and continuous improvement are ongoing responsibilities. EMD remains committed to accountability, transparency, operational efficiency, and responsible stewardship of public resources. We appreciate the Office of Inspector General's review and the opportunity it provides to strengthen our operations further, and we look forward to continuing to work collaboratively as partners in service to the City of New Orleans.

Respectfully,



Kim T. DeLarge, Jr./MBA
Assistant Chief Administrative Officer-Operations