

Department of Environmental Services City Hall Room 300B, 30 Church Street Rochester, New York 14614-1290 www.cityofrochester.gov



## **NUMBER** 13.6

## FLEET MANAGEMENT POLICY / PROCEDURE

SUBJECT: Verify that the inventory turn rate is greater than a 4 to 1 ratio

APPROVED:

Michael Quattrone, Fleet Manager

**PURPOSE:** Document that the inventory turn rate is greater than a 4 to 1 ratio

**PROCEDURE:** The calculation of the turn ratio was based on two FASTER reports

namely Parts Issued – Summary Report (Report 201S) and the Parts

Inventory - Summary Report (Report 200S).

Report 201S calculates total cost based on both issued and returned parts. Returned parts will have a negative number in the calculation of total cost. Also this report includes both stocked and non stocked parts issued towards work orders and independent issues. The cost reflects fleet costs with no mark up. We used 1/13/2010 to 1/13/2011 as our date range.

Report 200S provides us with information on the value of stock and non-stock parts on hand at the time the report was run. We ran this on 1/13/2011.

The total dollar value of parts issued during the specified time frame is \$1,668,214.22. The current inventory value is \$381,101.23; hence we get a turn ratio of 4.37.

This calculation does not include fuel or winter (seasonal/plow) parts.

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