

Panel Discussion

Establishing Effective Vehicle Use and Assignment Standards

Cindy Dixon – State of Missouri



Session Goals

- Importance of measuring fleet utilization
- Break-even point
- State of Missouri experience
- Research of other states/feds
- Group discussion/Q & A



Avoiding the Headlines

- *Governor's Executive Order Aimed at Reducing the State's Fleet of Vehicles*
- *State To Cut Motor Vehicle Fleet by Ten Percent and Suspend Motor Vehicle Purchases*
- *Governor Continues to Reduce State Fleet and Improves Management*



Why measure?

- Put accountability at all levels
- If you don't, someone else will
- "Right size" the fleet
- Helps in review of vehicle requests



Fleet Utilization

- Measurement critical to the credibility of your program
- Set standards and monitor compliance
- Develop consequences of non-compliance
- Report results



Breakeven Point

- Number of business miles driven where the cost of reimbursement is equal to the cost of providing a vehicle

Breakeven Point =

Annual Fixed Cost of State Vehicle

Mileage Reimbursement Rate – Variable Cost Per Mile of a State Vehicle



State of Missouri Breakeven Point

*Chevrolet Impala	Lease-Purchase	Purchase
Breakeven Point (miles)	12,996	6,882
Annual Fixed Cost ■ Includes depreciation and liability	\$3,525 (over 5 year term)	\$1,872 (based on 8 year, 15,000 mile/year)
Mileage Reimbursement Rate	\$.475	\$.475
Variable Cost Per Mile ■ Includes fuel, maintenance, repair	\$.203	\$.203
Formula	<u>\$3,535</u> (\$.475 - \$.203)	<u>\$1,872</u> (\$.475 - \$.203)

State of Missouri Policy Requirements

- Minimum use standards adopted in statewide policy
- Policy categorizes vehicles in three classifications
 - Individual
 - Pool
 - Function
- Each classification has it's own unique assignment criteria and requirements for agency review
- http://oa.mo.gov/co/policies/State_Vehicle_Policy_04.pdf



Vehicles Assigned to Individuals

■ Policy Requirements

- 15,000 mile minimum per year, or;
- Specially equipped vehicles, or;
- Person approved by agency head and subsequently approved by state fleet manager
- Policy encourages agencies to use pool vehicles to meet travel needs of individuals driving less than 15,000 miles per year
- Provides exception for State Fleet Manager to approve assignment if greater than break-even point
- Requires quarterly agency review
- FY 08 average: 16,900



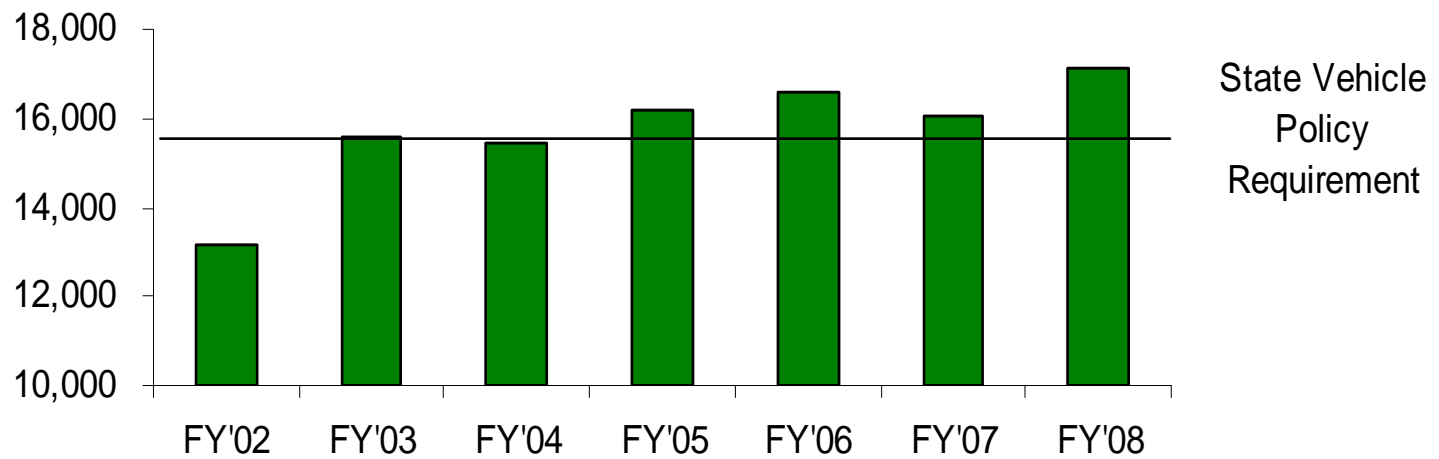
Vehicles Assigned to a Pool

- Policy Requirements:
 - Average 15,000 miles per year by agency
 - Requires quarterly review by agency
 - Reviewed annually by State Fleet Management



State of MO Utilization Data

State of Missouri
Pool Vehicle Average by Fiscal Year



Vehicles Assigned to a Function

- Policy Language:
 - Dedicated use vehicles
 - Must have justifiable reasons why they cannot be used in other applications
 - Examples:
 - Job functions requiring transportation in the performance of specific duties (mail, facility support)
 - Client transportation
 - Specialty use vehicles
 - Annual agency review of vehicles driven less than 5,000 miles per year – agency must maintain appropriate documentation to maintain any vehicle less than 5,000 miles



Other State's Data

State	Minimum Mileage Requirement	Link
Texas	11,000	http://www.window.state.tx.us/supportserv/prog/vfleet/2003StatePlan.pdf
California	12,000/yr or 80% of available work days	http://www.documents.dgs.ca.gov/osp/sam/memos/mm0606.pdf
Colorado	12,600 – pool 11,000 – individual 6,000 – patient transport and others...	http://www.colorado.gov/cs/Satellite/DPA-DCS/PA/1200535985105

GSA Standards

- *Passenger-carrying vehicles*
 - 3,000 miles per quarter or 12,000 miles per year.
- *Light trucks and general purpose vehicles,*
 - 12,500 lbs. (GVWR) and under—10,000 miles per year.
- *Trucks and general purpose vehicles, over 12,500 lbs. GVWR to 24,000 lbs. GVWR*
 - —7,500 miles per year.
- *Heavy trucks and general purpose vehicles over 24,000 lbs. GVWR*
 - —7,500 miles per year.
- Truck tractors—10,000 miles per year.
<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=62cbf529cd55d01d37805cd1fad3fc01&rgn=div6&view=text&node=41:2.1.1.7.29.4&idno=41>

Discussion/Q & A