

Department of Buildings and General Services
2 Governor Aiken Avenue - Montpelier, Vermont

Government Business Services Directorate

Fleet Management Services

Fiscal Year 2016 - Annual Report

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Mission

Buildings and General Services

- The employees of Buildings and General Services work together to deliver quality services and provide facilities management, enabling government to fulfill its mission.

Mission

Fleet Management Services (FMS)

- Provide clean, well-maintained vehicles to all agencies and departments of State government for use by employees traveling on State business
- Reduce the overall cost of employee travel
 - Provide vehicles to high mileage State employees rather than pay the higher cost of mileage reimbursement
- Reduce greenhouse gas emissions
 - Recommend that agencies/departments right-size vehicles to match the expected use.
 - Demonstrate the State's commitment to our environment by reducing the environmental impact of State employee travel.

Authority

Administrative Bulletin 2.3 outlines State policy regarding the provisions and use of state-owned motor vehicles within the constraints of the law as reflected in 3 V.S.A. §217(a):

"No state department or agency, board, or commission, except the governor, the commissioner of the department of buildings and general services, or the commissioners of the departments of fish and wildlife and public safety for use of employees who are sworn law enforcement officers, may maintain or provide passenger vehicles subject to such exceptions as may be made by the commissioner of buildings and general services in circumstances where there is documented evidence of necessity based upon the requirements or conditions of individual state programs."

FMS Policies and Procedures are available on the program's website at:

<http://bgs.vermont.gov/sites/bgs/files/pdfs/BGS-Fleet-Policy-Procedure.pdf>

Administrative Bulletin 2.3 can be found at:

http://bgs.vermont.gov/sites/bgs/files/pdfs/BGS-Fleet-Bulletin-2_3.pdf

Program History

Fleet Management Services (FMS) was created July 1, 2004

- September 2004 - Lease vehicle program implemented
- February 2005 - Motor Pool program implemented in Montpelier and Waterbury
- April 2007 – Motor Pool program expanded to the National Life complex for use by State employees with building security access.
- August 2008 – Motor Pool program expanded to Barre, Rutland and Newport (Barre and Newport have since closed)
- April 2010 – Motor Pool program expanded to Burlington.
- August 2011 – Fleet offices and Motor Pool program in Waterbury closed due to Tropical Storm Irene flooding. Fleet office relocated to Montpelier and motor pool vehicles redistributed to other sites.

Program History (continued)

The Fleet task force that created the program adopted two critical service delivery components in building the program. They were:

- To provide long-term leases and support to agencies and departments whose travel history indicates that use of centralized fleet vehicles will result in savings over the federal mileage reimbursement rate.
- To create a centralized motor pool of vehicles that can be accessed for daily rentals by state employees from its largest State campuses.

Program Overview

Fleet Management Services (FMS) is the centralized fleet services program run by the Department of Buildings and General Services. Fleet Management Services is responsible for the management and oversight of passenger and service vehicles used by various agencies and departments.

The program was implemented to reduce the overall cost of employee travel and to reduce greenhouse gas emissions. To accomplish this, Fleet Management Services will recommend that departments/agencies right-size vehicles to match the expected use and provide vehicles to State employees who accrue high mileage.

Program Overview (continued)

Operate a centralized fleet program in compliance with Administrative Bulletin 2.3 and BGS Fleet Management policy.

- ❑ Provides employees with a choice of safe and economical vehicles to use for state travel.
- ❑ Is rule-based, cost-effective, and accountable.
- ❑ Assists agencies with right sizing their fleet vehicle needs and reduces the cost of travel per mile when compared to the federal reimbursement rate.
- ❑ Is sensitive to the State's air quality standards and demonstrates that a State fleet program can successfully meet high fuel economy standards while lessening the total overall emissions of greenhouse gas.

Program Overview (continued)

- ❑ Collaborate with Purchasing to develop vehicle procurement specifications that meet the State's transportation needs.
 - ❑ Order, register, coordinate the maintenance and repair of FMS vehicles.
 - FY 2016 - FMS purchased 96 vehicles
 - ❑ Conduct biennial physical and condition inspection of all FMS vehicles
 - ❑ Survey and educate FMS customers
 - ❑ Manage fuel purchases for the program
 - Establish parameters to alert or reject transactions at the pump which do not comply with the criteria within the parameters (i.e. gallons pumped exceed expected amount, premium fuel, non-fuel purchase, etc.)
 - Approximately 3 to 5 fuel charges are rejected and resolved daily
 - ❑ Coordinate accident reporting between FMS drivers and BGS Risk Management Division
-

Key Result Areas

- People
 - Employees, customers, vendors
- Communications
 - Employees, customers, vendors
- Finances
- Operations

People

P1 - Goal

Provide employees with effective leadership

- Adherence to BGS Core Values
- Fair and deserving recognition through performance rewards and promotions
- Quality and timely evaluations and appropriate feedback

People

P2 - Goal

Provide resources, training, education, equipment, and support required for employees to meet mission requirements.

- **Notification of policies, rules, and regulations**
 - Employees are promptly notified of all changes in policies, rules and regulations
- **Training on software and program procedures**
 - In FY 16, fleet management asset software (M5) was transitioned to a vendor supported and hosted model to better ensure continuity of service due to limited internal server capacity and lack of in-house technical support previously provided by AOT IT staff as well as access to training and help desk features.
 - Program procedures are reviewed and updated periodically through staff/management reviews.
- **Support networking and professional development**
 - National Conference of State Fleet Administrators (NCSFA)
 - Conference attendance, webinars and survey participation

Communications

C1 - Goal

Provide employees with ongoing training and communication of program operations.

- Information regarding program changes are provided to employees
 - Provide a clear understanding of FMS services and missions.
 - Customer service principles
 - Customer education
 - Fiscal awareness
 - Vehicle maintenance guidelines
 - Fleet management asset software (M5) updates
 - Testing software, server and patch updates
 - Technical focus items and system error messages
-

Communications

C2 - Goal

Provide management with timely and accurate reporting of program operations.

- Weekly meeting with Supervisor and Director
- Weekly program status report from Fleet Manager
- Annual reports to management for review of the program and its operations.

Communications

C3 – Goal

Provide state agencies and departments with guidance, reports and tools to assist them with making informed fleet usage decisions.

- Educate agencies and departments of the value in using Fleet vehicles vs. paying mileage reimbursement.
 - Trip calculator
 - Annual mileage reimbursement report to identify high mileage drivers
 - Notice when under-utilized passenger vehicle is identified
 - Vehicle cost per mile and the minimum miles the vehicle must travel to remain cost effective is included at lease inception and renewal

 - Survey and educate FMS customers
 - Website
 - Periodic list-serve notices
 - Timely follow-up on inquiries
 - User group meetings
-

Communication

C4 - Goal

Collaborate with agencies and departments regarding the replacement process.

- Vehicle replacement plan is generated annually with the following objectives:
 - Cost effective
 - Safe and well-maintained vehicles
 - Vehicles suitable for intended use
 - Replacement criteria
 - Mileage
 - Age of vehicle
 - Vehicle condition
 - Maintenance/repair history

Communication

C5 - Goal

- Keeping Customers Informed
 - Quarterly Newsletter
 - Email List Serve Notices
 - User Group Meetings
 - Winter Weather Advisory Notifications

- Educating Customers
 - Available Fleet Services
 - Tire Safety
 - Importance of properly maintaining vehicles

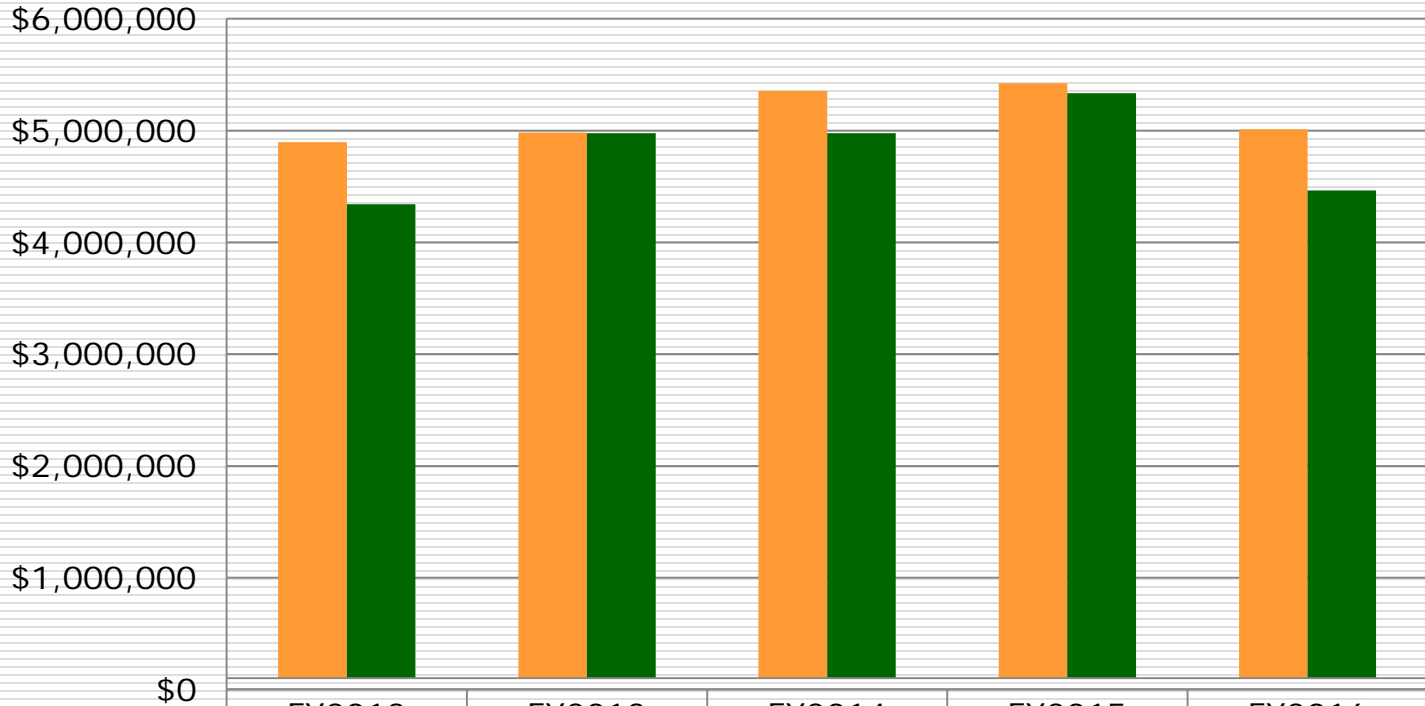
Finances

F1 - Goal

Generate sufficient revenue to cover operating expenses in order to provide safe vehicles for State employee travel at the lowest rate possible.

- Fleet Management operates as an Internal Service Fund.

Operating Revenues/Expenses FY 2012 to FY 2016



	FY2012	FY2013	FY2014	FY2015	FY2016
Operating Revenue	\$4,895,404	\$4,980,950	\$5,355,022	\$5,423,448	\$5,009,765
Operating Expenses	\$4,340,776	\$4,977,828	\$4,976,637	\$5,334,882	\$4,463,300

Financial

F1 - Program Information

Lease Vehicle Rates

- Lease rates include
 - Cost of the vehicle
 - Projected mileage vehicle will be driven annually
 - Repair and maintenance cost
 - Insurance and administration cost

- July 1, 2015: Long term lease rates were reduced
 - Fleet lease rate reduction reflects lower vehicle cost of ownership in part from increased vehicle residual values
 - Fuel continues to be billed at actual cost, separate from monthly lease rate

- Motor Pool daily rental rate unchanged
 - Daily rental is \$40.00/day and \$.040 per mile for any miles over 100 per day

Financial

F2 – Program Information

FMS Fleet Rates vs. Private Sector Enterprise Rates

FY 2016

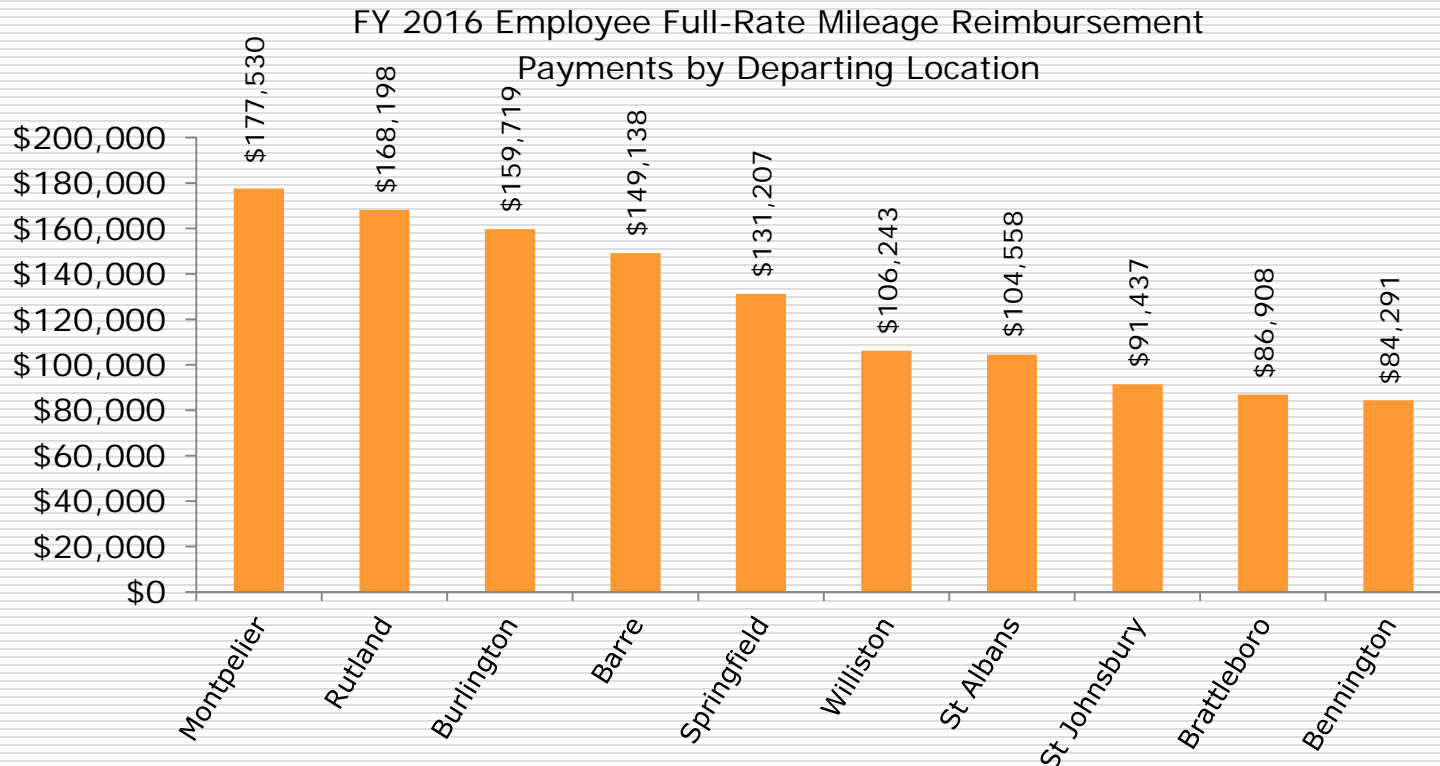
	Monthly Fleet Rate	Monthly Commercial Contracted Rental Rate
Intermediate Sedan	\$ 342	\$ 654
Hybrid Sedan	\$ 342	\$ 923
Intermediate 4WD/AWD SUV	\$ 428	\$ 1,079
1/2 Ton 4WD Truck (seats 4)	\$ 485	\$ 1,045

Note: Fuel is not included in these rates.

Financial

F3 - Program Information

Top 10 Towns with highest FY 2016 full-rate mileage reimbursements



Notes: **\$3,504,223 - Total FY16 full-rate mileage reimbursement payments**

Target: Increase the use of Fleet vehicles in towns with high mileage reimbursement.
This data is only one consideration in selecting potential motor pool locations.

Financial

F4 – Program Information

Mileage Reimbursement Rate History

1/1/2009	\$0.550
1/1/2010	\$0.500
1/1/2011	\$0.510
4/17/2012	\$0.555
1/1/2013	\$0.565
1/1/2014	\$0.560
7/1/2014	\$0.560 or \$0.235 if state vehicle is available
1/1/2015	\$0.575 or \$0.23 if state vehicle is available
1/1/2016	\$0.54 or \$0.19 if state vehicle is available

Operations

O1 - Goal

Provide long-term leases and support to agencies and departments whose travel history indicates that use of centralized fleet vehicles will result in savings over the federal mileage reimbursement rate.

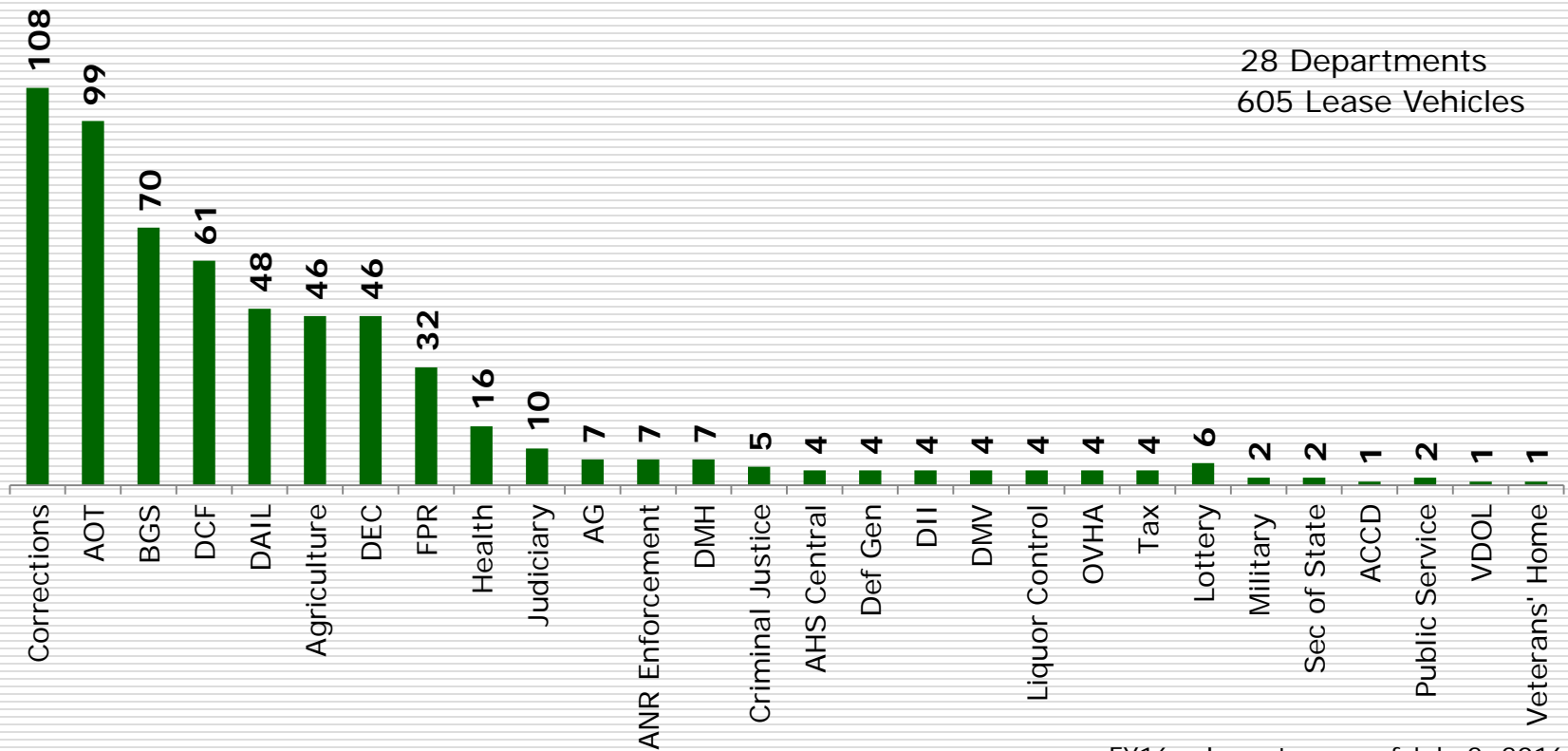
Operations

O1 – Program Information

Distribution of Leased Vehicles

FY 2016

28 Departments
605 Lease Vehicles



FY16 – Inventory as of July 2, 2016

Note: Slide does not reflect 30 vehicles preparing for lease and/or disposal but still in FMS inventory and 2 utility trailers.

Operations

O2 - Goal

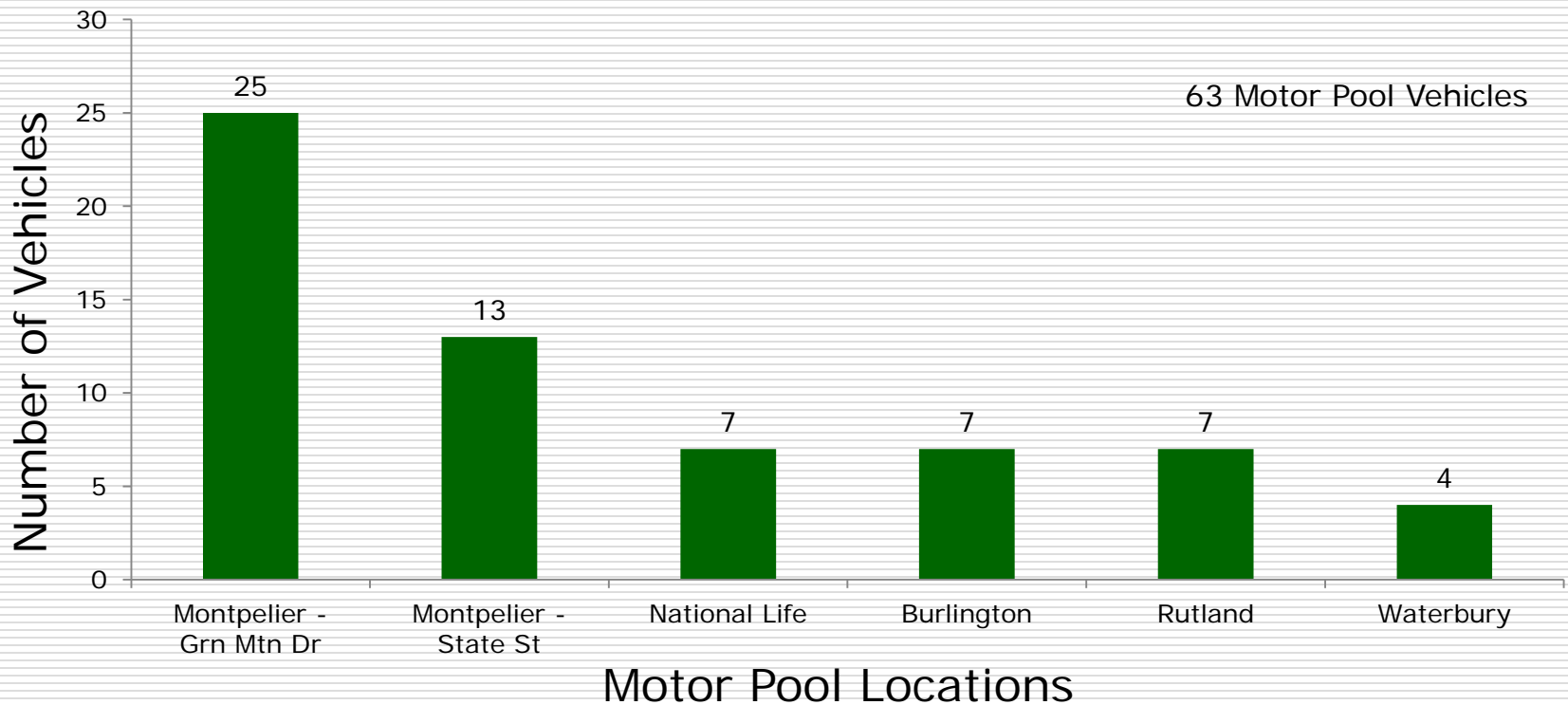
Provide motor pools that can be accessed for daily rentals by State employees at various state campuses.

Operations

O2 – Program Information

Distribution of Motor Pool Vehicles

FY 2016



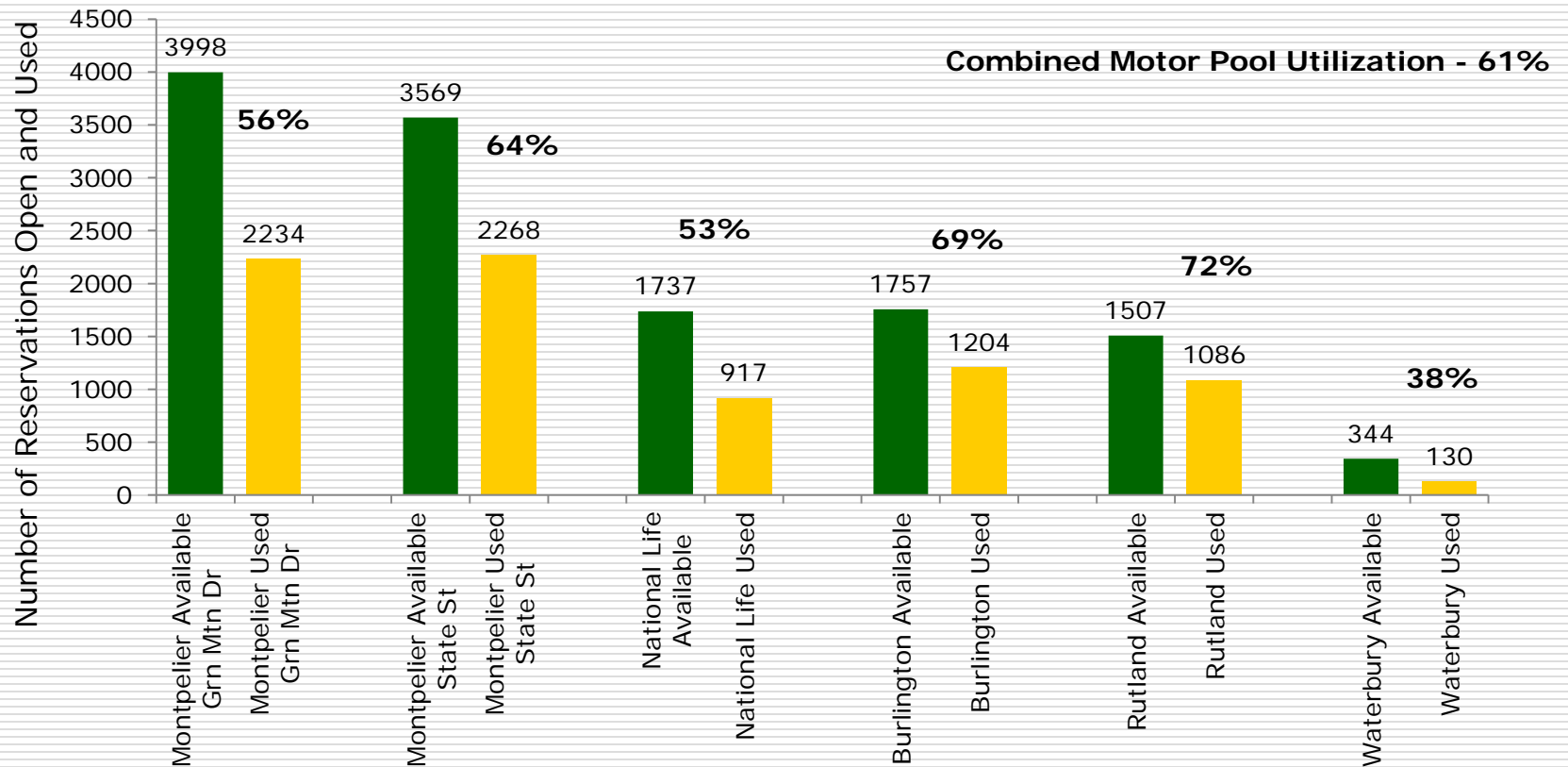
FY16 – Inventory as of July 2, 2016

Operations

O2 – Performance Measure

Motor Pool Utilization

FY 2016



Target: 65% breakeven utilization rate for each motor pool site.

Note: The percentage shown reflects the average annual utilization rate by motor pool site; total completed reservations divided by the sum of the available reservation slots .

Operations

O3 - Goal

Maintain the official inventory of all state-owned vehicles per Agency of Administration Bulletin 2.3

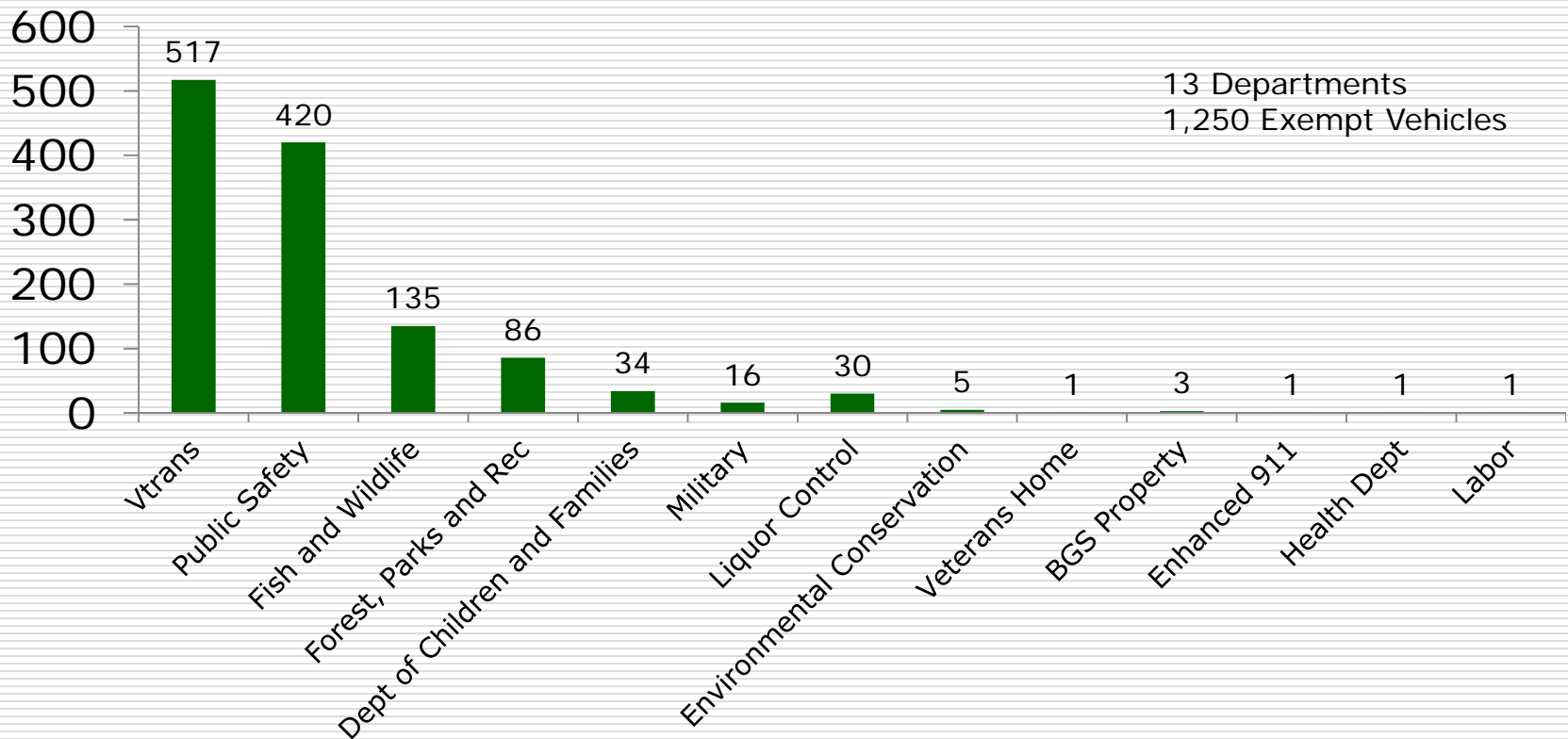
- FMS is responsible for keeping the inventory of all state-owned vehicles; this includes the 313 vehicles which are currently exempt from the FMS program
 - 11 departments have received exemption from the program for some or all of their vehicles
 - Excluding VTrans and Public Safety; their exempt vehicles are managed and reported independently
- FMS contacts each FMS-exempt department annually to conduct an audit of State-owned vehicles assigned to them.
 - Departments are expected to report cost and usage of exempt vehicles to BGS annually

Operations

O3 – Program Information

Exempt Vehicle Inventory

FY 2016



Inventory as of Feb 2016

* Public Safety provided a "rough" vehicle count to FMS for this report

Note: These agencies/departments have been granted exemption from the FMS program for some or all of their vehicles. Slide does not reflect 5 registered utility trailers.

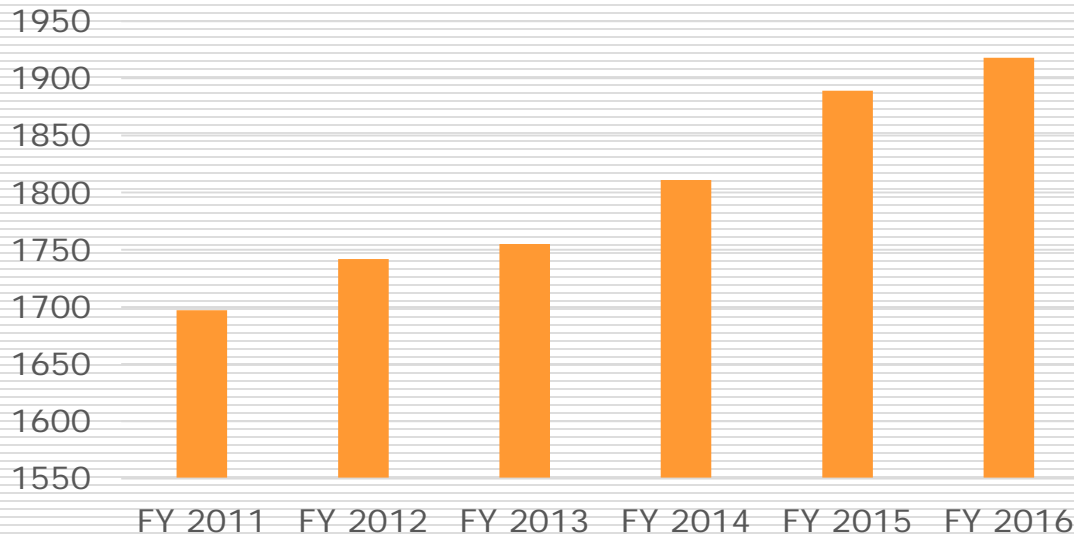
Operations

O3 – Program Information

State-Owned Vehicle Inventory

FY 2010 - 2016

State Fleet Size



State-Owned Vehicle Inventory			
	FMS Vehicles	Exempt Vehicles	Total Vehicles
FY 2011	504	1193	1697
FY 2012	534	1208	1742
FY 2013	537	1218	1755
FY 2014	564	1247	1811
FY 2015	639	1250	1889
FY 2016	668	1250	1918

**Inventory count does not include 30 FMS vehicles which were not in active service (being prepped for lease and/or disposal) and 2 utility trailers.*

Inventory as of July 2016 (FMS)/Feb 2016 (Exempts)

Note: FMS relies on agencies and departments granted exemption from the FMS program to accurately report their self-managed vehicle inventory. Exempt inventory data has not been verified by FMS and may contain inaccuracies.

Operations

O4 - Goal

Maintain a fleet where each vehicle's age does not exceed six years.

- The program began in 2004 with a fleet of 100 new vehicles and absorbed an existing fleet of 300 vehicles.
- Average age of the fleet has declined
 - 8.46 years old in FY 2004 (oldest vehicle was 1979)
 - 3.06 years old in FY 2016 (all vehicles 2006 and newer)
- Passenger vehicles are identified for replacement at 6 years of age (age is one of the four criteria used in replacement planning – *see slide 17*)

Operations

O4 – Performance Measure

Average Age of FMS Fleet

FY 2004 – 2016

Total Vehicles 668



Target: Maintain a fleet of vehicles where each vehicle's age does not exceed 6 years.

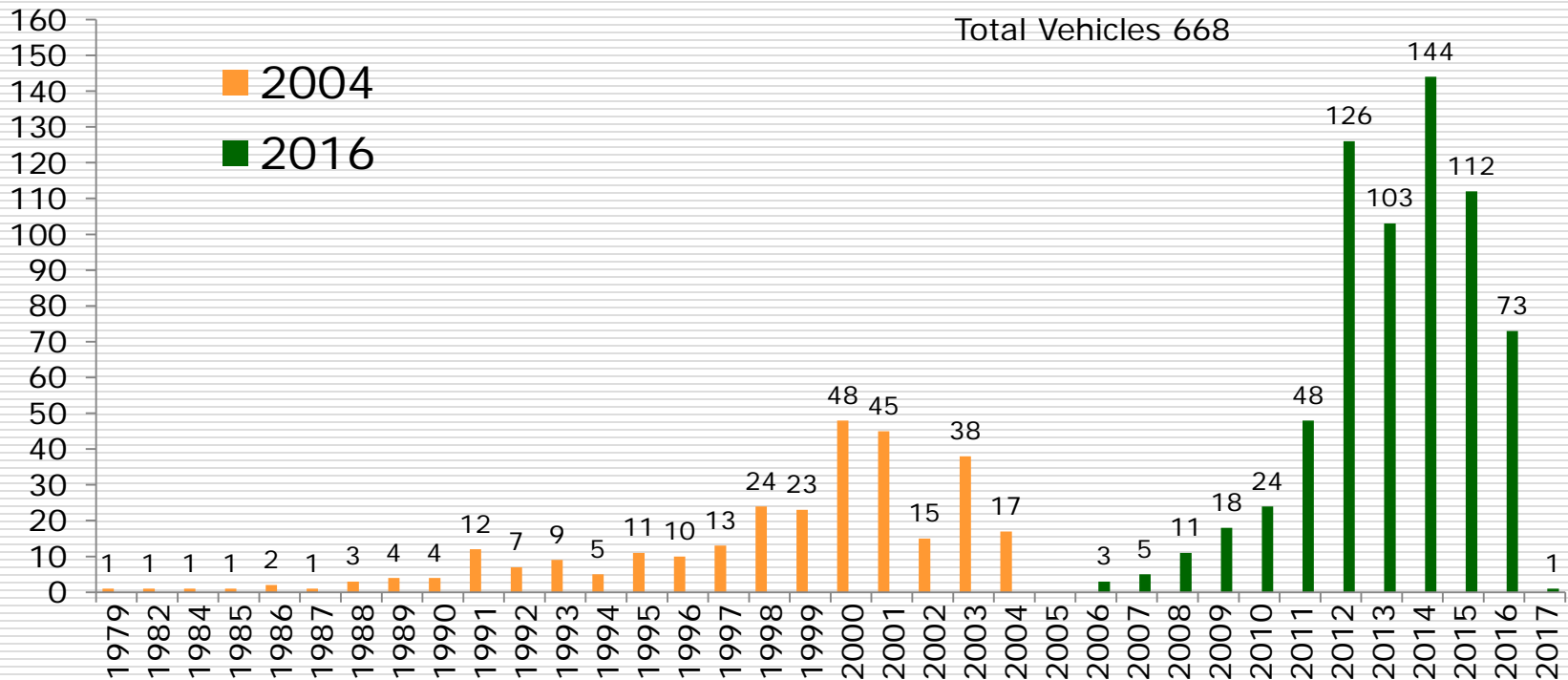
Note: FY2004 Reflects the average age of state-owned vehicles transferred to Fleet Management Services upon program implementation.

Operations

O4 Performance Measure

FMS Vehicle Inventory by Model Year

FY 2016 vs. FY 2004



Target: All vehicles are 6 years or less in age

FY16 – Inventory as of July 2, 2016

FY 2016 Performance: 43 (6%) FMS vehicles exceed the target age of 6 years or less.

* In some situations it is decided to keep an older model year vehicle in service in order to meet a special/immediate need.

Operations

O5 - Goal

Continually assess vehicle utilization and fleet composition to assist with programmatic decisions

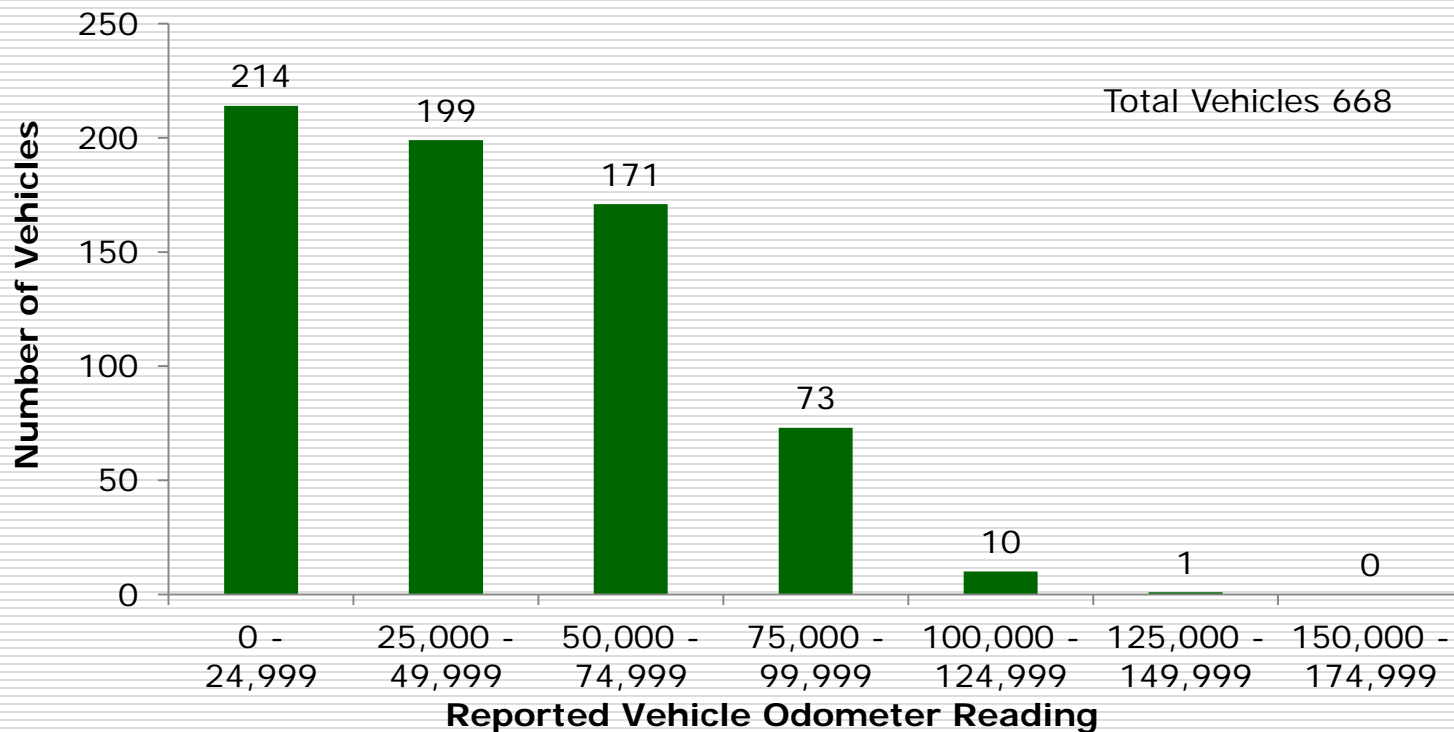
- Number of vehicles by miles driven
- Types of vehicles in the fleet

Operations

O5 - Performance Measure

Fleet Vehicle Inventory by Mileage

FY 2016



Target: All vehicles have 100,000 miles or less.

FY16 - Inventory as of July 2, 2016

FY16 Performance: 11 vehicles (2%) exceed the target mileage of 100,000 miles or less.

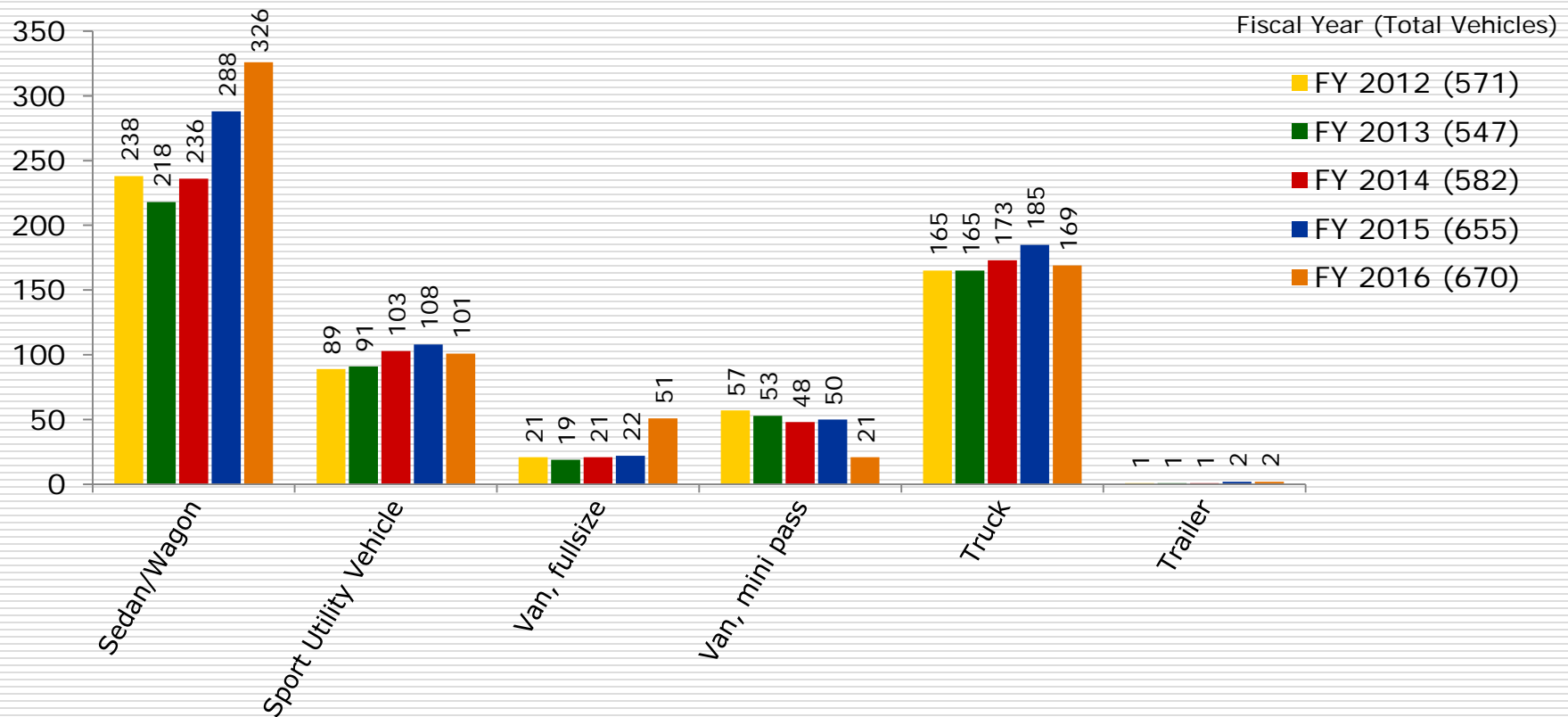
* In some situations it is decided to keep a high mileage vehicle in service in order to meet an immediate need.

Operations

O5 – Program Information

Fleet Composition: Types of Vehicles

FY 2012-2016



FY16 – Inventory as of July 2, 2016

Operations

O6 - Goal

Review and share annual mileage reimbursement reports with agencies and departments, enabling them to make informed travel decisions.

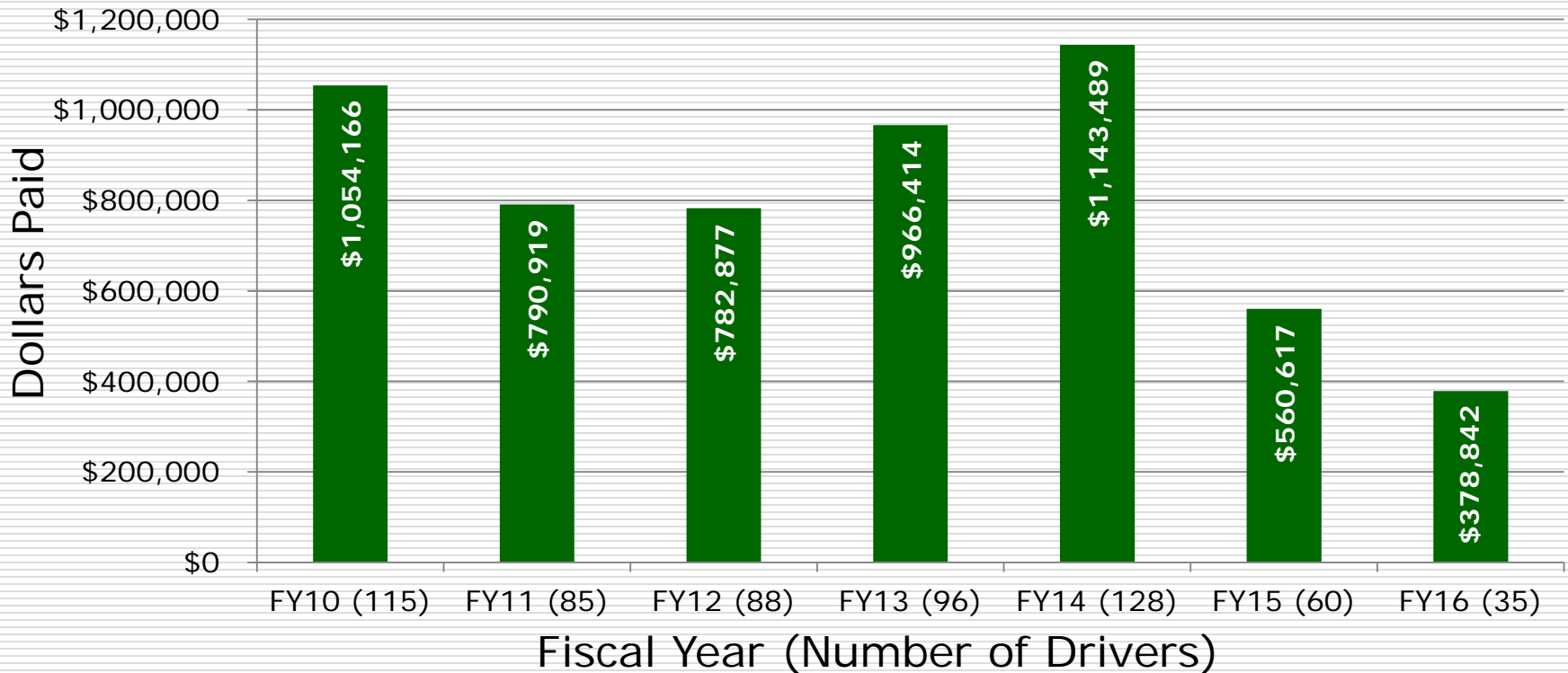
- Educate agencies and departments of the policy requirement to use Fleet vehicles vs. paying the full mileage reimbursement rate when reasonably available.
- Lease vehicles to agencies and departments when it is more economical than paying the full mileage reimbursement rate.
 - Offer lease vehicles to departments with high mileage drivers
 - Encourage the use of motor pool vehicles when appropriate.

Operations

O6 – Program Information

Cost of High Mileage Drivers

FY 2010 - 2016



Target: To reduce state travel expenditures through relaying mileage reimbursement data to applicable agencies and departments and promoting cost-effective travel decisions.

Note: High mileage drivers are employees that are being paid more money in reimbursements than it would cost to lease a Fleet passenger sedan. FY16 after 7/1/15 lease rate reduction): 8,000 miles travelled annually is the threshold when determining if it is more cost-effective to use a Fleet passenger sedan.

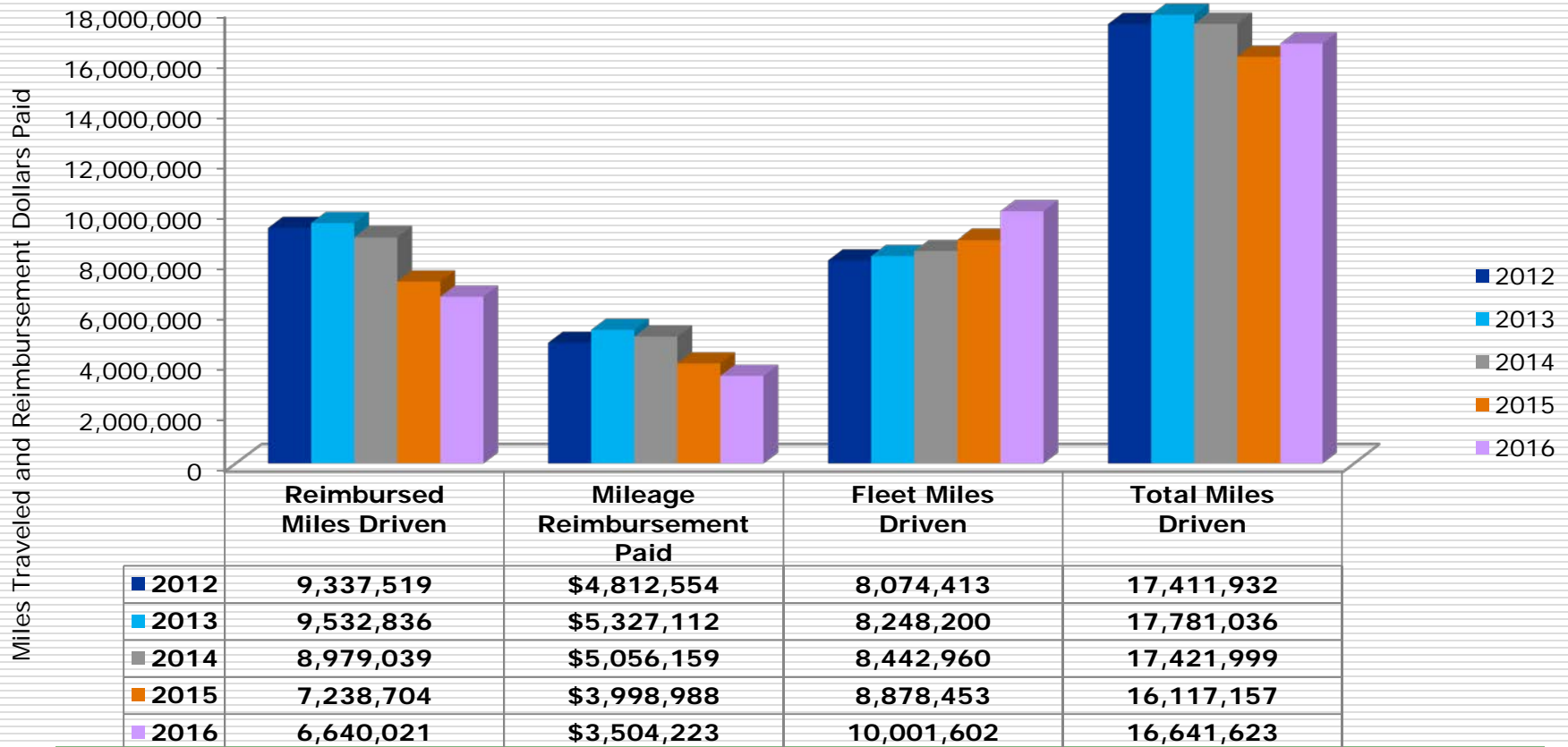
Operations

07 – Program Information

Reimbursed Mileage and Fleet Utilization

FY 2012 - 2016

Report does NOT include mileage data from state vehicles which are exempt from the Fleet program.



Data source: Finance & Management provides mileage reimbursement data; beginning in FY13 reimbursements made in and out-of-state and to temporary, limited service and exempt state employees are included which were not previously reported. BGS Fleet mileage data is collected from fuel transactions which reports the vehicle odometer entered by the driver at point-of-sale.

Operations

O7 - Goal

Maximize Return on Sale of Surplus Vehicles

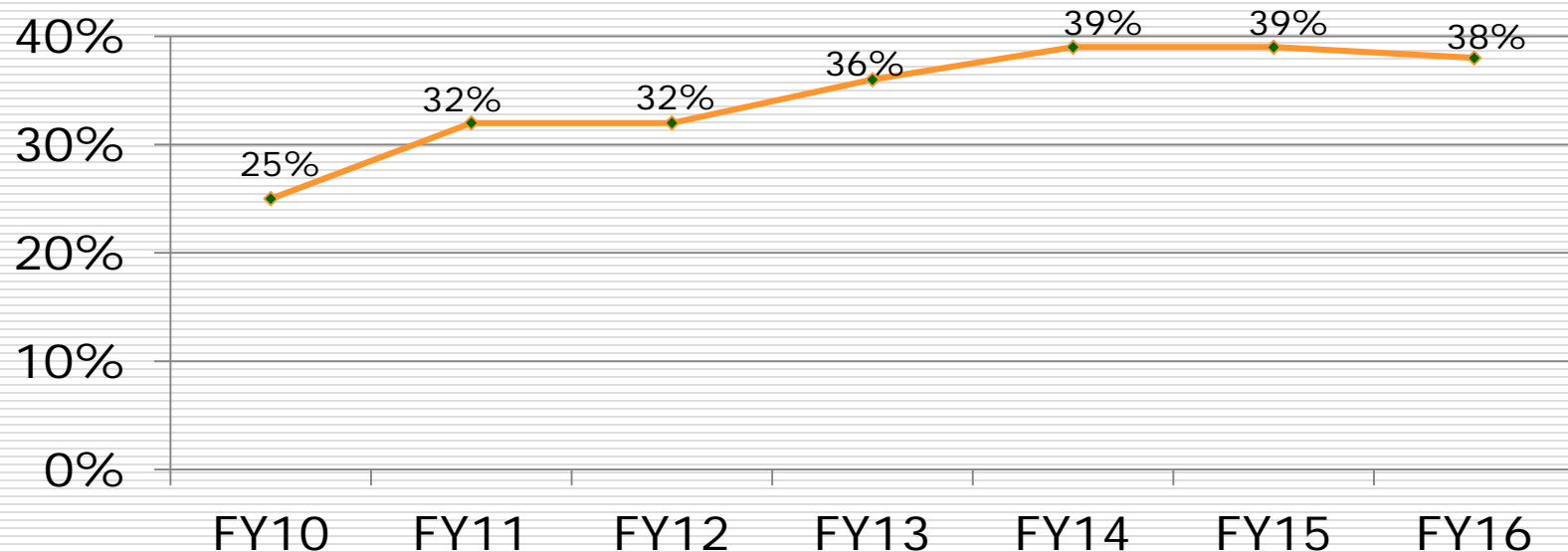
- To maximize vehicle sales, vehicles are made available for sale to the public within 30 days of decommissioning.
- Vehicles are made available for sale through on-line sources to increase exposure to potential buyers.
 - Craigslist (search term: Vermont State Fleet)
 - www.auctionsinternational.com (state contracted vendor)
 - Physical Surplus Vehicle Auction

Operations

O7 - Performance Measure

Return of Investment - Disposed Fleet Vehicles FY 2010 - 2016

This chart shows the average rate of return of vehicles sold as compared to their purchase price.



Target: According to Government Fleet Magazine, "Elite" fleets experience a Return of Investment (ROI) of 25% or better.

Thi Doa, Author. "Elite Fleets Continue Tradition of Excellence." *Government Fleet*. Published July 2013.
<http://www.government-fleet.com/article/story/2013/07/elite-fleets-continue-tradition-of-excellence.aspx>.

Note: Vehicles disposed by insurance settlement/deemed a total loss or ownership transferred to FMS at program inception are excluded from ROI calculation.

Operations

O8 - Goal

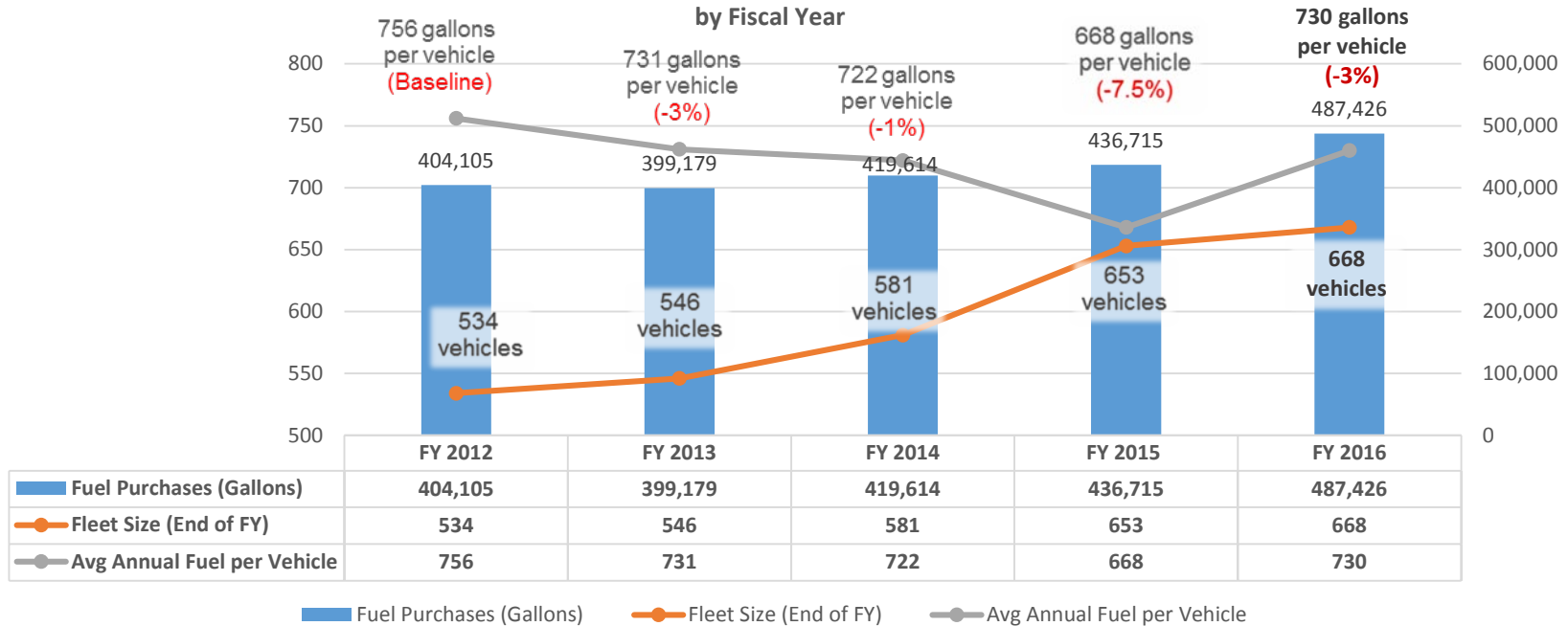
Support the reduction of greenhouse gas emissions through the purchase of low emission, fuel efficient vehicles.

- Support the State's commitment to our environment by reducing the environmental impact of state employee travel.
- Purchase low emission and alternative fuel vehicles when appropriate
 - Vermont adopted the California exhaust emissions standards set by the California Air Resources Board (CARB) in 1996 and updates as the standards change. A Low-Emission Vehicle (LEV) is certified based on the exhaust emissions (tailpipe) standards although fuel economy (miles per gallon – mpg) is related. By these standards a vehicle with a high MPG should have lower emissions from the vehicle.

Operations

O8 – Program Information

BGS Fleet Size and Fuel Purchases
by Fiscal Year



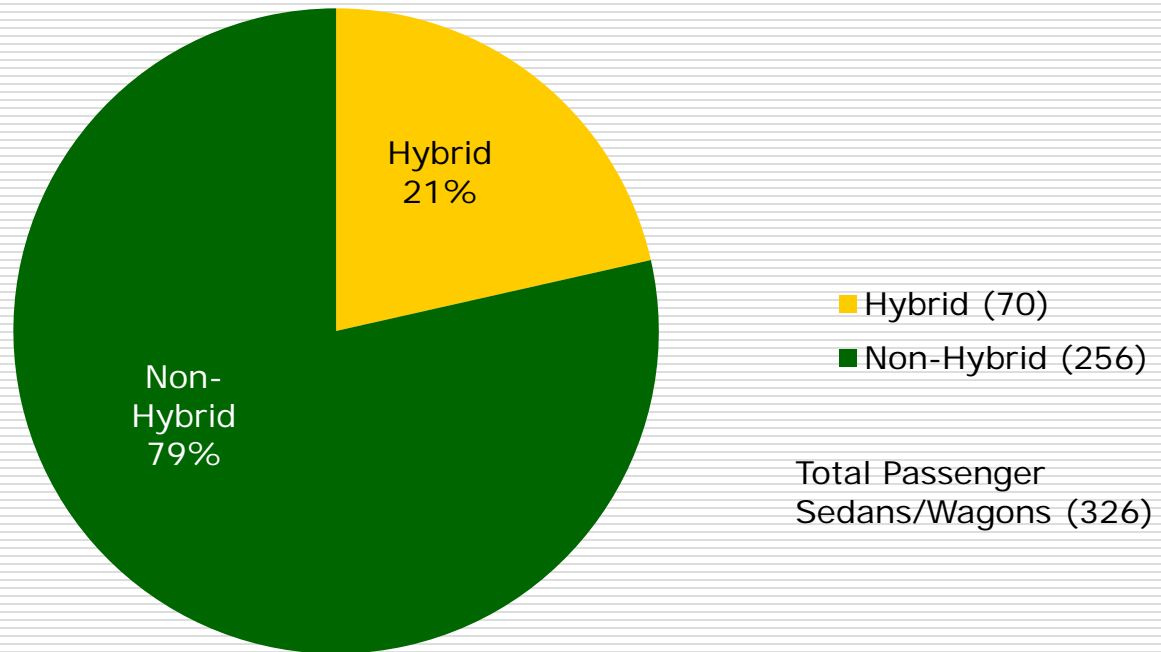
The number of vehicles within the BGS Fleet has increased 25% since FY 2012. This corresponds with efforts to reduce employee mileage reimbursements by shifting state travel to more economical state-owned vehicles. The additional vehicles results in more fuel purchases; approximately 20% more gallons of fuel were purchased in FY16 as compared to FY12. However, when taking into consideration the larger fleet size, the average fuel gallons purchased by vehicle has decrease since the FY12 baseline. This trend is partly attributable to improved vehicle fuel economy, replacing vehicles with smaller, more efficient vehicles and the introduction of more plug-in electric vehicles and hybrid vehicles into the fleet. As we encourage increased utilization and eliminating underutilized fleet vehicles, the gallons per vehicles may increase per vehicle as they are being used more.

Operations

O8 – Program Information

Hybrid vs. Non-Hybrid - Passenger Sedans/Wagons

July 2016

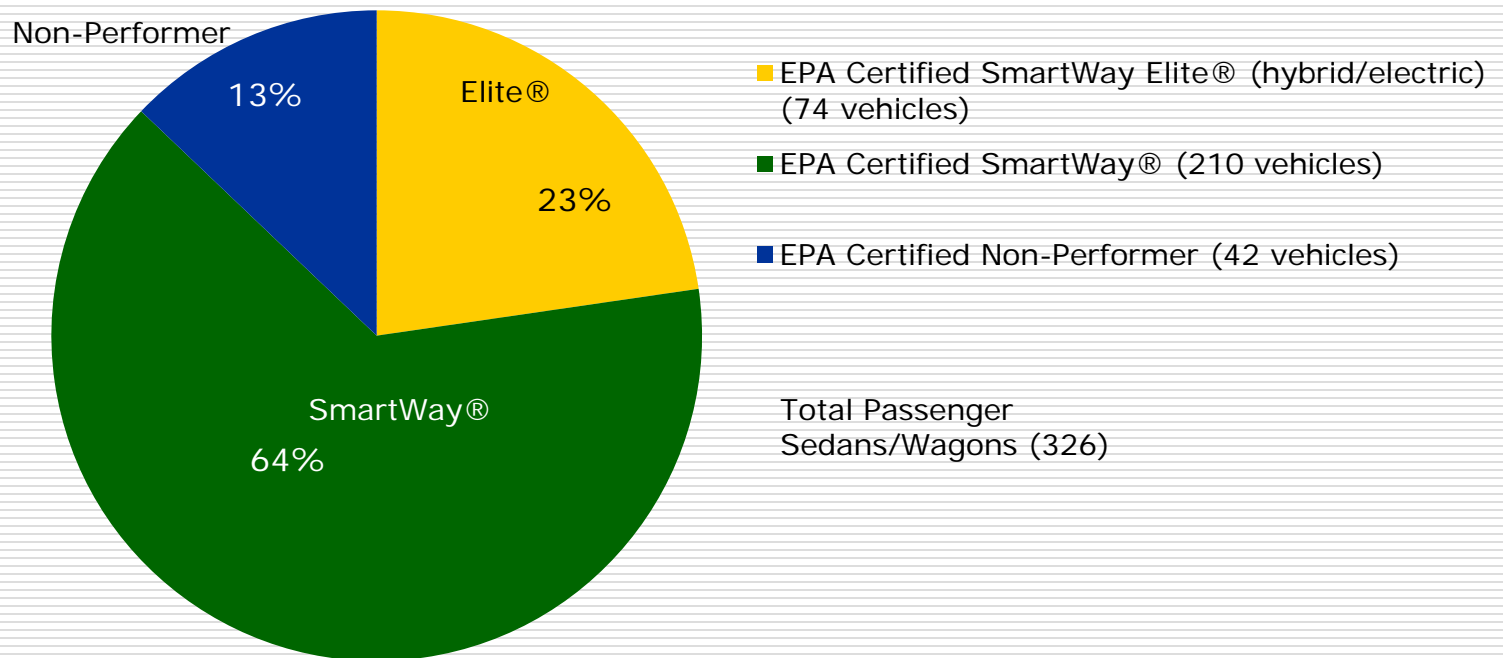


Inventory as of July 2, 2016

Fleet Management Services Operations - Performance Measure

US EPA Green Vehicle Assessment – Passenger Sedans/Wagons

SmartWay® and SmartWay Elite® are US EPA registered service marks earned by those vehicles that have combined Air Pollution and Greenhouse Gas Scores that place them in the top tier of environmental performers.



Inventory as of July 2, 2016

"SmartWay® is a symbol of excellence for cleaner and more efficient transportation options. SmartWay® distinguishes only products and services that meet superior environmental performance characteristics." –Green Vehicle Guide, Nov 2007, www.epa.gov/greenvehicles

Operations

O7 - Performance Measure

Plug-in Electric Hybrid Vehicles

FY 2016	Fleet Inventory	Avg Vehicle Purchase Cost	Avg Fuel Economy	Avg Miles Driven per Vehicle	Avg Fuel Consumed Per Vehicle	Avg Fuel Cost Per Mile Travelled
Ford C-Max Energi (plug-in electric)	16	\$29,753	37 MPG	5,782	328 gal	\$0.061 / mile
Chevy Volt (plug-in electric)	6	\$33,283	65 MPG	10,887	431 gal	\$0.038 / mile

Operations

O10 - Goal

Accident tracking of FMS vehicles

- Report accidents to the BGS Risk Management Division.
- Educate customers on the expected reporting procedures following an accident.

Accident related losses to FMS vehicles are covered with program funds unless it is found to be the fault of another party and BGS Risk Management is successful in subrogating the claim.

- Accident loss projections are incorporated into monthly lease rates.
 - A per accident deductible of up to \$500 is charged to the leasing department.
-

Operations

O7 - Performance Measure

Accident Losses

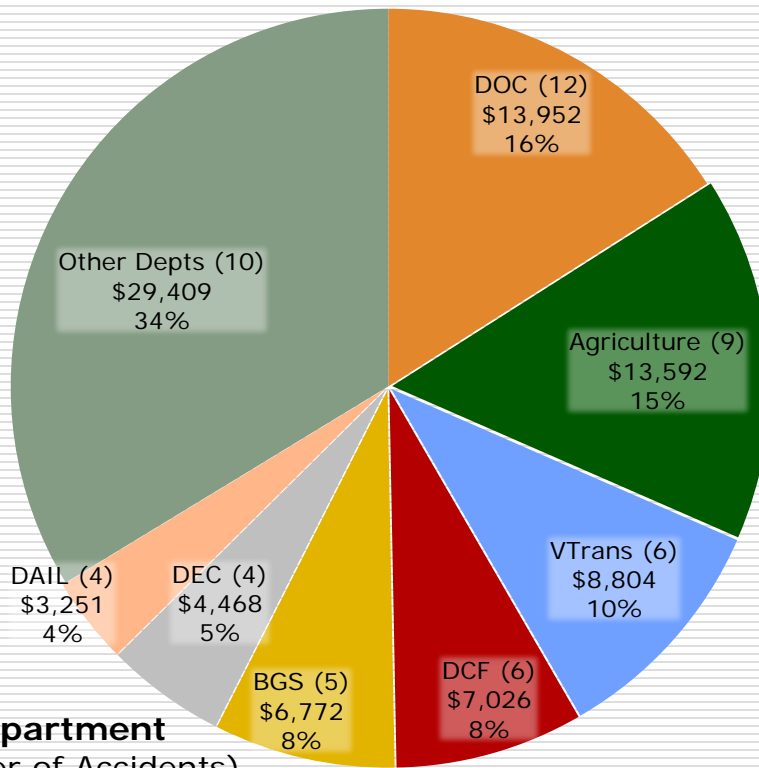
FY 2016

Summary:

Accident related expenses	\$ 87,275
Insurance settlements	- \$ 21,676
<u>Department deductibles</u>	<u>- \$ 23,643</u>
Net Accident Cost to FMS	\$ 41,956

Total Accidents – 56

- DOC (12)
- Agriculture (9)
- VTrans (6)
- DCF (6)
- BGS (5)
- DEC (4)
- DAIL (4)
- Other Depts (10)



Department
(Number of Accidents)
Fleet Net Cost - Dollars

Note: Additional insurance claims for State settlements may be pending Risk Management Division subrogation which, if successful, will reduce FMS net costs.

Program Summary

Program Successes

- ❑ Maintain a safe, cost-effective fleet
- ❑ Maintain a current, accurate inventory of state-owned vehicles
- ❑ Ensure vehicle preventative maintenance is performed timely for FMS vehicles.
- ❑ Complete biennial inventory and safety inspections on all FMS vehicles.
- ❑ Continually monitor and report vehicle statistics
- ❑ Right-size vehicle selection based on intended use

Program Summary

Program Challenges

- Limited Resources
 - Staffing – would need additional resources in order to expand the program or to expand motor pool locations around the state.
 - Meeting additional program and customer expectations
 - Transporting vehicles to repair/maintenance appointments
 - Benchmarking program performance with other state/municipal fleets
 - Providing utilization and other fleet reports to agencies and department
 - Creating viable Motor Pool dispatch locations with collaborative administrative support from other agencies, departments and/or divisions.
 - Fleet management software that consistently meets program needs.

Program Summary

Program Challenges

- Lack of Authority
 - The program lacks the authority to mandate use or enforce rules – even when thought to be in the best interest of the State.
 - Employees are not held accountable for vehicle misuse or poor driving habits.
 - Smoking in vehicles
 - Dirty vehicles
 - Unsafe/careless driving
 - FMS notifies the leasing department of concerns/complaints received such as speeding, careless operation, etc. and requests that the issue be addressed with the driver.

Program Summary

Program Challenges

❑ Statewide Fleet Reporting

- FMS is dependent upon interagency cooperation to compile reports for all state-owned vehicles
 - ❑ All 10 agencies and departments responsible to manage their exempt vehicles responded to the annual exempt vehicle report request
 - VTrans and Public Safety are only required to report the number of registered vehicles they own and manage.

❑ Reporting Gaps

- Absent complete and consistent reporting by all departments responsible for managing their own state vehicles, FMS is unable to provide the following data:
 - Total number of miles driven in all state-owned vehicles
 - Total quantity of fuel consumption by all state-owned vehicles
 - Average statewide fleet fuel economy
 - Total statewide vehicle costs (vehicle purchases, maintenance, fuel, etc.)