



Buildings and General Services

Government Business Services

Fleet Management Services Annual Report FY 2018



Program Summary

Fleet Management Services (FMS) provides centralized management and control of the State's vehicles, except for those exempt by statute or by Commissioner of Buildings & General Services.

Vehicle transportation is vital to accomplishing many of the tasks of state government, and vehicles serve a wide variety of needs—from occasional administrative travel to routine off-road use. FMS is committed to providing state agencies and departments with appropriate, well-maintained vehicles, and the necessary tools and resources, to allow them to meet their unique missions.

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."

Mission

To provide agencies and departments with safe, economical vehicles for use on state business, and reduce the environmental impact of state travel.



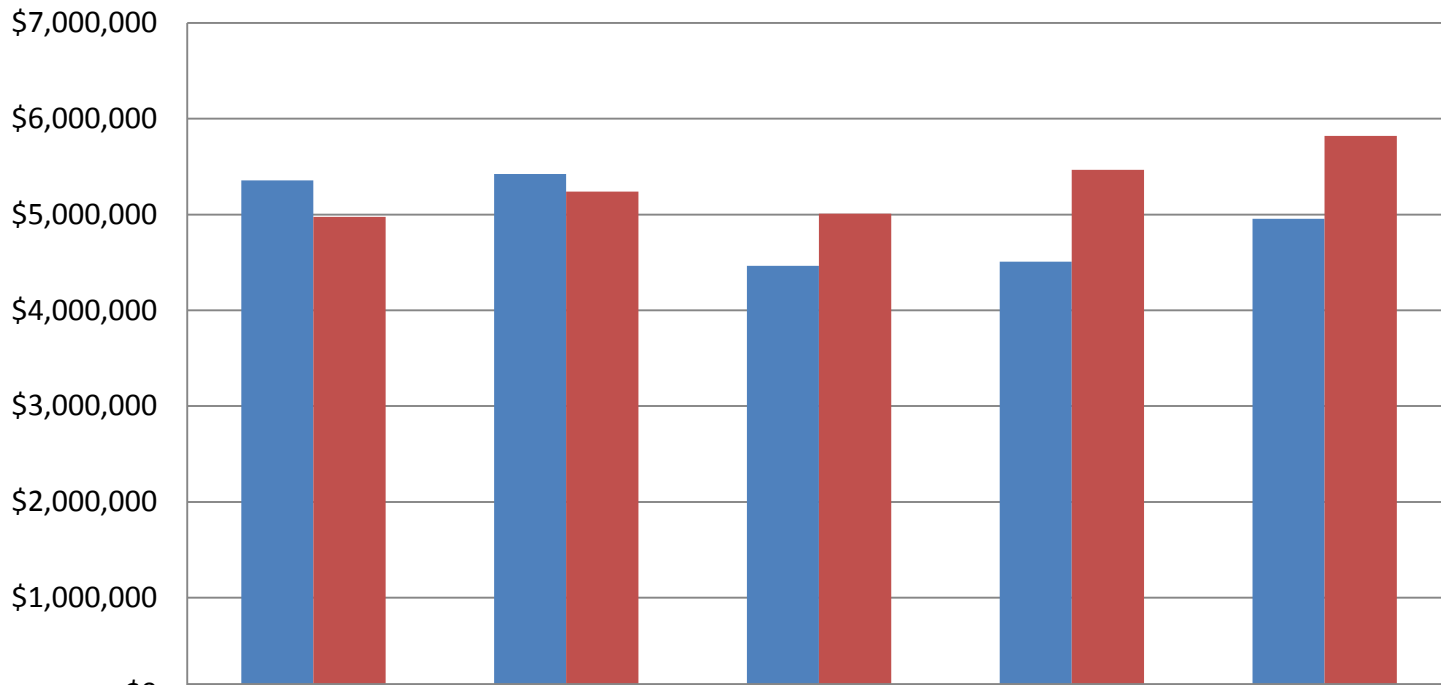
Goals

- Provide safe, economical vehicles to agencies and departments
 - Preventive maintenance compliance
 - Promptly address manufacturer recalls
 - Vehicles procured at lowest possible cost, and right-sized
 - Formal justification process used to right-size vehicles and the overall fleet
 - Vehicle procurement considers total cost of ownership, highest fuel economy, and lowest tailpipe emissions
 - Educate and inform employee travel options
 - Encourage use of trip calculator to determine lowest cost travel option
 - Annually inform agencies and departments of high mileage drivers and potential savings available
 - Identify under-utilized fleet vehicles and recommend reassignment or elimination

- Reduce environmental impact of state travel
 - Vehicles procured with the lowest tailpipe emissions and highest fuel economy which meets the agency/department's operational needs
 - Provide plug-in hybrid electric and all-electric vehicles when feasible
 - Right-size fleet vehicles to match travel and operational needs
 - Inform agencies and departments of excessive idling when telematics data is available

Program Revenues/Expenses

The program operates as an Internal Service Fund. The objective is to generate sufficient revenue to cover operating expenses, while providing vehicles at the lowest rate possible. Fleet lease rates were lowered at the onset of FY 2016 to adjust the program fund balance, and pass savings back to departments.



	FY2014	FY2015	FY2016	FY2017	FY2018
Operating Revenue	\$5,355,022	\$5,423,635	\$4,463,300	\$4,508,577	\$4,955,861
Operating Expenses	\$4,976,637	\$5,237,456	\$5,009,765	\$5,466,420	\$5,820,715



Monthly Rate Comparison

Fleet Rates vs. State Contract Rental Rates

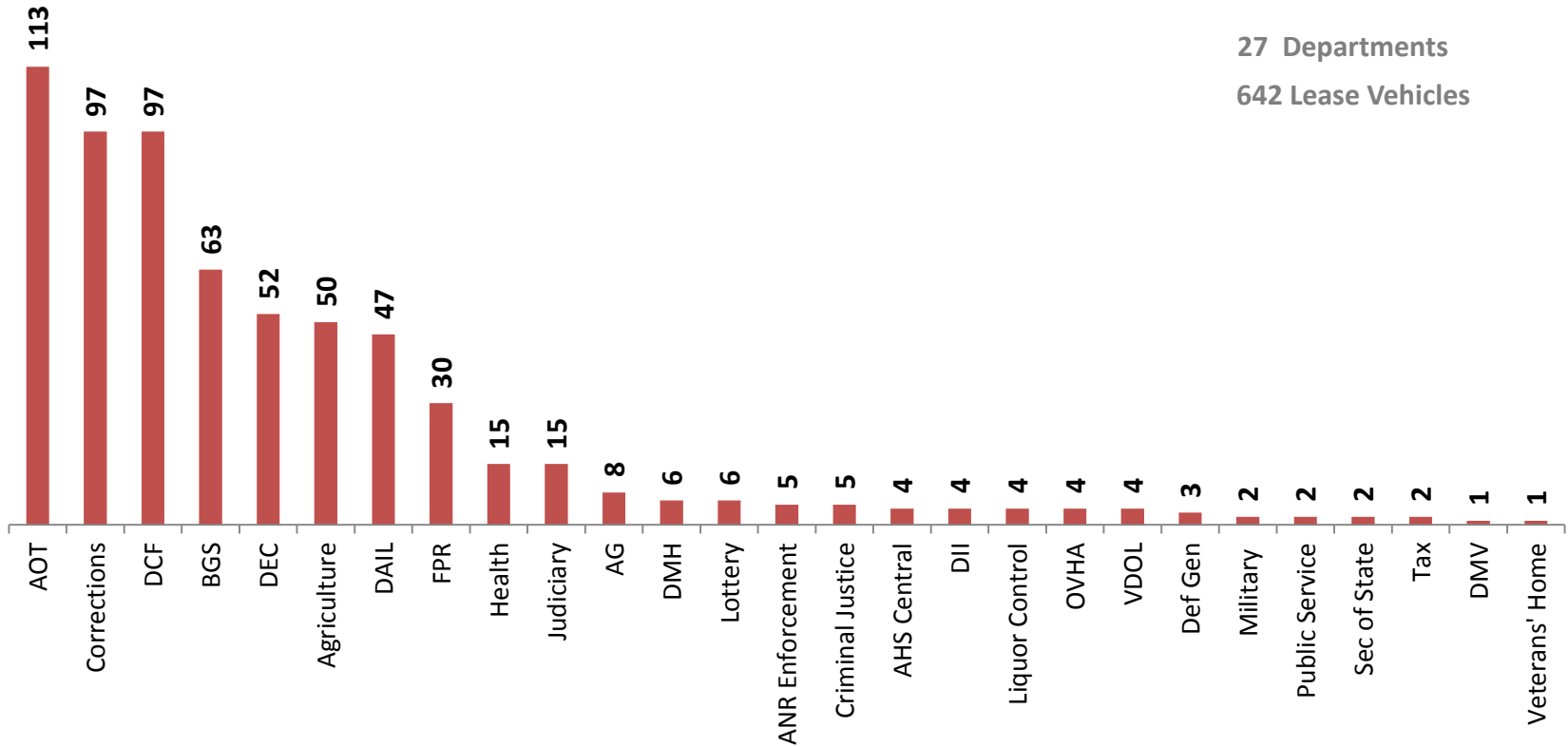
	Monthly State Rental Contract Rate	Monthly Fleet Vehicle Lease Rate	Cost Savings	% Saved
Intermediate Sedan	\$664	\$459	\$205	31%
Hybrid Sedan	\$947	\$463	\$484	51%
Intermediate 4WD SUV	\$1,095	\$495	\$600	55%
1/2 Ton 4WD Truck	\$1,061	\$527	\$534	50%
Average for Vehicle Classes	\$942	\$486	\$456	48%

Average Monthly Fleet Rate Savings compared to Average Monthly Contracted Rates using CY 2019 rates is 48% savings.



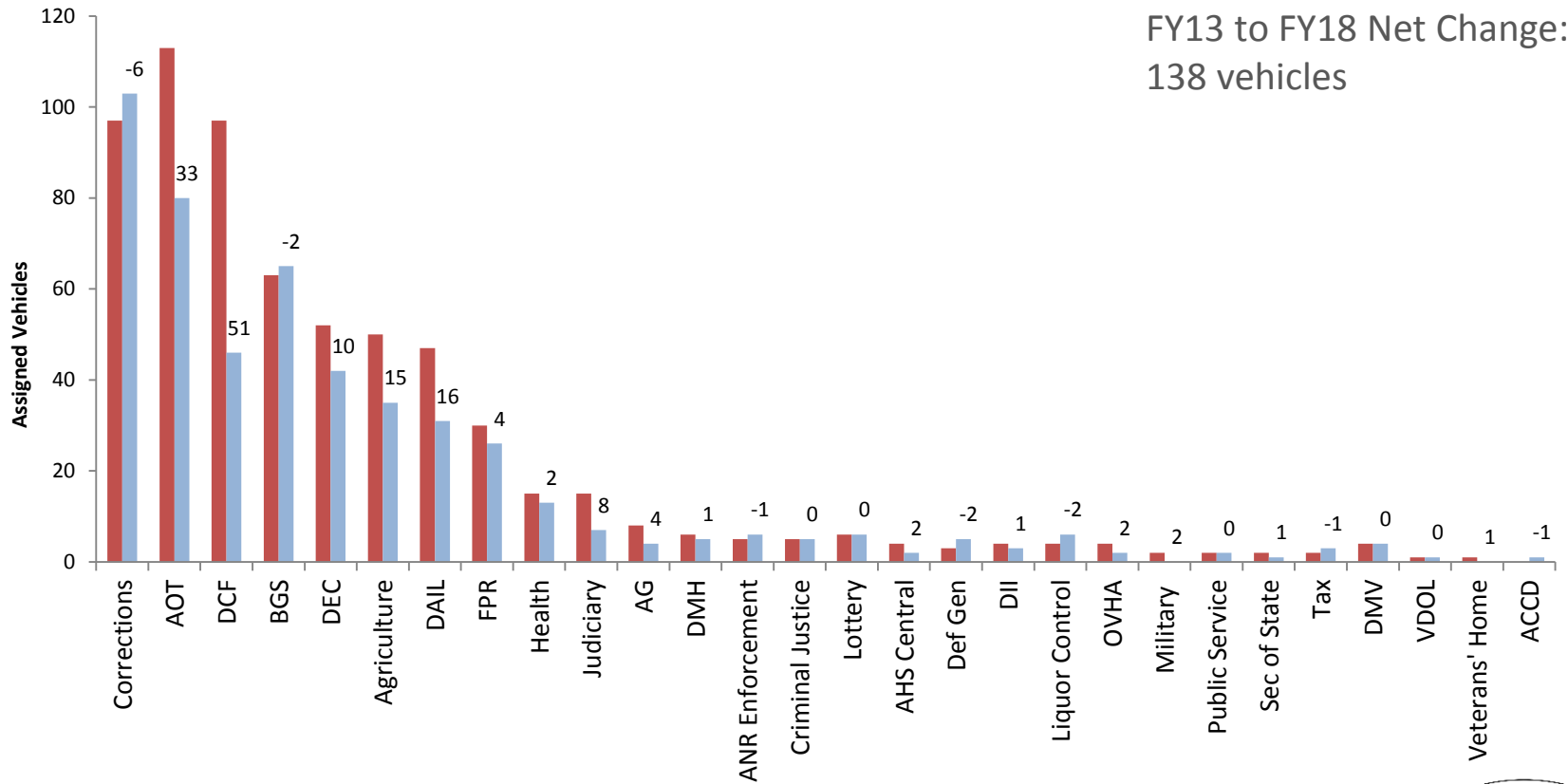
Assigned Vehicles

The program provides assigned vehicles to agencies and departments for their exclusive use when justified. This chart reflects the total number of vehicles assigned to each agency and department at the end of FY 2018.



Assigned Vehicle Fluctuations

Fleet assignments continually fluctuate based on need as justified by agencies and departments. This slide reflects the 5-year fluctuation by comparing the total fleet vehicles assigned to each agency and department from FY 2013 to FY 2018.



Motor Pool Utilization

Motor pools are located at various state campuses throughout the state, and provide daily rental cars to all employees for state travel. Utilization percentages are based on the number of rental days the vehicles are in use compared to the total number of rental days the vehicles are available. The program aims to achieve 65% utilization at each motor pool location to meet rental demand, while generating sufficient revenue to cover operational costs.

The program is successful when the average cost per mile paid by departments is less than the federal mileage reimbursement rate. In FY 2018, the average cost per mile paid by departments to use motor pool was \$0.08 less than the mileage reimbursement rate, saving the State approximately \$71,825.

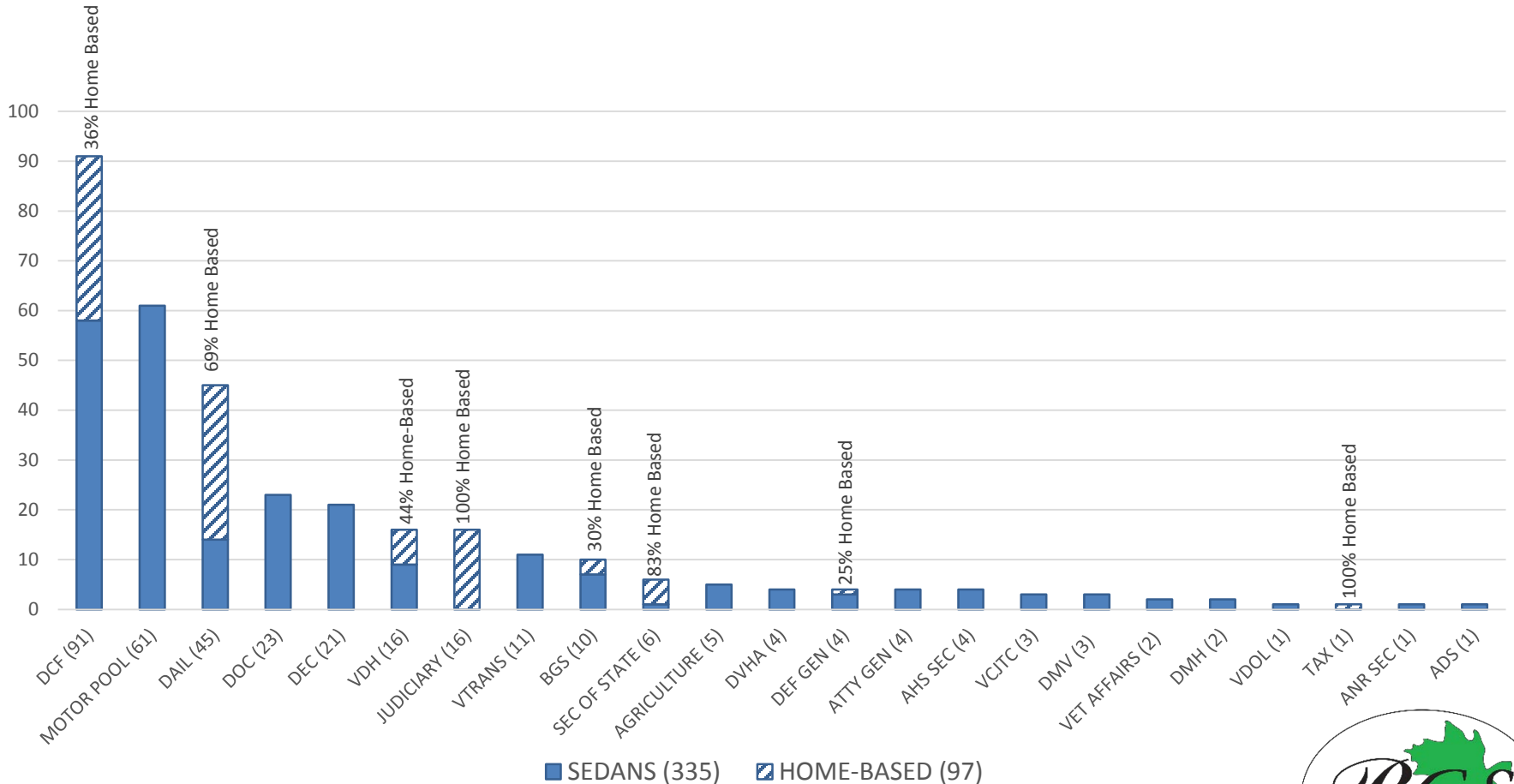
	Montpelier – State St	Montpelier – Green Mtn Dr	Montpelier – Natl Life Dr	Waterbury	Burlington – Cherry St	Burlington – Pearl St	Rutland	Springfield
Utilization Percent	67%	62%	65%	63%	87%	57%	93%	48%
Miles Traveled	162,386	336,550	72,808	51,386	133,625	10,127	108,863	22,171
Rental Bookings (Days)	1,435	2,786	584	466	1,226	105	1,367	179
Rental Availability (Days)	2,130	4,522	900	736	1,404	184	1,472	372
Number of Vehicles (end of FY18)	10	18	3	4	8	1	7	2

Average Cost per Mile: \$0.46
Total Motor Pool Miles Driven: 897,816
Total Number of Vehicles: 53
Total Rental Days for FY18: 8,148
Combined Motor Pool Utilization – 70%



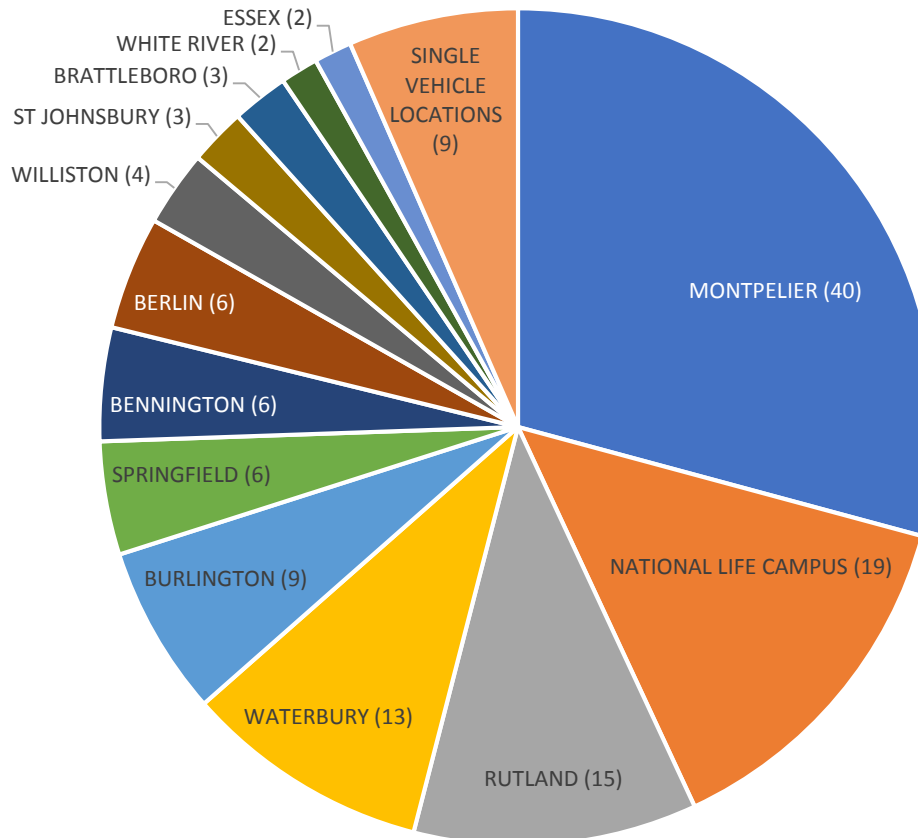
Assigned Sedans

Sedans are the most fuel efficient and cost effective option for passenger travel. The program is working towards shifting some assigned sedans to pooled use which will make them available to all agencies and departments, reducing the fleet size and decreasing costs. This chart reflects assigned sedans by agency and department, which are potential candidates for pooled use. Home-based sedans are not accessible for pooled use.



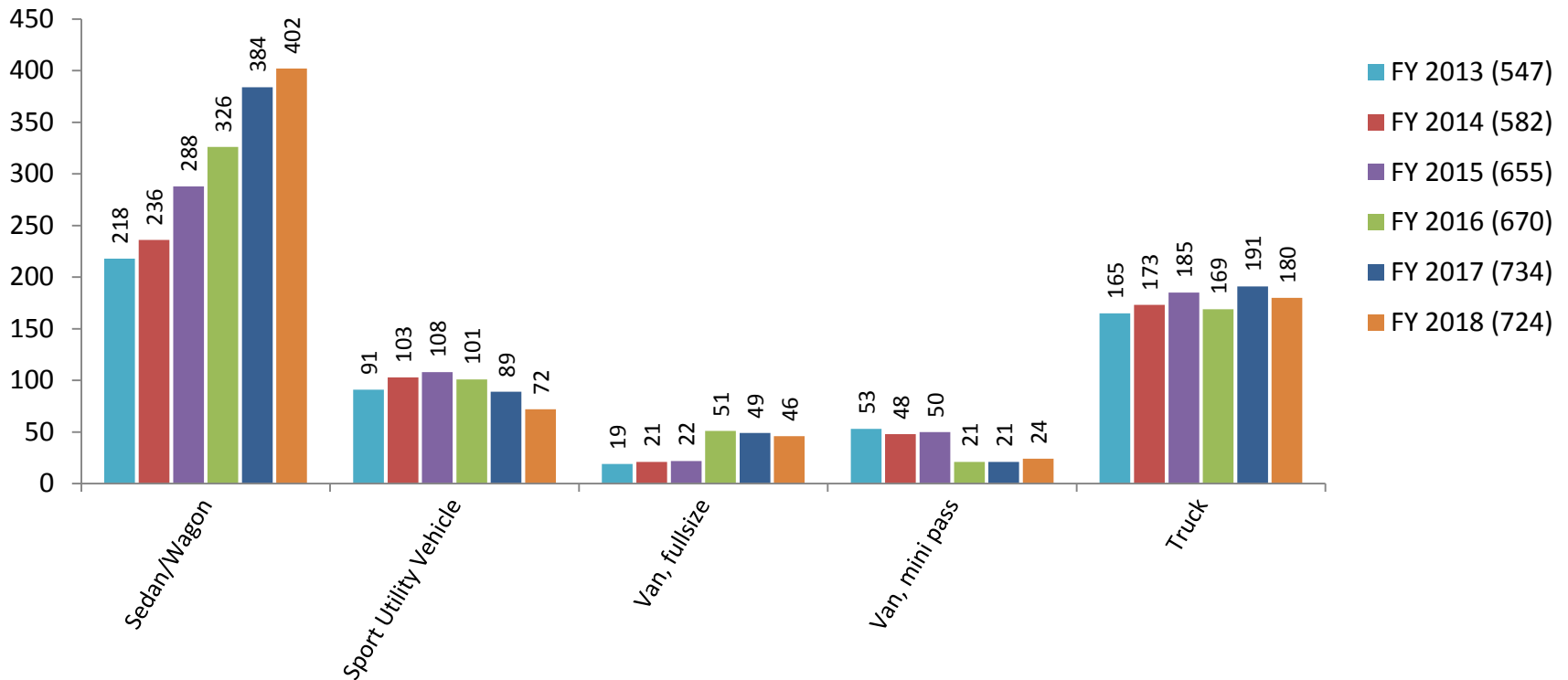
Assigned Sedan Locations

Sedans assigned to agencies and departments are most often stationed near State buildings, with the exception of those housed at an employee's home. To improve fleet utilization, the program is working towards shifting assigned sedans to pooled use by making some fleet sedans available to all agencies and departments, with initial focus on areas with a high concentration of assigned sedans. This chart excludes home-based sedans and those used for transporting state wards or police training purposes.



Fleet Composition

The program right-sizes vehicles by matching the expected use with the most economical, fuel-efficient, and lowest emissions vehicle possible. Administrative travel and passenger transport is best accomplished by partial- or zero-emission sedans, and larger vehicles reserved for bulky or heavy cargo transport, off-road travel, or other special needs.

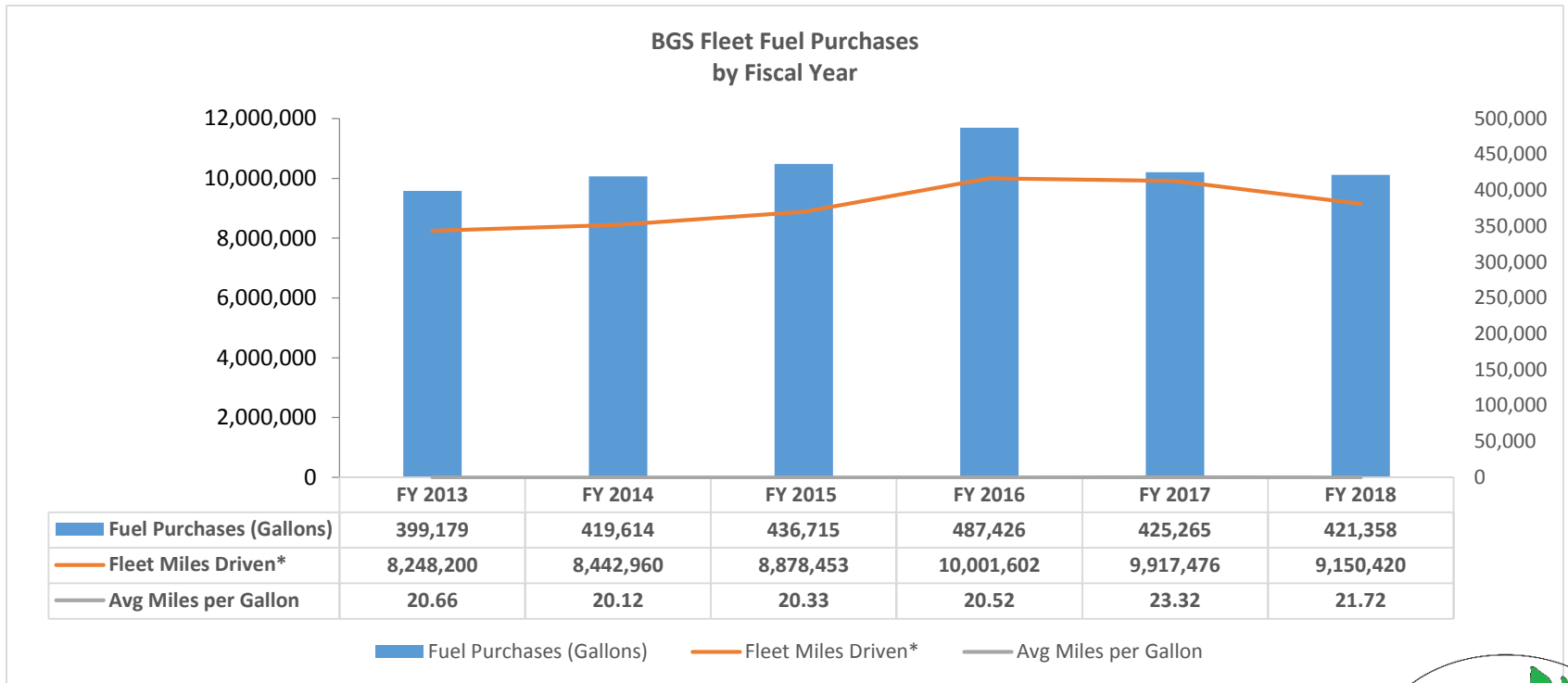


FY18 – Inventory as of July 2, 2018
includes 29 transitioning new/retired units



Fuel Purchases

The program supports the reduction of greenhouse gas emissions by assigning the lowest emission, most fuel efficient vehicle, which meets expected needs established by agencies and departments through a justification review. In addition to vehicle fuel economy, travel distance primarily drives fuel purchases. The program aims to increase the average miles traveled per fuel gallon purchased.

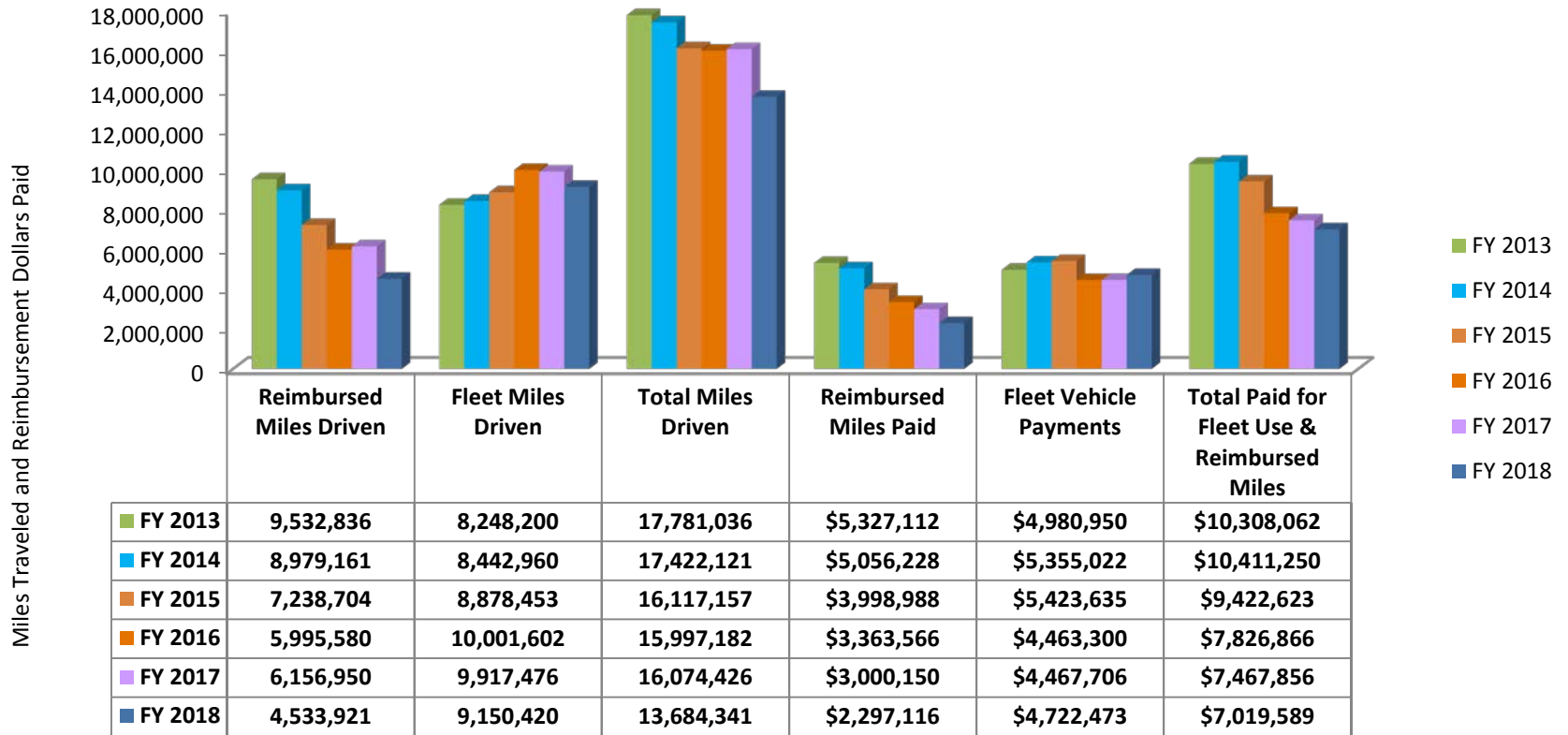


*Mileage data is collected from driver reports, which may contain inaccurate entries. Obvious outliers are removed, however mileage data is considered approximate.



Reimbursed Travel & Fleet Utilization

The program's mission is to provide fleet vehicles to agencies and departments when it will result in savings over the federal mileage reimbursement rate, or when their mission requires a fleet vehicle. Our goal is to reduce travel performed in personal vehicles at the full reimbursement rate, when using a fleet vehicle is more cost effective.



Fleet mileage data is collected from driver reports, which may contain inaccurate entries. Obvious outliers are removed, however mileage data is considered approximate.

Vehicles exempt from the Fleet program are not included in Fleet program reports.

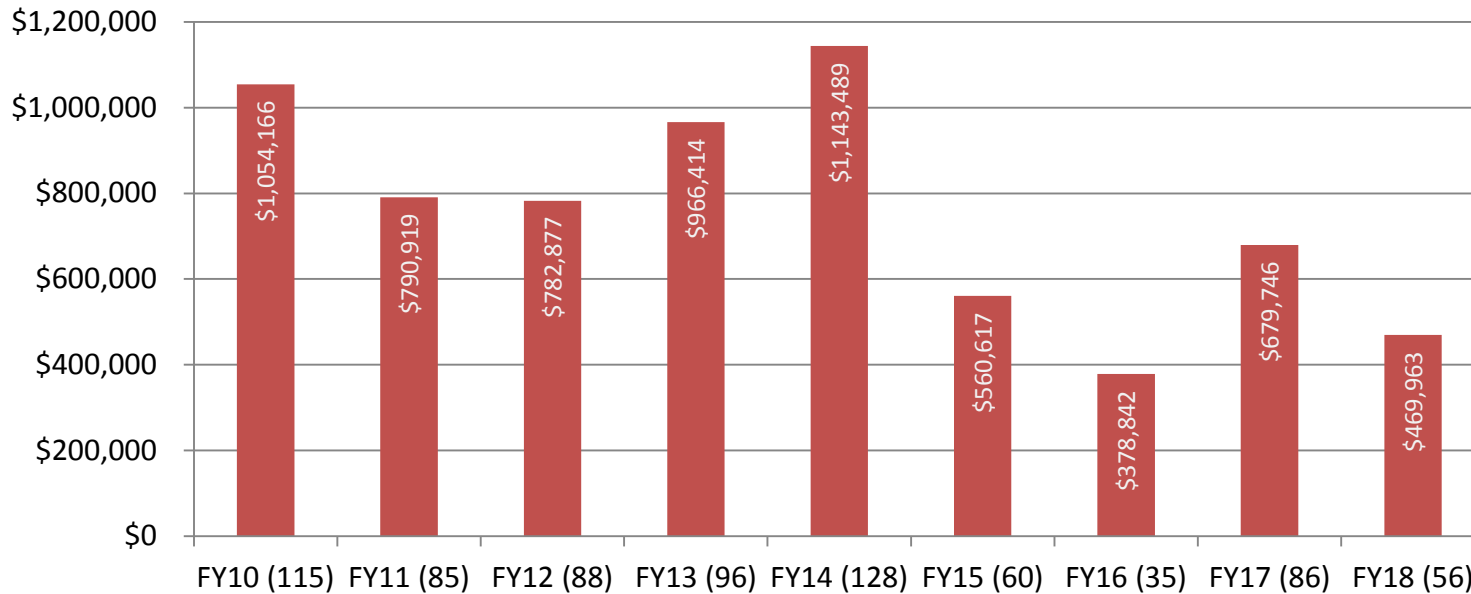


High Mileage Drivers

As a cost saving strategy, the program informs agencies and departments of their high mileage drivers based on expense data and fleet rates from the previous fiscal year, and recommends using the lowest cost option. An employee is considered a high mileage driver when their annual mileage reimbursements exceed the cost for their department to lease a fleet sedan. The current annual threshold is 11,000 miles, while in past years the threshold has been as much as 14,000 miles.

Cost of High Mileage Drivers

FY 2010 - 2018



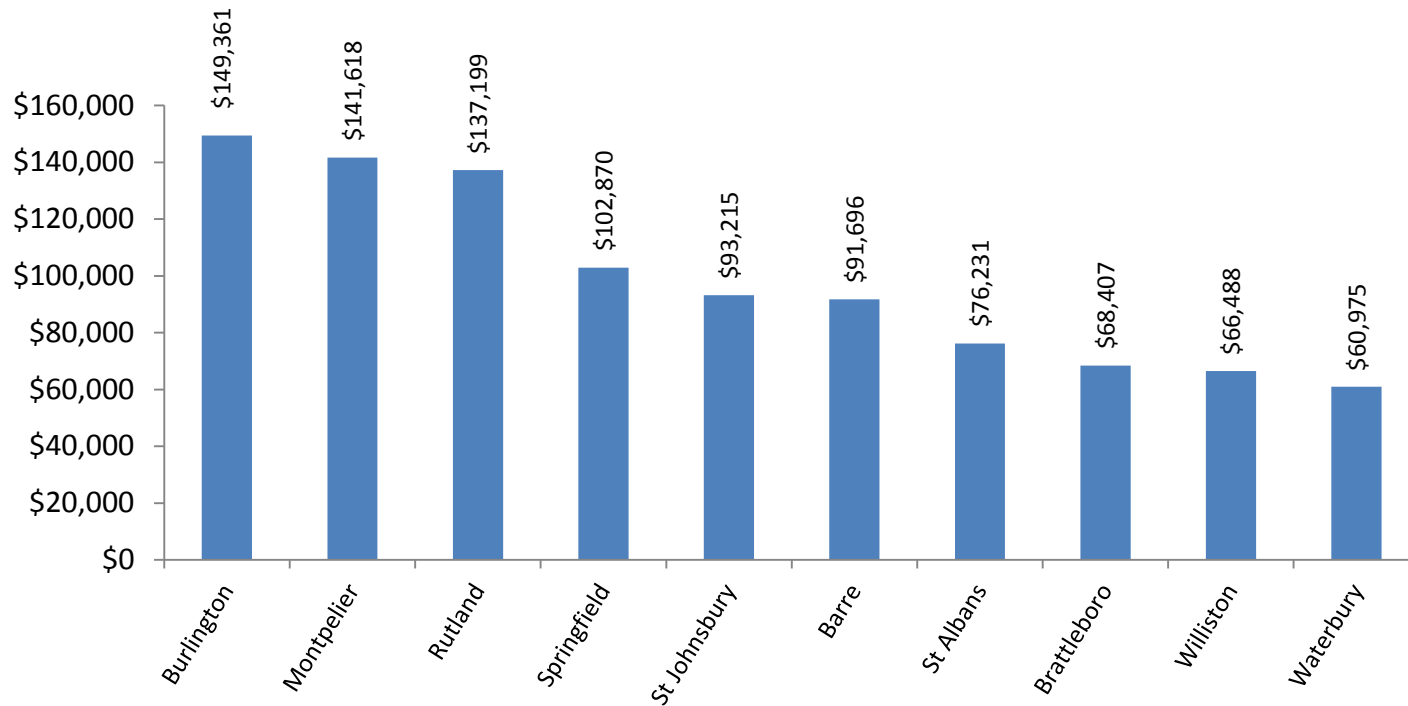
Fiscal Year (Number of Drivers)



Locations with Highest Mileage Reimbursements

The program seeks to increase the use of fleet vehicles at these locations, by making cars available through a motor pool, when possible. This reimbursement data is only one consideration in selecting potential motor pool locations; available parking, partnerships with departments for dispatch, and other factors are considered.

FY 2018 Employee Full-Rate Mileage Reimbursements by Departing Location

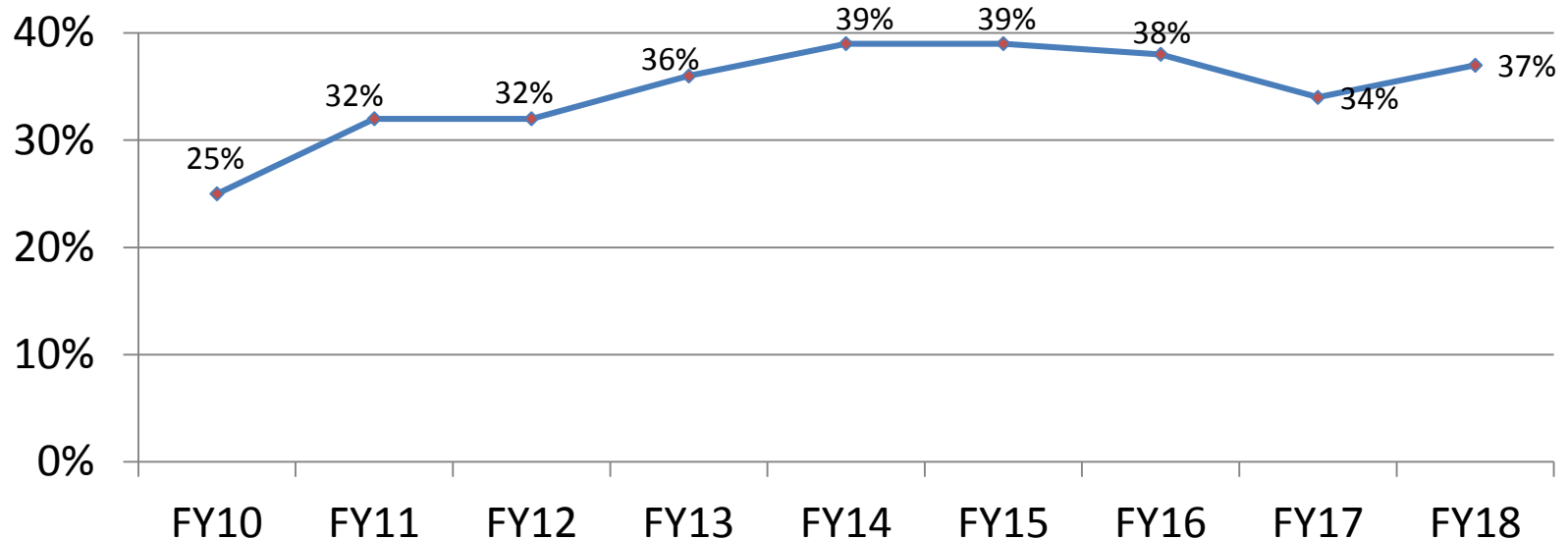




Fleet Disposal: Return of Investment

The program aims to achieve a 25% average return of investment for fleet vehicles*, which is the return on investment attained by “Elite” fleets, according to Government Fleet magazine.¹ The program’s replacement planning and remarketing strategies are designed to maximize the return of investment.

Average resale return of original purchase amount



*Vehicles disposed by insurance settlement, have a salvage title, or were transferred to program after purchase, are excluded from ROI calculation.

1. 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>.



Plug-In Electric Vehicles (Hybrid and Full-EV)

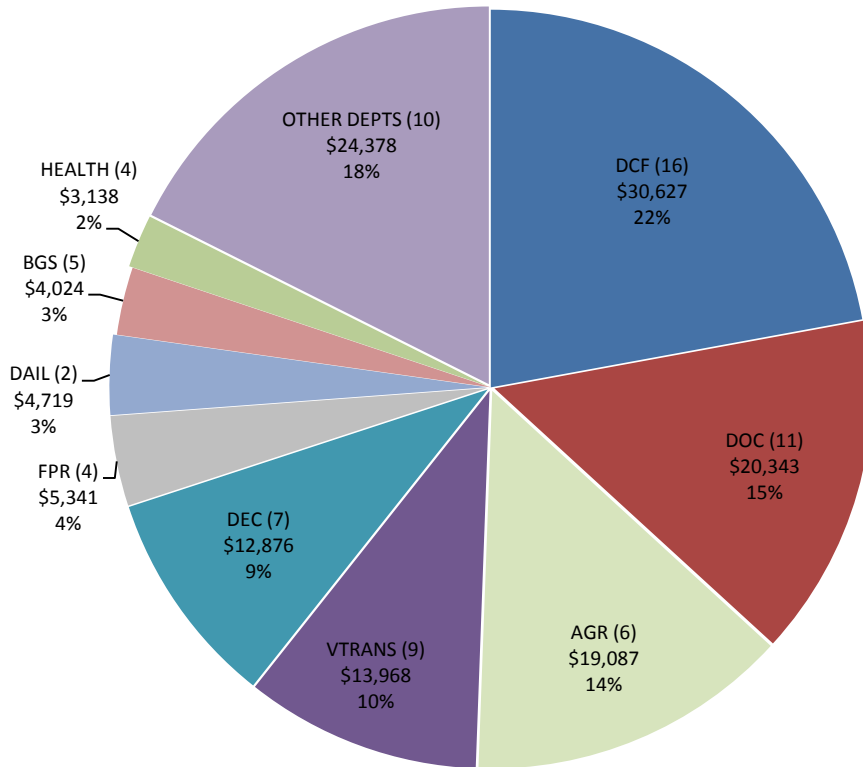
The 2016 State Agency Energy Plan and Vermont Zero Emission Vehicle Action Plan establish a goal to convert 25% of light-duty state fleet vehicles to plug-in electric by 2025. Accordingly, Fleet Management Program must continue working with agency operations staff to identify opportunities to add more plug-in hybrids, and all-electric vehicles. Within the 2016 Agency Energy Implementation Plan, the Fleet Management Program has also committed to adding 5 plug-in electric vehicles each year, to help meet the goal to reduce greenhouse gas emissions.

FY 2018							
	Fleet Inventory	Avg Vehicle Purchase Cost	Avg Fuel Economy	Avg Miles Driven per Vehicle	Avg Gallons of Gasoline Consumed Per Vehicle	EPA Gas Only Fuel Economy Avg Estimate	EPA All-Electric Range on Full Charge
Toyota Prius (plug-in hybrid)	3	\$28,764	43 MPG	9,684	215 gal	45 MPG	0-6 mi.
Ford C-Max Energi (plug-in hybrid electric)	16	\$29,753	35 MPG	15,194	431 gal	36 MPG	0-19 mi.
Chevy Volt (plug-in hybrid electric)	6	\$33,283	42 MPG	13,137	314 gal	40 MPG	36-49 mi.
Chevy Bolt EV	1	\$35,933	All Electric	8,496	0 gal	119 MPGe	238 mi.
Nissan Leaf EV	1	\$27,240	All Electric	2,936	0 gal	112 MPGe	151 mi.



Fleet Vehicle Accident Losses

Vehicle accident repairs are covered with program funds, with exception of a few special-use vehicles. The driver's agency or department is only responsible to pay a minimal deductible per incident. FMS pursues and manages claims to recover damages caused by a negligent third party, through the State's contracted vendor for third-party administrative services.



Summary:

Accident damages	\$138,501
Damage recovery	- \$ 27,669
Department deductibles	- \$ 28,472
Net Cost to FMS	\$ 82,360

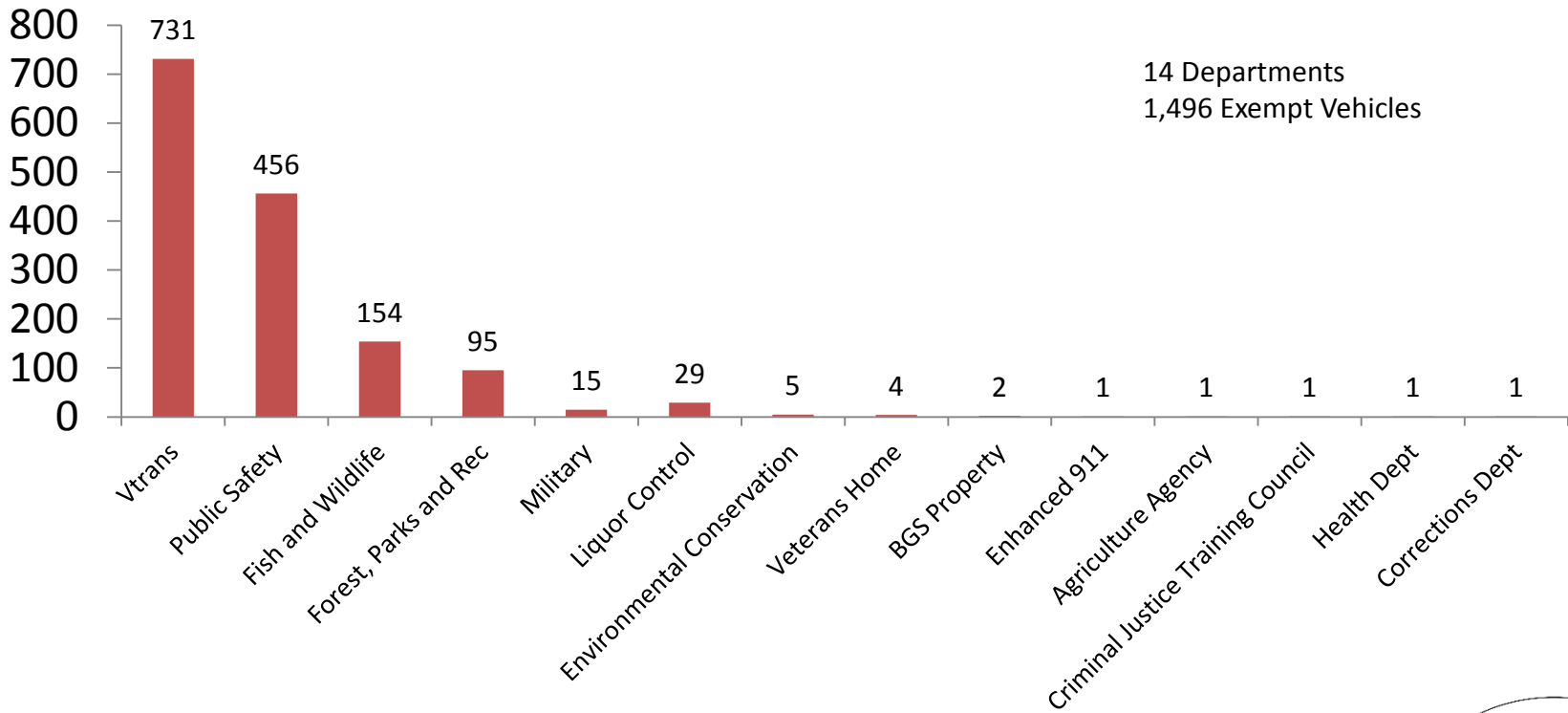
Total Accidents – 74

- DCF (16)
- DOC (11)
- AGR (6)
- VTRANS (9)
- DEC (7)
- FPR (4)
- DAIL (2)
- BGS (5)
- HEALTH (4)
- OTHER DEPTS (10)



Exempt Vehicle Inventory

The program is responsible to maintain the official inventory of all state-owned vehicles per Agency of Administration Bulletin 2.3. Agencies and departments granted exemption from the program are required to report annually on their state vehicles, with the exception of Agency of Transportation and Department of Public Safety, which are managed and reported independently.

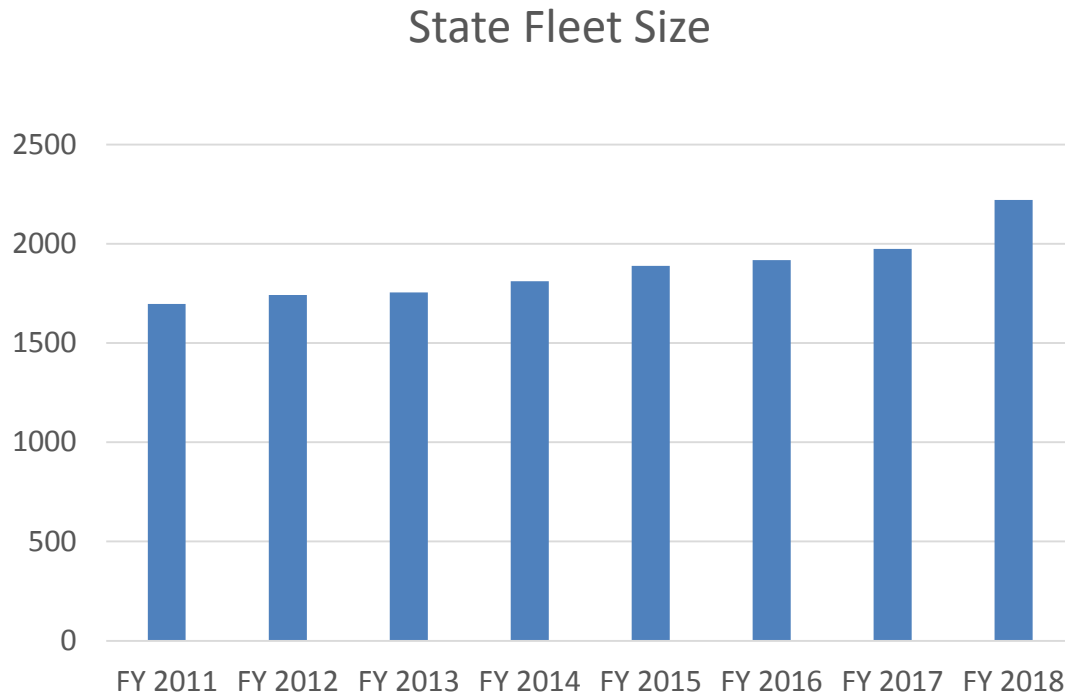


VTrans inventory as of 6/26/18
 DPS inventory as of 10/26/18
 Others inventory as of 2/4/19



State-Owned Vehicle Inventory

Based on data collected from agencies and departments, the number of state-owned vehicles has steadily increased since FY 2011, some of which is likely attributable to efforts to shift state travel to lower cost fleet vehicles.



State-Owned Vehicle Inventory History			
	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
FY 2017	734	1240	1974
FY 2018	724	1496	2220