



## Agenda of the Motor Vehicle Review Committee

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Tuesday, June 23, 2009  
Utah State Capitol Complex  
State Capitol, Room 250  
Salt Lake City, Utah  
9:00 AM

- (Action) Approval of Minutes from March 26, 2009.....Tab 1
- (Action) Vehicle Leasing Proposal.....Tab 2
- (Information) Inthinc Pilot Baseline Data.....Tab 3
- (Action) Administrative Rule R27-4 Language Updates.....Tab 4
- (Information) FY2011 Rate Proposals and the Annual Rate Process.....Tab 5
- (Information) Energy Intelligence Project.....Tab 6
- (Action) Supporting Mass Transit with State Vehicles.....Tab 7

# Motor Vehicle Review Committee



March 26, 2009

## MINUTES

### Motor Vehicle Review Committee Members in attendance:

Kimberly Hood, Chair  
Dennis Carver  
Roxie Huntsman  
Scott Harding  
Kirk Middaugh  
Steve McCarthy  
Kent Beers  
Paul Mash  
David Rees  
Robin Erikson  
Dave Rees

### Fleet Operations and Guests in attendance:

Margaret Chambers	Division of Fleet and Surplus Services
Sam Lee	Division of Fleet and Surplus Services
Corry Hill	Division of Fleet and Surplus Services
Scott Bingham	Division of Fleet and Surplus Services
Jeff Done	Division of Fleet and Surplus Services
Brian Fay	Division of Fleet and Surplus Services
Sal Petilos	Department of Administrative Services
Marlene Seedall	Department of Workforce Services
Jake Jacobsen	Division of Facilities and Construction Mgmt
Kimberly Willette	Governors Office of Planning and Budget
Richard Cumba	Department of Health
Edward Benson	Salt Lake Community College
Erik Berge	Enterprise Rent a Car
Matt Matsukawa	
Steve Roll	Go Natural CNG
Jeffery Harvey	Inthinc
Brian Young	Inthinc

On Thursday, March 26, 2009 the Motor Vehicle Review Committee held their regularly scheduled meeting in room 250 of the State Capitol, Salt Lake City, Utah. Chair Hood called the meeting to order at 9:01 a.m.

### **1. Approval of Minutes for December 10, 2009**

Chair Hood asked if there were any corrections that needed to be made to the minutes.

**MOTION:** Dennis Carver moved to approve the minutes from December 10, 2008. Paul Mash seconded the motion.

The motion passed unanimously.

### **2. Vehicle Utilization**

Sam Lee gave an update on the progress of vehicle utilization. In years past our model has been to have vehicles drive a minimum of 625 miles per month or they were considered low use. Fleet Operations would like to base the utilization on vehicle class instead of the standard 625 miles per vehicle. We have contacted the Agencies to find out how individual vehicles are being used. The spreadsheet shows our first attempt to classify utilization by vehicle class. Fleet is still trying to come up with the math to figure out what the mileage range will be for each class.

Dennis Carver requested a memo be sent out by Kim Hood to the Redwood Road Campus to let them know the Natural Resources pool is available for use by other agencies.

Steve McCarthy asked if there was going to be a way to look at utilization by the number of hours the equipment is used. UDOT has many vehicles which are used all day on construction sites, but are not driven during that time. They are not receiving miles, but they are being used. Will telematics be able to capture that information? Sam Lee stated the list is not comprehensive. It still needs editing. If there are further adjustments that need to be made we would like the Agencies to let us know.

Paul Mash complimented Fleet Operations on moving in this direction on the utilization.

### **3. Expansion Vehicle Rule**

Sam Lee went over the changes to Administrative Rule R27-4 to reflect clean-up and the changes for requesting an expansion vehicle.

Sam Lee stated on R27-4-2(1) the Fleet Vehicle Advisory Committee has been removed and replaced with DFO staff. Dennis Carver asked if the Motor Vehicle Review committee should be reviewing the vehicle standards since there are many different agencies with different needs. If not then this part of the rule should be taken out since DFO doesn't need to advise itself. Sam Lee stated the Fleet Vehicle Advisory Committee used to be part of the Motor Vehicle Review Committee (MVRC) but then the MVRC stopped meeting for a time and Fleet Operations took over the responsibility.

Then the justification process took over for the Agencies to come up with their vehicle standards. Margaret Chambers stated the methodology used to come up with the standards could be put on the MVRC agenda so the MVRC would know what Fleet Operations looks at to come up with the standards for that year.

Margaret Chambers stated after the packets had been printed she met with Dianne Nielson the Governors Energy Advisor. Dianne Nielson recommended adding to rule that Agencies who are expanding their fleet also need to explain how they are going to lower their energy from the baseline with the additional vehicle(s).

Dave Rees stated it should be a policy not a rule because we do not want to have to clean up the rule again in 2015 when the goal is met.

**Motion:** Paul Mash motioned to make the changes to Rule R27-4 and to add another line in R27-4-5(7) to require the 2015 Energy Plan as part of the process. Robin Erickson seconded the motion.

Motion passed with Dennis Carver, Kirk Middaugh, and Dave Rees voting against the motion.

#### **4. Energy Update**

Brian Fay from Fleet Operations presented an update on the Energy reports created by Fleet Operations to show the Energy progress quarterly. A yearly report is also run to include the personal vehicle usage and the Enterprise daily pool rentals.

Brian Fay also explained the new Energy dashboard which is currently being created. This will allow Agencies to drill down to the vehicle level and compare their vehicles against the State as a whole or to another Agency.

The Governor will be holding an Energy Summit on May 27, 2009 to go over his Energy initiatives and create E-Teams which will be a person from each Department who will work with employees to change human behavior.

#### **5. Telematics Update**

Sam Lee stated we have made significant progress on testing telematics. Fleet Operations was approached by a company called Inthinc. Fleet Operations will be doing a sole source pilot with Inthinc. The Inthinc units give in cab real time feedback to the driver about their driving behavior. If the driver corrects their behavior the driver is not reported. If the driver does not correct the behavior the incident is reported to Fleet Operations.

Jeff Harvey and Brian Young from Inthinc made a presentation about their product. A copy of the presentation may be found in the packet.

10:26 am Chair Hood turned the chair over to Sal Petilos.

Kent Beers asked for the baseline data for the vehicles that are chosen to be part of the pilot program.

## **6. Vehicle Leasing**

Substitute Chair Petilos moved this agenda item to the next MVRC meeting because of time.

## **7. Legislative Updates**

Margaret Chambers explained the updates from the 2009 Legislative session.

**Motion:** Paul Mash motioned to adjourn. Steve McCarthy seconded the motion.

Substitute Chair Petilos adjourned the meeting at 11:28 am.

Attachment: Administrative Rule R27-4 as approved by the MVRC without the Energy Initiative explanation added. Fleet Operations will add the Energy Initiative portion to the rule and bring back to the MVRC for approval.

**R27. Administrative Services, Fleet Operations.**

**R27-4. Vehicle Replacement and Expansion of State Fleet.**

**R27-4-1. Authority.**

(1) This rule is established pursuant to Subsections 63A-9-401(1)(a), 63A-9-401(1)(d)(v), 63A-9-401(1)(d)(ix), 63A-9-401(1)(d)(x), 63A-9-401(1)(d)(xi), 63A-9-401(1)(d)(xii), 63A-9-401(4)(ii), and 63A-9-401(6) which require the Division of Fleet Operations (DFO) to: coordinate all purchases of state vehicles; make rules establishing requirements for the procurement of state vehicles, whether for the replacement or upgrade of current fleet vehicles or fleet expansion; make rules establishing requirements for cost recovery and billing procedures; make rules establishing requirements for the disposal of state vehicles; make rules establishing requirements for the reassignment and reallocation of state vehicles and make rules establishing rate structures for state vehicles.

(a) All agencies exempted from the DFO replacement program shall provide DFO with a complete list of intended vehicle purchases prior to placing the order with the vendor.

(b) DFO shall work with each agency to coordinate vehicle purchases to make sure all applicable mandates, including but not limited to alternative fuel mandates, and safety concerns are met.

(c) DFO shall assist agencies, including agencies exempted from the DFO replacement program, in their efforts to insure that all vehicles in the possession, control, and/or ownership of agencies are entered into the fleet information system.

(2) Pursuant to Subsection 63J-1-306(8)(f)(ii), vehicles acquired by agencies, or monies appropriated to agencies for vehicle purchases, may be transferred to DFO and, when transferred, become part of the Consolidated Fleet Internal Service Fund.

**R27-4-2. Fleet Standards.**

(1) Prior to the purchase of replacement and legislatively approved expansion vehicles for each fiscal year, the [~~Fleet Vehicle Advisory Committee (FVAC)~~] DFO staff shall, on the basis of input from user agencies, recommend to DFO:

(a) a Standard State Fleet Vehicle (SSFV)

(b) a standard vehicle and the features and miscellaneous equipment to be included in said vehicle for each vehicle class in the fleet.

(2) DFO shall, after reviewing the recommendations made by the [~~FVAC~~] DFO staff, determine and establish, for each fiscal year:

(a) a SSFV

(b) the standard replacement vehicle, along with included features and miscellaneous equipment for each vehicle class in the fleet. A standard vehicle and the features and miscellaneous equipment to be included in said vehicle for each vehicle class in the fleet.

(3) DFO shall establish lease rates designed to recover, in addition to overhead and variable costs, the capital cost associated with acquiring a standard replacement vehicle for each vehicle class in the fleet.

(4) DFO shall establish replacement cycles according to vehicle type and expected use. The replacement cycle that applies to a particular vehicle supposes that the vehicle will be in service for a specified period of time and will be driven an optimum number of miles within that time. Whichever of the time or mileage criterion is reached first shall result in the vehicle's replacement.

**R27-4-3. Delegation of Division Duties.**

(1) Pursuant to the provisions of UCA 63A-9-401(6), the Director of DFO, with the approval of the Executive director of the Department of Administrative Services, may delegate motor vehicle procurement and disposal functions to institutions of higher education by contract or other means authorized by law, provided that:

(a) The funding for the procurement of vehicles that are subject to the agreement comes from funding sources other than state appropriations, or the vehicle is procured through the federal surplus property donation program;

(b) Vehicles procured with funding from sources other than state appropriations, or through the federal surplus property donation program shall be designated "do not replace;" and

(c) In the event that the institution of higher education is unable to designate said vehicles as "do not replace," the institution shall warrant that it shall not use state appropriations to procure their respective replacements without legislative approval.

(2) Agreements made pursuant to Section 63A-9-401(6) shall, at a minimum, contain:

(a) a precise definition of each duty or function that is being allowed to be performed; and

(b) a clear description of the standards to be met in performing each duty or function allowed; and

(c) a provision for periodic administrative audits by either the DFO or the Department of Administrative Services; and

(d) a representation by the institution of higher education that the procurement or disposal of the vehicles that are the subject matter of the agreement shall be coordinated with DFO. The institution of higher education shall, at the request of DFO, provide DFO with a list of all conventional fuel and alternative fuel vehicles it anticipates to procure or dispose of in the coming year. Alternative fuel vehicles shall be purchased by the agency or institution of higher education, when necessary, to insure state compliance with federal AFV mandates; and

(e) a representation by the institution of higher education that the purchase price is less than or equal to the state contract price for the make and model being purchased; and in the event that the state contract price is not applicable, that the provisions of Section 63-56-1 shall be complied with; and

(f) a representation that the agreement is subject to the provisions of UCA 63J-1-306, Internal Service Funds - Governance and review; and

(g) a representation by the institution of higher education that it shall enter into DFO's fleet information system all information that would be otherwise required for vehicles owned, leased, operated or in the possession of the institution of higher education; and

(h) a representation by the institution of higher education that it shall follow state surplus rules, policies and procedures on related parties, conflict of interest, vehicle pricing, retention, sales, and negotiations; and

(i) a date on which the agreement shall terminate if the agreement has not been previously terminated or renewed.

(3) An agreement made pursuant to Section 63A-9-401(7) may be terminated by DFO if the results of administrative audits conducted by either DFO or the Department of Administrative Services reveal a lack of compliance with the terms of the agreement.

#### **R27-4-4. Vehicle Replacement.**

(1) All state fleet motor vehicles shall, subject to budgetary constraints, be replaced when the vehicle meets the first of either the mileage or time component of the established replacement cycle criteria.

(2) Prior to the purchase of replacement motor vehicles, DFO shall provide each agency contact with a list identifying all vehicles that are due for replacement, and the ~~the [standard replacement vehicle for the applicable class] Standard State Fleet Vehicle (SSFV) [that has been established by DFO after reviewing the recommendations of the FVAC DFO staff]~~ that will be purchased to take the place of each vehicle on the list.

(3) All vehicles replacements will default to a SSFV.

(4) Pursuant to Section 63A-9-401(4)(b)(iv), agencies may request a non-SSFV as long as one or more of the following justifications are cited:

- (a) Passenger space
- (b) Type of items carried
- (c) Hauling or towing capacity
- (d) Police pursuit capacity
- (e) Off-road capacity
- (f) 4x4 capacity
- (g) Emergency service (police, fire, rescue services) capacity
- (h) Attached equipment capacity (snow plows, winches, etc.)
- (i) Other justifications as approved by the Director of DFO or the director's designee.

(5) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for the replacement of a motor vehicle with a ~~non-standard vehicle~~ SSFV.

(6) Agencies may request that state fleet motor vehicles in their possession or control that have a history of excessive repairs, but have not reached either the mileage or time component of the applicable replacement cycle, be replaced. The request to replace motor vehicles with a history of excessive repairs is subject to budgetary constraints and the approval of the Director of DFO or the director's designee.

(7) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for the replacement of motor vehicles with a history of excessive repairs.

(8) In the event that the replacement vehicle is not delivered to the agency by the vendor, the agency shall have five working days to pick-up the replacement vehicle from DFO, after receiving official notification of its availability. If the vehicles involved are not exchanged within the five-day period, a daily storage fee will be assessed and the agency will be charged the monthly lease fee for both vehicles.

(9) DFO is responsible for insuring that the state motor vehicle fleet complies with United States Department of Energy alternative fuel vehicle (AFV) mandates. DFO may require that a certain number of replacement vehicles, regardless of the requesting agency, be alternate fuel vehicles to insure compliance with said AFV mandates.

#### **R27-4-5. Fleet Expansion.**

(1) Any expansion of the state motor vehicle fleet requires legislative approval.

(2) The agency requesting a vehicle that will result in fleet expansion or that a vehicle currently designated "do not replace" be placed on a replacement cycle, shall be required to provide proof of the requisite legislative approval and funding for the procurement of an expansion vehicle or the placement of a "do not replace" vehicle on a replacement cycle, and any additional features and miscellaneous equipment, before DFO is authorized to purchase the expansion vehicle.

(3) For the purposes of this rule, an agency shall be deemed to have the requisite legislative approval under the following circumstances only:

(a) The procurement of expansion vehicles or the placement of a "do not replace" vehicle on a replacement cycle is explicitly authorized by the Appropriations Committee during the general legislative session; or

(b) The procurement of expansion vehicles or the placement of a "do not replace" vehicle on a replacement cycle is explicitly authorized by a special session of the legislature convened for the express purpose of approving fleet expansion.

(4) For the purposes of this rule, only the following shall constitute acceptable proof of legislative approval of the requested expansion or placement of a "do not replace" vehicle on a replacement cycle:

(a) A letter, signed by the agency's Chief Financial Officer, citing the specific line item in the appropriations bill providing said authorization; or

(b) Written verification from the agency's analyst in the Governor's Office of Planning and Budget (GOPB) indicating that the request for expansion was authorized and funded by the legislature.

(5) Prior to the purchase of an expansion motor vehicle, DFO shall provide each agency contact with the Standard State Fleet Vehicle (SSFV) that will be purchased.

(6) All expansion vehicles will default to a SSFV.

(7) Pursuant to Section 63A-9-401(4)(b)(iv), agencies may request a non-SSFV as long as one or more of the following justifications are cited:

(a) Passenger space

(b) Type of items carried

(c) Hauling or towing capacity

(d) Police pursuit capacity

(e) Off-road capacity

(f) 4x4 capacity

(g) Emergency service (police, fire, rescue services) capacity

(h) Attached equipment capacity (snow plows, winches, etc.)

(i) Other justifications as approved by the Director of DFO or the director's designee.

(6) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for the expansion motor vehicle to be a non-SSFV.

~~(5)~~(8) Upon receipt of proof of legislative approval of an expansion from the requesting agency, DFO shall provide to the State Division of Finance copies of the proof submitted in order for the Division of Finance to initiate the process for the formal transfer of funds necessary to procure the expansion vehicle(s) from the requesting agency to DFO. In no event shall DFO purchase expansion vehicles for requesting agencies until the Division of Finance has completed the process for the formal transfer of funds.

~~(6)~~(9) In the event that the requesting agency receives legislative approval for placing a "do not replace" vehicle on a replacement cycle, the requesting agency shall, in addition to providing DFO with proof of approval and funding, provide the Division of Finance with funds, for transfer to DFO, equal to the amount of depreciation that DFO would have collected for the number of months between the time that the "do not replace" vehicle was put into service and the time that the requesting agency begins paying the applicable monthly lease rate for the replacement cycle chosen. In no event shall DFO purchase a replacement vehicle for the "do not replace" vehicle if the requesting agency fails to provide funds necessary to cover said depreciation costs.

~~(7)~~(10) When the expansion vehicle is procured, the vehicle shall be added to the fleet and a replacement cycle established.

~~(8)~~(11) DFO is responsible for insuring that the state motor vehicle fleet complies with United States Department of Energy alternative fuel vehicle (AFV) mandates. DFO may require that a certain number of expansion vehicles, regardless of the requesting agency, be alternate fuel vehicles to insure in compliance with said AFV mandates.

#### **R27-4-6. Vehicle Feature and Miscellaneous Equipment Upgrade.**

(1) Additional feature(s) or miscellaneous equipment to be added to the standard replacement vehicle in a given class, as established by DFO after reviewing the recommendations of the ~~Fleet Vehicle Advisory Committee (FVAC)~~ DFO staff, that results in an increase in vehicle cost shall be deemed a feature and miscellaneous equipment upgrade. A feature or miscellaneous equipment upgrade occurs when an agency requests:

(a) That a replacement vehicle contains a non-standard feature. For example, when an agency requests that an otherwise standard replacement vehicle have a diesel rather than a gasoline engine, or that a vehicle contain childproof locks.

(b) The installation of additional miscellaneous equipment not installed by the vehicle manufacturer. For example, when an agency requests that light bars or water tanks be installed on an otherwise standard replacement vehicle.

(2) Requests for feature and miscellaneous equipment upgrades shall be made in writing and:

(a) Present reasons why the upgrades are necessary in order to meet the agency's needs, and

(b) Shall be signed by the requesting agency's director, or the appropriate budget or accounting officer.

(3) All requests for vehicle feature and/or miscellaneous equipment upgrades shall be subject to review and approval by the Director of DFO or the director's designee. Vehicle feature and/or miscellaneous equipment upgrades shall be approved when in the judgment of the Director of DFO or the director's designee, the requested feature and/or miscellaneous equipment upgrades are necessary and appropriate for meeting the agency's needs.

(4) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for a feature and/or miscellaneous equipment upgrade.

(5) Agencies obtaining approval for feature and/or miscellaneous equipment upgrades shall, prior to the purchase of the vehicle, pay in full to DFO, a feature and/or miscellaneous equipment upgrade rate designed to recover the total cost associated with providing the additional feature(s) and/or miscellaneous equipment, unless the requesting agency otherwise negotiates an agreement with DFO for payments to be made in installments, and provided that the terms of the installment agreement do not delay the payment of the general fund debt.

(6) In the event that an agreement providing for the payment of a feature and/or miscellaneous equipment upgrade in installments is reached, the agency shall indemnify and make DFO whole for any losses incurred resulting from damage to, loss or return of the vehicle and/or equipment prior to the receipt of all payment installments by DFO.

#### **R27-4-7. Agency Installation of Miscellaneous Equipment.**

(1) The director of the Division of Fleet Operations, with the approval of the Executive Director of the Department of Administrative Services, may enter into Memoranda of Understanding allowing customer agencies to install miscellaneous equipment on or in state vehicles if:

(a) the agency or institution has the necessary resources and skills to perform the installations; and

(b) the agency or institution has received approval for said miscellaneous equipment as required by R27-4-6.

(2) Each memorandum of understanding for the installation of miscellaneous equipment shall, at a minimum, contain the following:

(a) a provision that monthly lease fees shall be charged to the agency from the date of the agency's receipt of the replacement vehicle as required under R27-4-9(7)(b); and

(b) a provision that said agency shall indemnify and hold DFO harmless for any claims made by a third party that are related to the installation of miscellaneous equipment in or on state vehicles in the agency's possession and/or control; and

(c) a provision that said agency shall indemnify DFO for any damage to state vehicles resulting from installation or de-installation of miscellaneous equipment; and

(d) a provision that agencies with permission to install miscellaneous equipment shall enter into the DFO fleet information system the following information regarding the miscellaneous

equipment procured for installation in or on state vehicles, whether the item is held in inventory, currently installed on a vehicle, or sent to surplus;

- (i) item description or nomenclature; and
- (ii) manufacturer of item; and
- (iii) item identification information for ordering purposes; and
- (iv) procurement source; and
- (v) purchase price of item; and  
expected life of item in years; and
- (vi) warranty period; and
- (vii) serial number;
- (viii) initial installation date; and
- (ix) current location of item (warehouse, vehicle number); and
- (x) anticipated replacement date of item; and
- (xi) actual replacement date of item; and
- (xii) date item sent to surplus; and SP-1 number.

(e) a provision requiring the agency or institution with permission to install being permitted to install miscellaneous equipment to obtain insurance from the Division of Risk Management in amounts sufficient to protect itself from damage to, or loss of, miscellaneous equipment installed on state vehicles. Agencies or institutions with permission to install miscellaneous equipment shall hold DFO harmless for any damage to, or loss of miscellaneous equipment installed in state vehicles.

(f) a provision that DFO shall provide training and support services for the fleet information system and charge agencies with permission to install miscellaneous equipment [~~an~~] a Management Information System (MIS) fee to recover these costs.

(g) a date on which the agreement shall terminate if the agreement has not been previously terminated or renewed.

(3) Agreements permitting agencies or institutions to install miscellaneous equipment in or on state vehicles may be terminated if there is a lack of compliance with the terms of the agreement by the state agency or institution.

#### **R27-4-8. Vehicle Class Differential Upgrade.**

(1) For the purposes of this rule, requests for vehicles other than the [~~planned replacement vehicle~~] SSFV established by DFO after reviewing the recommendations of the [~~Fleet Vehicle Advisory Committee (FVAC)~~] DFO staff, that results in an increase in vehicle cost shall be deemed a vehicle class differential upgrade. For example, a vehicle class differential upgrade occurs when, regardless of additional features and/or miscellaneous equipment:

(a) The replacement vehicle requested by the agency, although within the same vehicle class as the vehicle being replaced, is not the standard replacement vehicle established by DFO for that class.

(b) The agency requests that a vehicle be replaced with a more expensive vehicle belonging to another class. For example, when an agency requests to have a standard 1/2 ton truck replaced with a standard 3/4 ton truck, or a compact sedan be replaced with a mid-size sedan.

(2) Requests for vehicle class differential upgrades shall be made in writing and:

(a) Present reasons why the upgrades are necessary in order to meet the agency's needs, and

(b) Shall be signed by the requesting agency's director or the appropriate budget or accounting officer.

(3) All requests for vehicle class differential upgrades shall be subject to review and approval by the Director of DFO or the director's designee. Vehicle class differential upgrades shall be approved only when:

(a) In the judgment of the Director of DFO or the director's designee, the requested vehicle upgrade is necessary and appropriate for meeting the demands of changing operational needs for which the planned replacement vehicle is clearly inadequate or inappropriate;

(b) In the judgment of the Director of DFO or the director's designee, the requested vehicle upgrade is necessary and appropriate for meeting safety, environmental, or health or other special needs for drivers or passengers.

(4) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for a vehicle class differential upgrade.

(5) Agencies obtaining approval for vehicle class differential upgrade(s) at the end of the applicable replacement cycle shall pay to DFO, in full, prior to the purchase of the vehicle, a vehicle class differential upgrade rate designed to recover the difference in cost between the planned replacement vehicle and the actual replacement vehicle when the replacement vehicle is a more expensive vehicle belonging to the same or another class.

(6) Agencies obtaining approval for vehicle class differential upgrade(s) prior to the end of the current vehicle's replacement cycle shall, prior to the purchase of the replacement vehicle, pay to DFO, in full, an amount equal to the difference in cost between the actual replacement vehicle and the planned replacement vehicle plus the amount of depreciation still owed on the vehicle being replaced, less the salvage value of the vehicle being replaced.



# Motor Vehicle Review Committee

## State of Utah

Jon M Huntsman, Jr.  
*Governor*

Kimberly Hood  
*Executive Director*  
*Department of Administrative Services*

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### MEMORANDUM

To: Motor Vehicle Review Committee  
From: Margaret Chambers  
Date: June 23, 2009  
Subject: **Vehicle Leasing Proposal**  
Action: **Determine if there are any area's presented that DFO should investigate**

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### **Report on Fleet Operations: DNR (copied from meeting minutes)**

Mike Styler, Executive Director, Department of Natural Resources, spoke to the assignment given at the special budget session 2008, for the Department to explore savings in transportation by studying costs within the motor pool fleet and report back to the Natural Resources Appropriations Committee during the 2009 General Session. He introduced Paul Lauria and Janis Christensen of Mercury Associates, an independent consulting firm. The Department is looking for innovative ways to reduce costs of its fleet while maintaining an acceptable level of service for employees who utilize those assets to perform their duties. Mercury Associates is an employee-owned fleet manager-consulting firm. Their primary business is to help organizations reduce fleet costs and improve fleet performance. Margaret Chambers, Director, Utah Fleet Operation and Fleet Administration, responded to questions and concerns from committee members. Alternative strategies were discussed and it was suggested Director Styler proceed with a cost reduction analysis.

The recording of the presentation is available  
<http://le.utah.gov/asp/interim/Commit.asp?Year=2009&Com=APPNRA>  
Wednesday Feb 11, 2009 audio first 40 minutes of the audio

## Cost Savings Options Presented

1. RFP for vehicle financing and service provider
  - a. Harness competitive pressures
  - b. Create Benchmarks
2. Fleet Leasing
  - a. Lower acquisition cost – potential benefit of mass purchase
  - b. Higher residual value
    - i. Presale
    - ii. Managing days to sell
    - iii. Remarketing – paid before the vehicle is sold (ARI provides this service)
  - c. Downsize – not locked in to keeping a vehicle for the full term
  - d. Expansion - access to pools
3. Actual cost vs mileage rate
  - a. Cost transparency - Charge lessee the true cost of the repair service – hold the driver responsible for excessive wear and tear. “You should know what it costs to run your vehicle”
4. Lifecycle cost analysis for replacement vehicles
  - a. Vehicle selector - compare competing makes and models based on total cost of service
  - b. Greater flexibility of acquisition
    - i. Purchase used vehicles – it is a buyers market for larger vehicles pickup trucks and SUV’s that are 1 – 2 years old
5. Budget impacts of Pay before you go compared to Pay as you go
6. Smooth out peaks and valleys of vehicle purchase
7. Example :
  - net savings during the first 10 years
  - over 20 years there is a net cost“To the extent that there is a need for cash you may want to look at these opportunities”
8. Sell current fleet to leasing company to generate cash



# Motor Vehicle Review Committee

State of Utah

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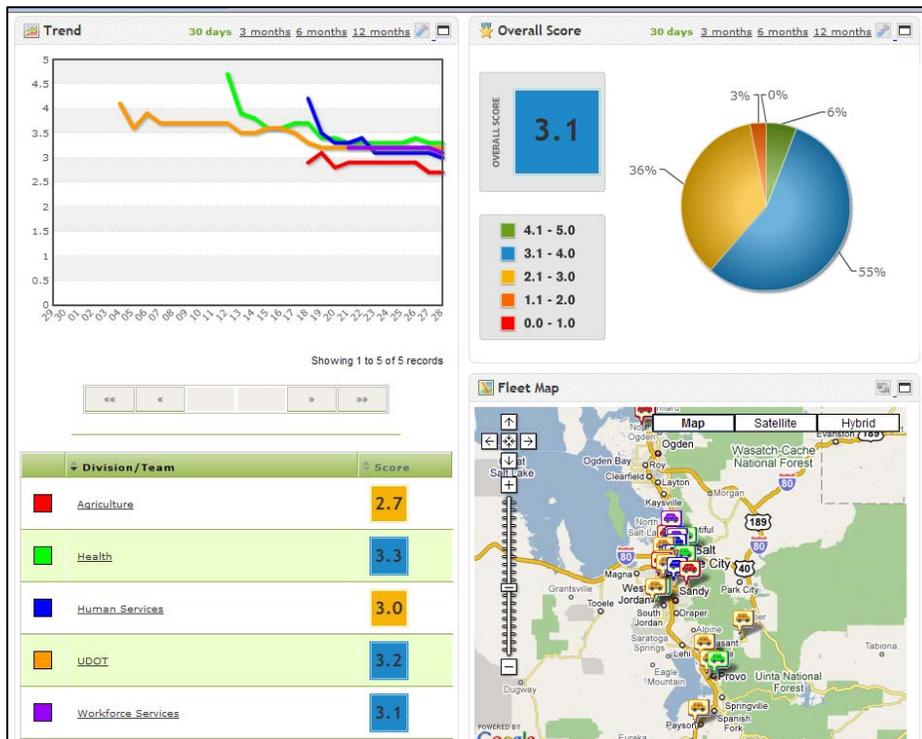
## MEMORANDUM

To: Motor Vehicle Review Committee  
From: Sam Lee  
Date: June 23, 2009  
Subject: **Baseline data from the Inthinc pilot**

At the last Motor Vehicle Review Committee meeting representatives from the company “Inthinc” made a presentation about their telematics product the state fleet was ready to install. Since that time 50 telematics devices from Inthinc have been installed in fleet vehicles under the proposed pilot program.

During the first two months of the pilot program (May and June of 2009) a baseline of data is being gathered while the mentoring device in the cab of the vehicle is not active.

The following screen shots are intended as an introduction to the format and structure of the actual reports available from Inthinc through their web portal.





[Help](#)
[My Account](#)
[Log Out](#)

[Home](#)
[Reports](#)
[Notifications](#)
[Live Fleet](#)
[Admin](#)

[Drivers](#)
[Vehicles](#)
[Idling](#)
[Devices](#)

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**Driver Report**

There are 282 red flags. [view](#)

Showing 1 to 25 of 50 records

Group	Driver	Vehicle	Miles Driven	Overall	Style	Seat Belt
Agriculture	Driver01 Agriculture	FO13265	680	2.1	2.2	3.1
Agriculture	Driver02 Agriculture	FO13134	334	3.2	5.0	5.0
Agriculture	Driver03 Agriculture	FO12564	133	2.5	1.9	5.0
Agriculture	Driver04 Agriculture	FO12356	138	3.3	5.0	4.9
Agriculture	Driver05 Agriculture	FO12811	726	1.7	1.4	2.7



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**Red Flags** Custom red flags setup by your organization

Showing 1 to 25 of 282 records for the past 7 days

Level	Alert	Date/Time	Group	Driver	Vehicle	Category	Detail	
warning	yes	May 28, 2009 5:20 PM (MDT)	UDOT	Driver36 UDOT	FO11400	Safety: Speeding	Driver was speeding, 37 mph in a 25 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 5:13 PM (MDT)	Workforce Services	Driver26 WorkforceServices	FO12552	Safety: Speeding	Driver was speeding, 76 mph in a 65 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 5:06 PM (MDT)	Workforce Services	Driver26 WorkforceServices	FO12552	Safety: Speeding	Driver was speeding, 78 mph in a 65 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 4:57 PM (MDT)	Workforce Services	Driver26 WorkforceServices	FO12552	Safety: Speeding	Driver was speeding, 36 mph in a 25 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 4:55 PM (MDT)	Health	Driver12 HealthDept	FO12821	Safety: Speeding	Driver was speeding, 80 mph in a 65 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 4:46 PM (MDT)	Human Services	Driver19 HumanServices	FO12803	Safety: Speeding	Driver was speeding, 38 mph in a 25 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 4:40 PM (MDT)	UDOT	Driver33 UDOT	FO10356	Safety: Speeding	Driver was speeding, 49 mph in a 30 mph zone.	<a href="#">clear</a>
warning	yes	May 28, 2009 4:33 PM (MDT)	UDOT	Driver35 UDOT	FO10340	Safety: Speeding	Driver was speeding, 42 mph in a 30 mph zone.	<a href="#">clear</a>



## State of Utah

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# Motor Vehicle Review Committee

### MEMORANDUM

To: Motor Vehicle Review Committee  
From: Sam Lee  
Date: June 23, 2009  
Subject: **Rule R27-4 Language Updates**

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During the last Motor Vehicle Review Committee (MVRC) meeting numerous changes to Administrative Rule R27-4 were presented and approved by the committee. As the changes to the rule were discussed additional language was requested in a motion by Paul Mash. The motion, approved by the Committee, asks DFO to further define agency energy requirements in relation to expansion vehicles. The new language (as defined below) would require agencies to submit a report to DFO outlining a plan showing how the expansion vehicle's energy output could be offset in some other way within the agency.

See the language intended for Section 5 of administrative rule R27-4:

#### **R27-4-5. Fleet Expansion.**

- (1) Prior to seeking legislative approval for fleet expansion, the agency requesting a vehicle must submit to DFO the following:
  - (a) A justification report for the expansion vehicle that includes the following:
    - (i) The necessity for the expansion vehicle;
    - (ii) A review of under utilized vehicles currently assigned to the agency.
  - (b) An energy impact report for the requesting agency that includes the following:
    - (i) Anticipated energy impact of the expansion vehicle on the agency;
    - (ii) A plan to offset the energy impact of the expansion vehicle on the agency.



# Motor Vehicle Review Committee

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### MEMORANDUM

To: Motor Vehicle Review Committee  
From: Gary Robertson  
Date: June 23, 2009  
Subject: **FY2011 Rate Proposal and Annual Rate Process Presentation**

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#### **Background:**

The FY2011 rates are expected to be presented to the Rate Committee in either July or August of 2009. The following rates actions are anticipated.

#### **FY 2011 Surplus Services Rate Proposal**

No proposed changes for Surplus Property

#### **FY 2011 Fuel Dispensing Network Rate Proposal**

No proposed changes for Fuel Network

#### **FY 2011 Fleet Services Rate Proposal**

##### Hybrid Technology Salvage Values

- New salvage values for hybrid lease rates: (No impact for FY2011)

In conjunction with the anticipated implementation of new hybrid technology lease rates in FY2012, the Division is analyzing hybrid resale data in order to determine salvage values. These values will be used in calculating the monthly lease rates for hybrid vehicles. Through these rates, the Division will start recovering the costs of the newer hybrid vehicles being acquired beginning in FY2008.



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### MEMORANDUM

To: Motor Vehicle Review Committee  
From: Margaret Chambers  
Date: June 23, 2009  
Subject: **Energy Intelligence**

---

Lt. Governor Herbert introduced the “Think! Energy Utah” initiative at the Cabinet Council Utah Saving Energy Initiative on May 27, 2009. An Energy Captain was identified for each member of Cabinet and Cabinet Council. These Energy Captains combine to make the state-wide “E-Team”. Lt. Governor Herbert challenged the Energy Captains to take ownership in leading peers in the human behavior energy education and change initiatives now and into the future.

Kim Hood asked us to develop a Business Intelligence Dashboard that showed the energy efficiency efforts of several divisions in her department. This project was proof of concept for Business Intelligence in Administrative Services. The funding for the project is still being discussed. The “Energy Intelligence Dashboard” was demonstrated at the Cabinet Council meeting.

The Energy Intelligence dashboard was developed using Cognos Metric Studio. It combines energy efficiency Performance Measures from Facilities, Fleet and Purchasing.

Human Behavior was also added to the dashboard to support the “E-Team” grassroots efforts. We have reserved space to show the energy reduction from the personal appliance snapshot and education to our employees. We’ve also saved space for initiatives throughout the year by the energy team.

Having all of this information on the same dashboard we will be able to see if the human behavior affects the building and fleet energy data.

With the help of the “E-Team” we hope to improve this more with driver behavior changes, such as less aggressive driving and idling which can improve fuel efficiency significantly.

Additional Performance Measures have been included for fleet and will be available by Department.

Energy Champions were also recognized at the Cabinet Council Meeting. The Fleet Champions for this year are:

### **Use of Compressed Natural Gas - Utah State University**

Utah State University has led the way in the use of CNG in the state fleet. In fiscal year 2008, Utah State University accounted for half of the CNG usage in the state with nearly 29,000 Gasoline Gallon Equivalents. This effort has reduced CO2 emissions by 110 metric tons which equates to 20 vehicles off the road.

### **Effort to Right Size Vehicles - Department of Natural Resources**

Over the past 2 years, the Department of Natural Resources has made a great effort to analyze the usage of their vehicles to insure the proper vehicle for the job. This has resulted in a net total of 70 vehicles that were replaced with either smaller or more efficient options. Nearly 25% of all new vehicles in the DNR fleet have had a positive sizing adjustment.

### **Improved Miles Per Gallon - Department of Technology Services**

The Department of Technology Services made great strides in improving Miles Per Gallon by 1 Mile Per Gallon in FY08. Though they increased total miles driven by nearly 10,000 miles, they were able to reduce fuel used by over 1,800 gallons.

### **Miles Reduced - Department of Health**

The Department of Health fleet did an amazing job at reducing miles driven in FY08. They were able to reduce driving by 208,000 miles (over 20% reduction) over the previous year. This reduction saved over 8,600 gallons of fuel and reduced CO2 emissions by 76 metric tons (nearly 14 vehicles off the road).

# Energy Intelligence Dashboard

**Metric Studio** Cognos Connection

Log On Most recent values View Tools Help

Scorecards **Initiative - Energy Security** Metrics Projects Reports Diagrams Details

No filter Governor's Agendas / Area

### Energy Efficiency - 20% Increase in Energy Efficiency by 2015

**Facilities**

	Name	Actual	Target	Variance %	Time Period
<input type="checkbox"/>	Energy Star Rating - Facilities	68	75	9.82%	Feb 2009
<input type="checkbox"/>	Buildings that meet or Exceed Energy Star Rating - Facilities	38	93	59.14%	Feb 2009
<input type="checkbox"/>	Energy Efficiency to Baseline - Facilities	4.0%	2.0%	100.70%	Feb 2009
<input type="checkbox"/>	Percent of Buildings Reported - Facilities	10.0%	100.0%	90.00%	Feb 2009

**Fleet**

	Name	Actual	Target	Variance %	Time Period
<input type="checkbox"/>	Number of Vehicles - Fleet	7.59k	7.63k	0.48%	Mar 2009
<input type="checkbox"/>	Total Fuel - Fleet	524.6k	26.4M	98.01%	Mar 2009
<input type="checkbox"/>	Total Miles - Fleet	6.87M	317.67M	97.84%	Mar 2009
<input type="checkbox"/>	Miles per Gallon (R12) - Fleet	17.5	14.8	18.33%	Mar 2009
<input type="checkbox"/>	Alternative Fuel Used - Fleet	19.9k	35.6k	44.21%	Mar 2009

**Purchasing**

	Name	Actual	Target	Variance %	Time Period
<input type="checkbox"/>	Number of Energy Star Contract - Purchasing	45	225	80.00%	May 2009
<input type="checkbox"/>	Number of Energy Star Purchases - Purchasing				No Data
<input type="checkbox"/>	EPEAT Certified Computers - Purchasing				No Data
<input type="checkbox"/>	Solar/Wind Generator Sales - Purchasing	US\$459.00	US\$5.44k	91.56%	Jan 2009

**Human Behaviors**

	Name	Actual	Target	Variance %	Time Period
<input type="checkbox"/>	Personal Appliances - Human Behaviors				No Data
<input type="checkbox"/>	Human Behaviors 1 - Human Behaviors				No Data
<input type="checkbox"/>	Human Behaviors 2 - Human Behaviors				No Data
<input type="checkbox"/>	Human Behaviors 3 - Human Behaviors				No Data



# Performance KPIs & Trophy Report

## Fleet

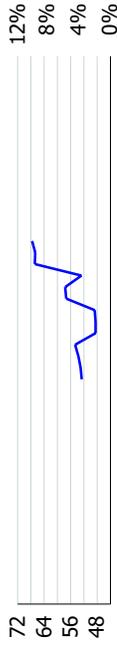
KPIs	Actual	Target
Alternative Fuel Used	20,889.1	34,503.67368
Miles per Gallon (R12)	17.10217	14.75
Number of Vehicles	7,573	7,639
Total Fuel	487,462.375	26,372,168
Total Miles	5,914,027	317,674,390

## Facilities

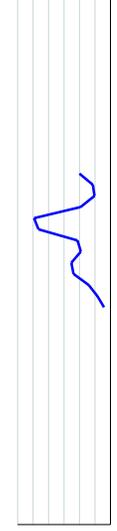
KPIs	Actual	Target
Buildings that meet or Exceed Energy Star Rating	38	93
Energy Efficiency to Baseline	0.04014	0.02
Energy Star Rating	67.6344	75
Percent of Buildings Reported	0.1	1

## Facilities - Key Performance Indicators

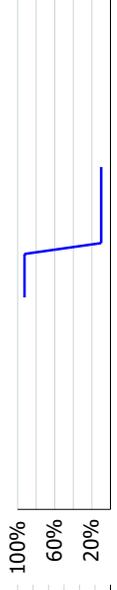
### Energy Star Rating



### Energy Efficiency to Baseline



### Percent of Buildings Reported



## TROPHY - Energy Star Rating

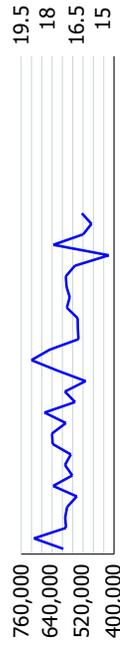
- 1 COURTS FARMINGTON 96
- 1 VERNAL DSPD 96
- 1 WFS CENTRAL 96

## TROPHY - Energy Efficiency Decrease

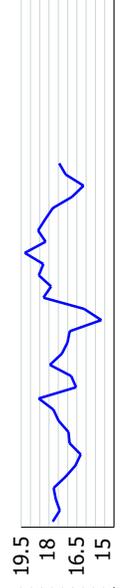
- 1 ABC STORE #31 DRAPER 108.7%

## Fleet - Key Performance Indicators

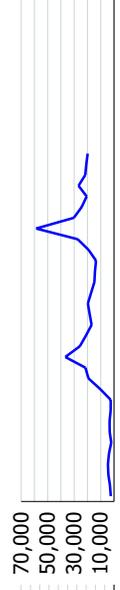
### Total Fuel



### Miles per Gallon (R12)



### Alternative Fuel Used



## TROPHY - Fuel Improvement from Baseline

- 1 Dixie College 0.596

## TROPHY - MPG Improvement from Baseline

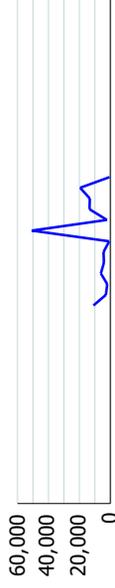
- 1 Utah State University 0.6

## TROPHY - Alternative Fuel Used

- 1 University of Utah 8,789.4

## Purchasing - Key Performance Indicators

### Solar/Wind Generator Sales





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# Motor Vehicle Review Committee

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### MEMORANDUM

To: Motor Vehicle Review Committee  
From: Sam Lee  
Date: June 23, 2009  
Subject: **Supporting Mass Transit with State Vehicles?**

---

The purpose of this agenda item is to gather input and a recommendation from the committee on the following question from at least two agencies leasing vehicles from Fleet Operations: Should Administrative Services (Fleet Operations / Risk Management) allow state vehicle leases for the specific purpose of transporting state employees to/from mass transit hubs?

#### **Background:**

The executive branch in state government has long supported the use of mass transit by its employees across the state to reduce pollution, save parking expenses, and provide potential commute savings to employees through free or reduced bus and/or train passes.

Many state employees who have tried mass transit and have stopped riding the bus or train, report that a significant obstacle to using mass transit is the time/effort to travel to/from mass transit hubs and the employee's office. For many employees the distance to/from their office is too far to walk or bike and can be very uncomfortable in extreme summer or winter conditions.