



Agenda of the Motor Vehicle Review Committee

Tuesday, September 28, 2010
Utah State Capitol Complex
State Capitol, Room 250
Salt Lake City, Utah
10:00 AM

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Motor Vehicle Review Committee



June 10, 2009

MINUTES

Motor Vehicle Review Committee Members in attendance:

Paul Mash, Substitute Chair	Division of Purchasing
Dennis Carver	Department of Natural Resources
Roxie Huntsman	Department of Corrections
Kirk Middaugh	Department of Public Safety
Steve McCarthy	Department of Transportation
Kent Beers	Division of Purchasing
David Rees	University of Utah
Robin Erickson	Utah Clean Cities

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
Brian Fay	Division of Fleet and Surplus Services
Gala Dumas	Division of Fleet and Surplus Services
Jeff Done	Division of Fleet and Surplus Services
Brenda Veldevere	Division of Purchasing
David Bryan	Division of Purchasing
Adrian Ruger	Division of Purchasing

On Tuesday, June 23, 2009 the Motor Vehicle Review Committee held their regularly scheduled meeting in room 250 of the State Capitol, Salt Lake City, Utah. The meeting was called to order at 9:05 am by Substitute Chair Mash.

1. Approval of Minutes from the March 26, 2009 meeting.

Substitute Chair Mash asked if there were any corrections which needed to be made to the minutes.

MOTION: Dennis Carver moved to approve the minutes from March 26, 2009. Kirk Middaugh seconded the motion

The motion passed unanimously.

2. Vehicle Leasing Proposal

Margaret Chambers stated Paul Lauria from Mercury Associates came to the Department of Natural Resources to look into leasing vehicles from Dealerships instead of from Fleet Operations. Mercury Associates also looked into buying used vehicles instead of new vehicles.

David Rees stated at the University of Utah does use both new and used vehicles. He also stated buying the used vehicles creates a lot of administrative work. New vehicles also come with a warranty.

Steve McCarthy stated they are a Capital Lease agency and they do pay their own maintenance and they budget an average cost. He does not see how you can budget an actual cost on maintenance and fuel for the vehicles.

Dennis Carver stated that a year and half ago the DNR Committee Chairman asked DNR to look into privatizing their fleet to reduce fleet costs. Natural Resources contacted Paul Lauria to come in and answer the questions the Chairman was asking.

MOTION: Dave Rees motioned to move onto the next subject

3. Inthinc Baseline Data

Sam Lee stated Fleet Operations has started the baseline data gathering. The units have been installed in 50 vehicles. Currently they are in quiet mode. The voice activated portion of the unit will be turned on July 23, 2009. This will give Fleet Operations two and a half months of baseline data.

Sam Lee showed the different options available for reporting available through the Inthinc site for each vehicle. This will give Fleet Operations the data needed to go to the Agencies to show their drivers behavior.

Kent Beers asked if a demo vehicle could be available for the MVRC meeting. Sam Lee stated Fleet Operations would bring one so it could be test driven.

Steve McCarthy asked what the threshold would be for speeding. When the units were installed there were a few which were left with the audio correction on and they were going off when going one mile over the speed limit. Sam Lee stated for the baseline the threshold was kept at zero to get all of the data. Once Fleet turns the audio correction on it will stay the same as we are trying to gather the baseline.

Dennis Carver stated this should be a menu item instead of forcing it out on everyone. He also stated that saving should greatly outweigh the cost.

4. Rule R27-4 Language Updates

Sam Lee stated during the March meeting there were many changes made to Rule R27. There was also a motion for Fleet Operations to come up with language for the Fleet Expansion portion.

Kent Beers agreed with Dave Rees that a broad brush is better than amending specific language when initiatives change.

Dennis Carver stated the Governor's Office of Planning and Budget should add this information to their form that is filled out by the Agencies for their expansion vehicles. Margaret Chambers understands and stated it is a good idea to go through GOPB. Dennis Carver stated to talk to Phil from GOPB to get it added to the budget process.

Margaret Chambers then asked the committee if they wanted to go forward with the whole rule as it was approved during the last meeting.

Dave Rees stated the Expansion Justification should stay in the rule. The energy piece of the rule should be taken out and given to GOPB to add to their process for the budget because it is easier for them to take it off of their process, then to change a rule as the Administration or Initiative changes.

MOTION: Dave Rees motioned to remove the changes made to Rule R27-4 during the March 26, 2009 meeting. Roxie Huntsman seconded the motion.

Motion passed with Robin Erickson voting against the motion.

MOTION: Dave Rees motioned to approve R27-4 as it is written in the minutes from the March 26, 2009 MVRC meeting and remove the 2015 Energy Initiative information. Dennis Carver seconded the motion.

Motion passed with Robin Erickson voting against the motion.

5. FY2011 Rate Proposal

Gary Robertson from Fleet Operations went over the Fleet Services Rate Methodologies.

MOTION: Dennis Carver moved to have the financials for Fleet Operations for FY2007, FY2008, FY2009 and the budgeted financials for FY2010 be presented at the next MVRC meeting in September. Seconded by Dave Rees.

Motion passed unanimously.

6. Energy Intelligence Project

Margaret Chambers stated that Lieutenant Governor Gary Herbert introduced the “Think! Energy Utah” initiative.

Margaret Chambers then went over the Energy Intelligence Dashboard which will give Agencies the opportunity to look at their data compared to other Agencies in the State.

Robin Erickson asked if idling was going to be added to the dashboard. Margaret Chambers stated it would be added at a later date.

7. Supporting Mass Transit with State Vehicles

Sam Lee stated there are some state agencies are using state vehicles to transfer their employees from mass transit sites to the work sites. This item is before the committee to decide if this should be supported. Fleet Operations does not support this and does not feel it is a good use of taxpayer monies.

Steve McCarthy stated the Rampton Complex reviewed this topic and it was decided not to have a shuttle service since there are too many unknowns.

Dennis Carver recommended talking to the Agencies to see what they are doing. They might be using the tax payer money in a good way.

Dave Rees stated that is a UTA issue that could be solved with van pools and is not a State Government issue. It is not the State’s responsibility to get you to your workplace.

Robin Erickson stated a demonstration project should be done to see if it works or not. Dennis Carver stated Robin had a great idea. There may already be demonstration projects currently in process.

Kent Beers said this should be done on a pilot project just to see if the cost is worth the benefits.

MOTION: Dennis Carver motioned to adjourn. Dave Rees seconded.

Motion passed unanimously.

Meeting adjourned at 10:52 am.

Motor Vehicle Review Committee



January 19, 2010

MINUTES

Motor Vehicle Review Committee Members in attendance:

Kim Hood, Chair	Department of Administrative Services
Dennis Carver, absent	Department of Natural Resources
Roxie Huntsman, absent	Department of Corrections
Kirk Middaugh, absent	Department of Public Safety
Steve McCarthy	Department of Transportation
Paul Mash for Kent Beers	Division of Purchasing
David Rees	University of Utah
Carrie Giles for Robin Erickson	Utah Clean Cities

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
Gala Dumas	Division of Fleet and Surplus Services
Jenniell Allen	Department of Health
Bret Burgon	Division of Risk Management
Jeff Coates	Division of Risk Management
Tani Downing	Division of Risk Management
Morris Haggerty	Division of Risk Management
Bruce Spiegel	Division of Risk Management
Travis Horne	Department of Administrative Services
Sal Petilos	Department of Administrative Services
Mike Kilcrease	Department of Workforce Services

On Tuesday, January 19, 2010 the Motor Vehicle Review Committee held their regularly scheduled meeting in room 250 of the State Capitol, Salt Lake City, Utah. The meeting was called to order at 9:05 am by Chair Hood.

1. Approval of Minutes from the March 26, 2009 meeting.

There was not a quorum of committee members to approve the minutes.

2. Fleet Efficiencies Presentation

Margaret Chambers gave a presentation which was given to the Interim Government Operations Committee on September 16, 2009 in answer to questions brought up by Senator Stole to reduce State fleet costs.

Sal Petilos asked which agencies have been met with for utilization. Margaret Chambers stated Fleet Operations has met with Corrections and Dixie College. Fleet Operations was supposed to meet with DOT but Fleet did not understand their usage and are reevaluating their vehicles. Sal Petilos then asked how the usage model was being received by the agencies. Margaret Chambers stated it has been received well. It is probably being received so well because we set the bar low to transition everyone over to the new model. We will reevaluate the bar and set it higher over time.

Steve McCarthy asked if a fiscal study has been done on Take Home vehicles. Margaret Chambers stated she has Sam Lee pull the average cost per mile on those vehicles. Steve McCarthy stated UDOT has also pulled the average cost per mile, but we also pulled the cost savings associated with being able to keep the vehicle longer and moving into a different rental class because the additional take home miles were not being added to the vehicle.

3. Update on Proposed Utilization Model

Sam Lee provided more detail on the Utilization Model Fleet Operations has adopted to track vehicle utilization.

Sal Petilos asked how long it would take to have all of the fleet vehicles categorized. Sam Lee stated it should be done in the next six months.

Dave Rees stated he was concerned vehicles with a very high usage in the same category with a vehicle with very low mile usage, but is used all of the time could make it so the agency loses the low mile usage vehicle. Margaret Chambers stated we will be looking at those and add in more categories which state campus environment, city environment, ect. We will most likely have to have a regional category attached to the usage categories.

4. Large Passenger Vans

Margaret Chambers went over the changes to the Large Passenger Van protocol.

Dave Rees raised concern over not being able to take a large passenger van out of state. It greatly affects their business if they are unable to take them out of state. The UofU Ski Team uses the large passenger vans to travel to their meets which are out of state. Tani Downing the director of Risk Management stated if an employee takes a vehicle out of state there is always the question on whether or not governmental immunity will be covered in the accident. For example we had a highway patrolman from Utah follow a pursuit into Idaho. There was an accident and Utah and Idaho were both sued by the individual. The Idaho Supreme Court ruled only Idaho State employees are covered by the governmental immunity and Utah State employees are not covered. The State of Utah has a 2 million dollar cap in state, and we are not guaranteed that cap out of state.

Brett Burgon from Risk Management explained how the conversion for the large vans were done to change the rear wheels from single to dual wheels.

Jeff Coats from Risk Management stated there are studies which show large vans which have the conversion done are safer and are less likely to roll over.

Dave Rees stated to put the changes in Risk Managements rules. It is easier to get the Universities Risk Management to follow a rule if it comes from State Risk Management rather than from Fleet.

Chair Hood asked the committee to state whether they support the new direction and if they have any comments.

Steve McCarthy supports the new direction.

Dave Rees stated he wants the out of state travel addressed before he supports the changes.

Carrie Giles supports the new direction with exception of out of state travel.

Paul Mash supports the new direction.

Chair Hood supports the new direction.

5. Fleet Financials

Margaret Chambers stated this was requested by a committee member. The committee member who requested the data was not present at the meeting.

6. How often should the MVRC meet?

Sam Lee asked the committee if the committee needs to meet four times a year or just three times a year.

Chair Hood asked if the meetings could be moved to a web meeting.

Dave Rees asked if meeting via a web meeting would violate the Open Meeting Act.

Dave Rees stated as long as we can keep the meetings to two hours with having three meetings a year. If the meetings are going to go over two hours it should stay at four times a year.

Chair Hood stated she doesn't think this needs a vote. Fleet Operations should be able to schedule how they see fit or if needed.

Meeting ended at 10:55 am.



Motor Vehicle Review Committee

State of Utah

Gary R. Herbert.
Governor

Kimberly Hood
Executive Director
Department of Administrative Services

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MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: September 28, 2010
Subject: **Executive Appropriations Committee Report**

ACTION: Informational Only

During the August 17, 2010 Executive Appropriations Subcommittee, Gary Ricks from the Fiscal Analyst Office made a presentation to the committee with 5 recommendations for Fleet Operations. See the list below for a summary of the recommendations. Items 1, 2, and 3 were approved by the Subcommittee during the meeting. Items 4 and 5 are currently in a pending status as the committee recommended they be presented for approval at an upcoming Government Operations Subcommittee meeting.

1. The Executive Appropriations Committee send a letter to the Division of Finance requesting that it bifurcate mileage reimbursement information by establishing separate object codes for \$0.36 per mile versus \$0.50 per mile reimbursement rates.
2. Fleet Operations modify its current web portal for daily pool vehicle reservations to require the state employee making a reservation to first access and complete the Vehicle Cost Comparison Utility. The intent is for the employee to become aware of the cost to the state depending on the choice. The employee can then gain access to the reservation page.
3. EAC send a letter requesting Fleet Operations report information concerning inter-agency vehicle sharing and track the address at which each state vehicle is typically parked.
4. Direct Fleet Operations to develop and implement a vehicle sharing pilot project limited to State Capitol agencies for a period of one year. Upon completion of the pilot, Fleet will report to the Legislature, Governor and respective fiscal staff offices delineating the merits and liabilities relative to possible implementation statewide. The Analyst recommends the following intent language for Legislative consideration and approval during the 2011 General Session to implement this pilot project:

The Legislature intends that the Division of Fleet Operations develop and implement a vehicle sharing pilot project limited to State Capitol agencies for a period of one year beginning Fiscal Year 2012. Upon completion of the pilot, Fleet will report to the Legislature, Governor and respective fiscal staff offices delineating the merits and liabilities relative to possible implementation statewide.

5. Direct Fleet Operations to report to the Legislature (Capital Facilities and Government Operations Appropriations Subcommittee) during the 2011 General Session on the first-year results of this new model in right sizing the state's fleet and eliminating underutilized vehicles. The report

should include details of vehicles eliminated; strengths and weaknesses of the new model; and any plans for modification/improvement going forward. Minimum mileage threshold changes going forward should also be specifically addressed.

See the attachment for a full copy of the presentation brief prepared by Gary Ricks of the Fiscal Analyst Office.



REDUCING COSTS ASSOCIATED WITH VEHICLE USE

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: GARY RICKS

ISSUE BRIEF

SUMMARY

The State has taken significant steps to reduce vehicle costs since the Legislature centralized fleet management in 1996. However, we believe agencies can achieve additional savings through improved user information, vehicle sharing, and eventual fleet size reduction. We recommend the following:

1. The Division of Finance create separate accounting object codes for “standard” (\$0.36/mile) and “high” (\$0.50/mile) personal vehicle mileage reimbursement.
2. The Division of Fleet Operations implement an automated decision tree for use in reserving a vehicle.
3. The Division of Fleet Operations collect and maintain in its database the “home” address of each fleet vehicle.
4. Capitol Hill agencies organize and participate in a cross-agency vehicle sharing pilot project.
5. The Division of Fleet Operations report on the first year results of its new usage model to right size the fleet and eliminate “low use” vehicles.

BACKGROUND

In 1996, the State of Utah began consolidating its fleet with the passage of Senate Bill 266, “Division of Fleet Operations” (passed during the 1996 General Session). This legislation created the Division of Fleet Operations and implemented a central vehicle management system. Fleet Operations performs all administrative duties related to the management of state vehicles, coordination of vehicle purchases, management of the fleet information system for all state vehicles, rulemaking, operation of a fuel dispensing service, and rates formulation to recover costs.

Since the creation of the Division of Fleet Operations, the Department of Administrative Services has made a number of changes that save money. These changes include: requiring legislative approval for fleet expansion; privatizing certain daily pools; and implementing the \$0.36 and \$0.50 alternative per mile reimbursement rates (depending on other state vehicle availability) for state employees utilizing privately owned vehicles (POVs) for state business travel. It identified a low-use vehicle standard of less than 625 miles per month over a six month period and encouraged agencies to eliminate low-use vehicles.

We believe Fleet can build upon these successes by implementing some of the suggestions we make below.

COST PER MILE

When traveling by car to conduct state business, state employees have three vehicle options:

1. **Long-term vehicle** owned by the agency or leased to the agency by the Division of Fleet Operations (DFO);
2. **Short-term vehicle** rented from the state’s contracted provider or from an internally run daily pool; or
3. **Privately-owned vehicle** (POV) with mileage reimbursement from the state.

As part of its statutory obligations, Fleet Operations conducts research and analysis of various aspects of fleet costs. One measure the division evaluates is the cost per mile (CPM). Fleet calculates the CPM for state vehicles by tracking the following costs:

- Depreciation;
- Fuel;
- Repair Labor;
- Repair Parts;
- Preventative Maintenance Labor; and
- Preventative Maintenance Parts.

The total of these costs is then divided by the total miles driven in the fiscal year to derive the CPM. The following table compares the state vehicle CPM to the other options.

Table 1 - FY 2010 Cost Per Mile (CPM) Utah State Government	
Option	CPM
Long-Term Vehicle	\$0.2575
POV at Standard Reimbursement	\$0.3600
Short-Term Vehicle	\$0.4448
POV at High Reimbursement	\$0.5000
Sources: Office of the Legislative Fiscal Analyst and Division of Fleet Operations, July/August 2010.	

As shown in Table 1, average long-term vehicle CPM is the lowest cost option. Reasons for this include economies of scale in purchasing, insuring, and maintaining vehicles. The next lowest cost option is \$0.36 per mile mileage reimbursement. However, we are unable to determine exactly to what extent state employees use long-term vehicles versus standard reimbursement POV's.

In fiscal year 2010, the state reimbursed employees using POVs on state business trips \$2,590,480.90. But because the Division of Finance codes \$0.36 per mile reimbursements and \$0.50 per mile reimbursements the same in the state's accounting system, we do not know the number of miles reimbursed at the lower rate. In a report presented to the Executive Appropriations Committee on September 9, 2008, we recommended Finance begin tracking the reimbursements separately. The division has not yet done so. Thus we repeat our recommendation here.

Recommendation 1: We recommend the Executive Appropriations Committee send a letter to the Division of Finance requesting that it bifurcate mileage reimbursement information by establishing separate object codes for \$0.36 per mile versus \$0.50 per mile reimbursement rates.

EDUCATE USERS ON COST OF VARIOUS OPTIONS

As found in the Table 1, the Division of Finance has set the standard POV reimbursement rate at \$0.36 per mile. This rate is applied when another state vehicle is reasonably available. The Internal Revenue Service approved rate of \$0.50 per mile is used when no other state vehicle is available. These rates are subject to the approval of the executive director of the Department of Administrative Services. The director of the Division of Finance is authorized to make rules governing in-state and out-of-state travel expenses, including mileage reimbursement for POVs used for state business travel. (See UCA 63A-3-107)¹

In deciding the correct rate to use, "The traveler must first determine if their department has an agency vehicle (long-term leased vehicle from Fleet Operations or owned by the agency) that meets their needs

¹ The rules governing mileage reimbursement for POVs are found in the Utah Administrative Code R25-7-10 and State of Utah Accounting Policies and Procedures FIACCT 10-02.06.

and is reasonably available for the trip (does not apply to special purpose vehicles). If reasonably available, the employee should use an agency vehicle. If an agency vehicle that meets their needs is not reasonably available, the agency may approve the traveler to use either a daily pool fleet vehicle or a private vehicle. If a daily pool fleet vehicle is not reasonably available, the traveler may be reimbursed at 50 cents per mile.” (See Utah Administrative Code R25-7-10 (3) (b) (i))

When comparing current Fleet Operations daily pool rates for a compact sedan, the breakeven points for cost savings to the state for POVs are 62 miles for the reimbursement rate at \$0.50, and 97 miles for the reimbursement rate at \$0.36. As stated above, the higher mileage reimbursement rate currently set at \$0.50 per mile applies when an agency vehicle is unavailable and a daily pool vehicle is not reasonably available per Division of Finance policy.

However, there are instances where a \$0.36 per mile and even a \$0.50 per mile POV reimbursement are less cost to the State. For example, reimbursing employees for private vehicle use on a trip around town, or even a longer trip over multiple days, might cost less given that it avoids fixed daily rental costs associated with short-term state vehicles.

In our review of vehicle rentals from the State’s contract car rental provider in FY 2010, we found 748 or 27.5 percent of the rentals were less than 97 miles, 391 that were less than 62 miles, and 30 instances where car rental trips were less than ten miles. As noted above, for a trip less than 97 miles in a compact sedan, it is cheaper for the State to reimburse POV use at \$0.36 per mile than it is to pay for a rental. At \$0.50 per mile, POV use for trips less than 62 miles is cheaper. A one day, ten mile trip in a rented compact sedan costs the state \$25.10. The POV reimbursement would be at most \$5.

We found one rental car trip for two miles. While this trip is not typical and likely had extenuating circumstances, it is illustrative. The vehicle rental charge to the state for this trip was \$93. Had the average state vehicle been used in this instance, the cost to the state would have been \$0.52 based on the \$0.2575 cost per mile of the state fleet. Had a POV been used, the State’s cost, at most, would have been \$1. In both alternatives, employee time for requesting, obtaining and returning the vehicle could have been saved.

Fleet Operations has a vehicle cost comparison webpage at its website to assist customers with determining the lowest cost option. The title of the webpage is, “Vehicle Cost Comparison Utility” (please see the following link: <http://168.177.192.56:8080/general/>). There is no requirement for state employees to access this website. It is not known to what extent employees access the website and use this tool to determine vehicle travel costs.

Recommendation 2: Fleet Operations modify its current web portal for daily pool vehicle reservations to require the state employee making a reservation to first access and complete the Vehicle Cost Comparison Utility. The intent is for the employee to become aware of the cost to the state depending on the choice. The employee can then gain access to the reservation page.

The Department of Administrative Services and Division of Fleet Operations have already begun to respond to this recommendation. In the course of our investigation, DFO developed a “beta” web tool that will help users determine which vehicle option they should use. A screen-shot from that tool is shown below. With a few minor changes and presuming this tool must be accessed before a user can reserve a vehicle, we believe this tool will address Recommendation 2.

Cost Comparison Utility for a Short-Term Vehicle

Trip Information:

1. Estimated round-trip miles: 100
 2. Estimated days: 2
 3. Vehicle class: COMPACT
 4. Enter the reimbursement rate based on the following criteria. All state reimbursement is based on a \$.36 per mile program, unless the following criteria is met.
 - a.) Agency vehicle (lease from Fleet Operations) is not reasonably available.
 - b.) Daily pool fleet vehicle is not reasonably available.
 - c.) Other Attach Documentation.
- .36 cents per mile.
 .50 cents per mile.

Click to see the lowest cost option highlighted in green.

<p>Taking a personally owned vehicle (P.O.V.): <i>*Be aware that the owner of the vehicle is responsible for the vehicle repair costs if the vehicle was damaged (or causes damage) in an accident.</i></p>	\$36.00
<p>Taking a vehicle from Enterprise Rent-A-Car (or another state agency pool):</p>	\$59.00

Please follow [this link](#) to proceed to the Enterprise Rent-A-Car rental form, even though a P.O.V. will be less expensive for this trip.

LEVERAGING THE STATEWIDE MOTOR VEHICLE POOL

The state fleet consists of 7,444 vehicles as of August 13, 2010. There are 211 vehicles which are compact, mid-sized, or full-sized sedans in the 29 “daily pools” throughout the state. Table 2 shows the number of reservations for each of these daily pools in Fiscal Year 2010.

Table 2 - FY 2010 State Agencies Motor Vehicle Daily Pools	
POOL LOCATION	RESERVATION COUNT
NATURAL RESOURCES MOTOR POOL	4,281
UTAH STATE UNIV MOTOR POOL	2,533
USH - MOTOR POOL	2,037
BE-SCHOOL FOR DEAF & BLIND-OGD	1,579
UNIVERSITY OF UTAH-MOTOR POOL	1,485
HUMAN SERVICES MOTOR POOL	1,375
SUU MOTOR POOL	1,301
HSDC - RECYCLING POOL	1,139
HEALTH MOTOR POOL	1,121
UVSC MOTOR POOL	962
BE-SCHOOL/DEAF & BLIND-SALT LAKE	959
UDOT CENTRAL MOTOR POOL	809
BOARD OF EDUCATION POOL	735
WEBER STATE MOTOR POOL	644
SLCC MOTOR POOL	629
CEU - MOTOR POOL	394
UINTAH BASIN ATC - MOTOR POOL	368
ORS SALT LAKE POOL	330
DIXIE COLLEGE MOTOR POOL	323
SALT LAKE CITY - UTAH	266
ORS PROVO POOL	244
BRIDGERLAND ATC	199
DAVIS APPLIED TECH CENTER	168
UTAH FIRE AND RESCUE ASSOC	159
STATE DEVELOPMENTAL CENTER-MP	94
ORS RICHFIELD POOL	60
SLCC MINI POOL - LHM	57
SLCC MINI POOL AT SOUTH CITY	24
HSDC WAREHOUSE POOL	22
Total	24,297

In FY 2010, state employees rented vehicles from the State’s contract rental provider on 2,716 occasions. 775 of these rentals were for trips of less than 100 miles. Given the size and range of the fleet across state agencies, the existing 29 daily pools, and the fact that the CPM for state vehicles is \$0.1873 less than the contract rental provider, an important question is, could the state generate savings by establishing a statewide motor vehicle pool as a viable alternative to vehicle rental for many in-state trips?

Some agencies with large vehicle counts already have made it known throughout state government that they will rent any unused/uncommitted vehicle as a courtesy to other agencies on a short term basis when

such a need arises. The Department of Natural Resources (DNR) is one such agency that provides this service. DNR maintains detailed financial records of such loan/rental arrangements along with its other vehicle use records.

Fleet Operations does not specifically report the extent to which agencies share vehicles (on a rental basis). Nor does Fleet track the location of long-term vehicles assigned to the various agencies. Fleet Operations officials have indicated that adding such information to the Fleet Information database would not pose any significant problems. We believe such data would be vital to leveraging existing state vehicles to avoid higher POV or rental costs.

Recommendation 3: EAC send a letter requesting Fleet Operations report information concerning inter-agency vehicle sharing and track the address at which each state vehicle is typically parked.

CAPITOL HILL AGENCIES MOTOR VEHICLE POOL PILOT PROJECT

On any given day, one might see as many as a dozen long-term vehicles parked on Capitol Hill. It would be logical to presume that these vehicles would be available to any agency located at the Capitol Complex. However, these vehicles are "owned" by individual agencies and typically are not shared. On one Friday, we did an informal survey of state vehicles parked on Capitol Hill all day. Table 3 lists the vehicles by number and the entities to which each belongs.

Table 3 - FYs 2009 and 2010 Capitol Hill Agencies Vehicles					
VEHICLE NUMBER	DEPARTMENT	MILES PER YEAR		COST PER MILE FOR THE FISCAL YEAR	
		FY 2009	FY 2010	FY 2009	FY 2010
FO10074	DAS -- RISK MANAGEMENT	11,418	13,183	\$0.31	\$0.23
FO10075	DAS -- RISK MANAGEMENT	10,084	6,187	\$0.33	\$0.12
FO10076	DAS -- RISK MANAGEMENT	7,824	8,661	\$0.35	\$0.27
FO10077	DAS -- RISK MANAGEMENT	11,764	11,690	\$0.22	\$0.19
FO10621	DAS -- RISK MANAGEMENT	10,063	5,672	\$0.18	\$0.26
FO10755	PUBLIC SAFETY	19,914	20,198	\$0.32	\$0.14
FO11017	GOPB	5,242	3,721	\$0.48	\$0.33
FO11618	GOPB	7,497	5,816	\$0.27	\$0.26
FO11902	PUBLIC SAFETY	5,818	7,422	\$0.37	\$0.32
FO11903	PUBLIC SAFETY	9,951	7,884	\$0.30	\$0.37
FO13270	DAS -- DFCM	23,745	34,384	\$0.22	\$0.27
FO13554	DAS -- DFCM	231	11,688	\$8.27	\$0.31
FO13983	DAS -- DFCM	N/A	1,744	N/A	\$0.05
FO7499	DAS -- DFCM	6,914	4,593	\$0.33	\$0.13
FO9475	STATE AUDITOR	10,167	8,557	\$0.24	\$0.29
FO9637	STATE AUDITOR	8,923	5,378	\$0.31	\$0.34
FO9766	TECHNOLOGY SERVICES	5,734	5,802	\$0.31	\$0.27

A pilot project of limited size would test the practicality of sharing these vehicles across agency and might lead to a statewide vehicle sharing policy. This approach would permit Fleet Operations to plan, develop, implement and study a vehicle sharing operation in a controlled environment to identify strengths and weaknesses.

This type of reservation environment would require agencies with excess vehicle capacity to place their vehicles into a pool to be shared on set days when they would normally go unused. State employees desiring a vehicle from a sister agency (before turning to POV reimbursement or the contract rental provider) would go to a web portal hosted by Fleet Operations to see if vehicles were available on Capitol Hill. If vehicles were available for rent, a phone call would be made to the renting agency to set up a time when keys and gas cards could be given. It is anticipated that the employee desiring to rent a vehicle from a sister agency would typically pick-up and return the vehicle to/from front desk personnel at the renting agency.

Fleet Operations would be involved in the reservations processing, billing services for the renting agency, training of state personnel participating in the program, and gas card coordination as personal identification numbers (PIN's) for state fuel cards will typically only be valid for vehicles assigned within the employee's agency.

Recommendation 4: Direct Fleet Operations to develop and implement a vehicle sharing pilot project limited to State Capitol agencies for a period of one year. Upon completion of the pilot, Fleet will report to the Legislature, Governor and respective fiscal staff offices delineating the merits and liabilities relative to possible implementation statewide. The Analyst recommends the following intent language for Legislative consideration and approval during the 2011 General Session to implement this pilot project:

The Legislature intends that the Division of Fleet Operations develop and implement a vehicle sharing pilot project limited to State Capitol agencies for a period of one year beginning Fiscal Year 2012. Upon completion of the pilot, Fleet will report to the Legislature, Governor and respective fiscal staff offices delineating the merits and liabilities relative to possible implementation statewide.

NEW USAGE MODEL:

The former definition of a "low use" was a vehicle which averaged less than 625 miles per month over a six month period. This definition was a starting point for the state to right size its fleet and eliminate underutilized vehicles. However, this broad definition did not adequately recognize special circumstances such as seasonal usage, absolute need but only occasional use for crisis situations, and daily/frequent but short distance usage.

In October 2009 Fleet changed its standard to 45 miles per month minimum for vehicles we call "people movers"—typically compact or mid-sized sedans. This action was part of a comprehensive change to develop a more thorough examination and differentiation of state vehicles within the fleet. This new model groups vehicles by their distinct purposes and associated levels of use, which serves as the basis for eliminating those which cannot be justified. The model identifies five separate usage categories and minimum mileage thresholds to distinguish the varied purposes of different vehicles within the state fleet:

- Emergency: Public Safety Enforcement – 5 miles per month minimum;
- Maintenance: Facilities Maintenance – 34 miles per month minimum;
- People Transport: People Transport – 45 miles per month minimum;
- Supply Transport: Items other than People – 15 miles per month minimum; and
- Training: Educational Purposes – 14 miles per month minimum.

The minimum mileage thresholds were intentionally set low to identify those vehicles in greatest need of consideration for elimination. The division analyzed data during a twelve month period in determining the minimum use standard. These mileage thresholds will be periodically raised going forward.

Recommendation 5: Direct Fleet Operations to report to the Legislature (Capital Facilities and Government Operations Appropriations Subcommittee) during the 2011 General Session on the first-year results of this new model in right sizing the state's fleet and eliminating underutilized vehicles. The report should include details of vehicles eliminated; strengths and weaknesses of the new model; and any plans for modification/improvement going forward. Minimum mileage threshold changes going forward should also be specifically addressed.

CONCLUSION:

Fleet service operations are a highly dynamic and integral part of Utah State Government Administration. Implementation of these recommendations will enhance fiscal information accuracy and management for policy and decision makers. It will assist state employees to make more informed decisions regarding vehicle travel costs and test the viability of statewide vehicle sharing to increase utilization and reduce more costly vehicle travel choices.



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Motor Vehicle Review Committee

MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: September 28, 2010
Subject: **State Travel under Fleet Operations**

ACTION: Informational only

On August 24, 2010 Kim Hood formally announced in the Department of Administrative Services Division Directors' meeting that the State Travel Office would be moved from the Division of Finance to the Division of Fleet Operations. Since that time both agencies have been working together to make the change as seamless as possible for customers coming to the State Travel Office for services.

The State Travel Office was shifted under Fleet Operations to allow all vehicle rental services under a single state government office. Currently, there are two separate vehicle rental contracts from Enterprise Rent-A-Car available to state customers.

The Travel Office contract for vehicle rentals primarily services customers traveling by airplane to cities outside of Utah. The Fleet contract for short term vehicle rentals primarily serves state employees/higher education employees where the rental vehicle leaves from within the State of Utah and no other hotel or reservation service is needed. Regardless of the rental needs, the State Travel Office is now able to book reservations under both state contracts which will provide a one-stop shopping experience for all customers contacting their office for travel service including short term vehicle travel.



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Motor Vehicle Review Committee

MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee / Brian Nelson
Date: September 28, 2010
Subject: **Full Size Van Protocol**

ACTION: Approve the proposed changes to the Full Size Van Protocol and 2 Inspection Forms

BACKGROUND: Over the last year the Division of Fleet Operations and the Division of Risk Management have been working together on major revisions to the Full Size Van Protocol, Pre-Trip Inspection/Log Form, and Weekly Inspection Form. For your review, the three attachments to this memo represent the finalized versions of the three documents.

NOTE: Requirement #11 in the Protocol states that “only full-size passenger vans with Risk Management-approved rear dual wheel conversions may be used to transport anyone under the age of 18 at any time and for any purpose.” The decision to include this requirement in Protocol is being finalized by the Division of Risk Management once it has completed its study on 6 state vehicles converted to a dual rear wheel configuration.

Department of Administrative Services
FULL-SIZE PASSENGER VAN PROTOCOL
FOR ALL DRIVERS OF FULL- SIZE PASSENGER VANS
OWNED OR OPERATED BY THE STATE OF UTAH

This Protocol must be completed by all drivers before operating any full-size passenger van capable of carrying nine (9) or more occupants and any eight (8) passenger van designated as a full-size passenger van on the Division of Risk Management's web page (www.risk.utah.gov).

This protocol **must be signed** by the driver **before operating** any full-size passenger van in the state fleet including rentals from any private vehicle rental company. This Protocol also applies to employees, volunteers, and independent contractors who intend to use their own full-size passenger vans for state business.

1. Drivers of full-size passenger vans must meet the following essential criteria:
 - Drivers who are over the age of 21 must not have more than 70 points on their driving record.
 - Drivers who are 18 – 21 years of age must have no moving violation and zero points on their driving record.
 - All drivers must have a valid Utah driver's license.
 - All drivers must be state entity employees or volunteers approved by the entity's designated official.
2. Drivers are prohibited from operating full-size passenger vans if:
 - They have had a motor vehicle conviction for reckless driving or any drug or alcohol violation in a motor vehicle.
 - They are under the influence of alcohol or drugs, including any prescribed or over-the-counter drug that impairs their ability to safely operate a vehicle.
3. No full-size passenger van may be driven out of the State of Utah.
4. Drivers must complete and the entity's risk coordinator or designee must retain the following documents for review by Risk Management and Fleet Management at any time during normal business hours:
 - Full-Size Passenger Van Protocol
 - Full-Size Passenger Van Weekly Inspection Sheet
 - Full-Size Passenger Van Pre Trip Inspection and Log Sheet
5. Drivers of full-size passenger vans must have prior experience and must complete the van training provided by the Division of Fleet Operations before operating any full-size passenger van. Full-size passenger van drivers are required to renew Fleet-approved training at least every two (2) years. "Prior experience" is defined as having "hands-on" experience operating a full-size passenger van. (Contact the Division Fleet Operations at 801.965-4194 for more information).
6. Drivers must be familiar with the location and use of the following vehicle features before operating the vehicle: windshield wipers, head lights, turn signals, hazard lights, cruise control, and other operational controls.

Department of Administrative Services
FULL-SIZE PASSENGER VAN PROTOCOL
FOR ALL DRIVERS OF FULL-SIZE PASSENGER VANS
OWNED OR OPERATED BY THE STATE OF UTAH
(Continued)

7. Full-size passenger vans must not contain more than nine (9) occupants, including the driver.
8. All occupants must wear seat belts while the van is in operation. The van driver must ensure that each passenger is seat-belted at all times while the vehicle is in operation.
9. The driver of any full-size passenger van may not operate the vehicle between 1:00 a.m. and 5:00 a.m. The only exception to this rule is when the State vehicle is used in emergency functions.
10. Total driving time for full-size passenger vans must not exceed 12 hours in a 24-hour period irrespective of the number of drivers for the van. All drivers are encouraged to take a break every two hours.
11. Only full-size passenger vans with Risk Management-approved rear dual wheel conversions may be used to transport anyone under the age of 18 at any time and for any purpose.
12. No driver of a full-size passenger van shall drive more than 65 miles per hour on any road or highway, irrespective of the posted speed limit.
13. No cell phone use, including hands free use of a cell phone, texting, CB, or two-way radio use, is allowed by the driver while operating a full-size passenger van. In addition, no other distracting activity, such as eating, drinking, or other non-driving activities are allowed while operating a full-size passenger van.
14. No baggage cargo may be carried on the roof of any full-size passenger van. Drivers should place heavy cargo in front of the rear wheels to better distribute the weight in the vehicle.

I have read the above stipulations and will follow each listed requirement.

Signature: _____ Date: _____

Printed Name: _____

Department/Division or Higher Education Institution: _____

Employee Identification Number (or higher education student ID Number): _____

Operator ID from Fleet Operations: _____

**State of Utah
Department of Administrative Services**

**Full-Size Passenger Van
Pre-Trip Inspection and Log**

Vehicle Inspection:

- All tires and rims show no signs of excessive wear, damage, aging, or deflation
- All exterior lights, brake lights and turn signals are in working order
- All seat belts are in working order
- No cargo loads are on the roof of the vehicle
- All passenger and cargo loads are forward of the rear axle
- Passenger and cargo loads do not exceed the gross vehicle weight for the vehicle (The GVW should be posted on the driver door label or in the owner's manual)
- Cargo loads do not impair driver vision or have the potential of being a projectile
- Radio, mirror, and climate controls are set prior to travel

Vehicle Operation and Safety:

- I will not transport more than nine (9) occupants, including the driver
- All occupants are wearing their seat belts
- I am familiar with the location and use of the windshield wipers, headlights, turn signals, hazard lights, and cruise control
- I will not use cruise control during evening hours and inclement weather (wet or icy roads)
- I have not taken medication and/or consumed alcohol that may cause drowsiness or otherwise impair my ability to drive
- I will not exceed 65 miles per hour on any road or highway, irrespective of the posted speed limit
- I will not use a cell phone, text, eat, or engage in other distracting behaviors while operating this vehicle
- I will provide additional following distance relative to other vehicles because the required braking distance is greater than normal
- I will rely on the side-view mirrors and look over my shoulder before changing lanes because of greater blind spots
- I will not abruptly steer the vehicle because of the greater roll-over potential of the vehicle
- I will not operate this vehicle between 1 a.m. and 5 a.m.
- I will not exceed a driving time of 12 hours in a 24-hour period irrespective of the number of drivers for the van. All drivers are encouraged to take a break every two hours
- I have completed the Division of Fleet Operations van training for full-size passenger vans and have received, read, understood, and signed the Full-Size Passenger Van Protocol

Trip Start Time, Date and Mileage: _____

Trip End Time, Date and Mileage: _____

Date: _____

Fleet Vehicle Number: _____

Signature of Primary Driver: _____

Printed Name of Primary Driver: _____

Signature of Secondary Driver: _____

Printed Name of Secondary Driver: _____

State of Utah
Department of Administrative Services

**Full Size Passenger Van
Weekly Inspection Sheet**

Inspection Date: _____

Fleet Vehicle Number: _____

Mileage: _____

Tires must be properly inflated to the pressure recommended by the vehicle manufacturer.
(The manufacturer's recommended tire pressure can be found on the driver door label or in the
owner's manual.)

Manufacturer's Recommended Pressure: _____

Initial tire pressure readings:

Front Right: _____ Front Left: _____ Back Right: _____ Back Left: _____

Corrected tire pressure readings:

Front Right: _____ Front Left: _____ Back Right: _____ Back Left: _____

I have inspected the below-listed equipment and found the following:

- | | | |
|--|------------------------------|-----------------------------|
| All exterior lights, turn signals, and brake lights are in working order | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| All seat belts are in working order | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| The emergency horn is in working order | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| The windshield wipers are in working order | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| All tires and rims show no signs of excessive wear, damage, or deflation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If any "No" box is marked on this page, the vehicle must be serviced through an authorized vendor before any official use of the vehicle.

By signing below I certify that I have accurately checked every item on this worksheet following an actual, thorough inspection of the vehicle.

Signature of Person who inspected the vehicle:

Printed Name of the Person who inspected the vehicle:



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Motor Vehicle Review Committee

MEMORANDUM

To: Motor Vehicle Review Committee
From: Scott Bingham
Date: September 28, 2010
Subject: **Vehicle Utilization Model**

ACTION: Informational only

BACKGROUND: During the past two years fleet staff has worked to implement the new utilization model approved by the MVRC in December 2008. The information in this memo is intended to provide an update on the model and give the committee a chance to provide feedback to fleet staff.

Short Summary of the Utilization Model:

- All vehicles are placed in 1 of 5 “high level use categories” and 1 of 58 “mid level use categories.”
- Each high level category has a minimum mileage standard. See the details below:
 - **Emergency** – designated for enforcing public safety (5 miles per month minimum)
 - **Maintenance** – vehicles used to maintain facilities (34 miles per month minimum)
 - **People Transport** – primarily transports people (45 miles per month minimum)
 - **Supply Transport** – primarily transports items other than people (15 miles per month minimum)
 - **Training** – units are used for educational purposes (14 miles per month minimum)

Implementation Progress:

- DFO has met with 8 agencies to review utilization records of state vehicles that didn’t meet minimum standards.
 - Dixie State College, Department of Corrections, University of Utah, Salt Lake Community College, UDOT, DNR, Utah State University, and Public Safety
- The total number of low use vehicles researched and reviewed with agencies is 184.
 - Of those vehicles reviewed to date, over 50 vehicles have been turned in to be reassigned to other agencies or sold through Surplus Property.
 - Why have agencies given up vehicles?
 - General lack of vehicle use documented in the review
 - The agency could merge the use of multiple underutilized vehicles into fewer state vehicles.
 - Usage has changed on particular vehicles, and the agency kept vehicle on-hand “just in case.”

- 15 agencies still need to have their vehicles researched by Angie Watson and reviewed with the Division Director and Fleet Manager.
- DFO is planning to increase to the minimum mileage standard in each high level category once every agency has been reviewed with the initial mileage standard.



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Motor Vehicle Review Committee

MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: September 28, 2010
Subject: **Smoking in State Vehicles**

ACTION: Voting on potential rule changes to R27-3-17 concerning smoking in state vehicles

BACKGROUND: Currently agencies may allow smoking in “exclusive use” vehicles if they are willing to pay for the vehicle to be detailed when the vehicle is reassigned or sold. An agency has approached Fleet Operations with a recommendation that all vehicles be designated as “non-smoking”.

R27-3-17(1)(2) current states:

All multiple-user state vehicles are designated as "nonsmoking". Agencies shall be assessed fees for any damage incurred as a result of smoking in vehicles.

Agencies that allow smoking in exclusive use vehicles shall be responsible for the cost of necessary repairs to, or refurbishment of, any vehicle in which smoking has been permitted to insure that the vehicle is suitable for reassignment, reallocation or sale when the vehicle reaches the applicable replacement criteria.

When vehicles are turned into Fleet and are to be sold to the Public Fleet Operations current spends \$100 to have the vehicle cleaned or deodorized to remove the smell of smoke.

RECOMMENDATION: Rule R27-3-17 be modified to state that: “All state vehicles are designated as nonsmoking.”