



COMMONWEALTH of VIRGINIA

Department of General Services

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October 11, 2007

MEMORANDUM

To: The Honorable Timothy M. Kaine, Governor
Members, General Assembly,
c/o: Division of Legislative Automated Systems

Through: The Honorable Viola O. Baskerville,
Secretary of Administration

From: Richard F. Sliwoski, P.E., Director *Richard F. Sliwoski*

Re: Report of Statewide Fleet Management Program

Executive Order 89, Purchase, Assignment and Use of State-owned Vehicles; directs the Department of General Services (DGS) to prepare an annual report on the performance of the statewide fleet management program. Please find attached the DGS State of the Fleet Report, 2007 Fiscal Year.

Should you have any questions regarding the information in this report please do not hesitate to contact me at 804-786-3311 or by e-mail at Richard.sliwoski@dgs.virginia.gov.

Attachment



**DEPARTMENT OF
GENERAL SERVICES**

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Office of Fleet Management Services

**State of the Fleet Report
Fiscal Year 2007**

Executive Summary

Pursuant to Executive Order Number 89 (2005) “Purchase, Assignment and Use of State-owned Vehicles”, the Virginia Department of General Services (DGS) is to report annually on the performance of the statewide fleet management program. Provided in this document is that performance data, and information on initiatives taken by DGS to continue movement towards an enterprise approach to managing the Commonwealth’s passenger-type vehicle assets.

To compile data necessary to complete this report, the DGS Office of Fleet Management Services (OFMS) needed specific passenger vehicle performance data from state agencies and institutions that own, operate and maintain their own fleet of passenger-type state vehicles. OFMS requested the needed data from state agencies and institutions through their designated Agency Transportation Officer (ATO); less than 50% of agencies and institutions responded to OFMS’ request for data. At Attachment A is a listing of state agencies and institutions that provided OFMS the requested vehicle data.

OFMS did see consistency in the data taken from its fleet management system. The centralized data repository collected its first complete fiscal year and was compared to past year’s data and to data in the DGS financial system. Fuel data was compared to data stored by the fuel provider. These comparisons ensured OFMS that the data collected in this system is accurate and reliable.

The following represent “best practices” of vehicle management performance indicators. These indicators are used in this report to document and compare OFMS’ performance to other state agencies and institutions reporting data:

- Maintenance Cost per Mile
- Direct Operating Cost per Mile
- Maintenance Cost per Vehicle

Passenger-type vehicles are defined as:

- Sedans
- Station Wagons
- Minivans
- Sport Utility Vehicles (4x2 and 4x4 models)
- Pickup Trucks (4x2 and 4x4 models)

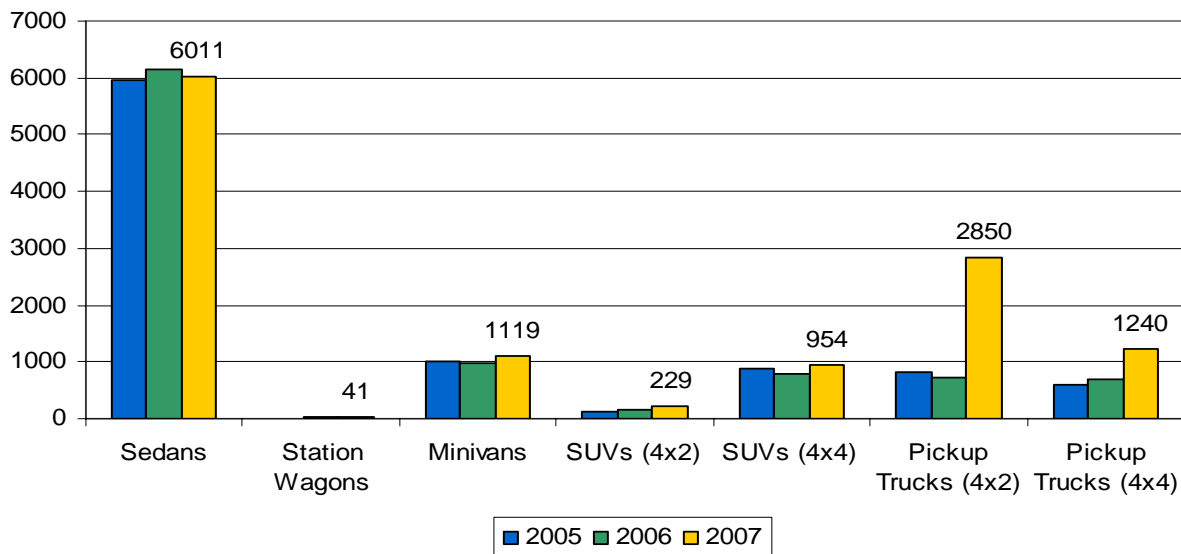
Fiscal Year 2007 Review

This report provides a comparison of the state agency and institution performance data collected in FY06 and FY07. In addition, the report includes FY07 performance data from OFMS that can be compared against other agency and institution data.

In FY05, OFMS established certain goals and objectives. These were derived from the re-engineering of OFMS' fleet management in order to move toward an enterprise approach to managing the Commonwealth's passenger-type vehicles. Status toward achieving these goals and objectives is included in this report.

State Fleet Data:

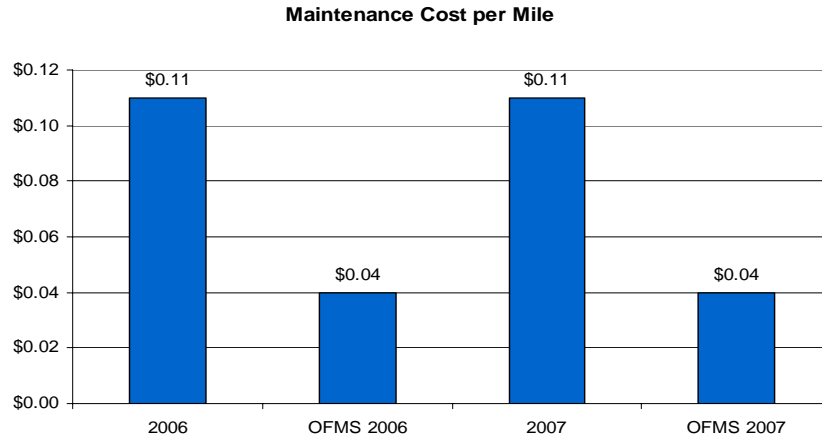
Fleet Inventory Composition
FY07 total: 12444 units



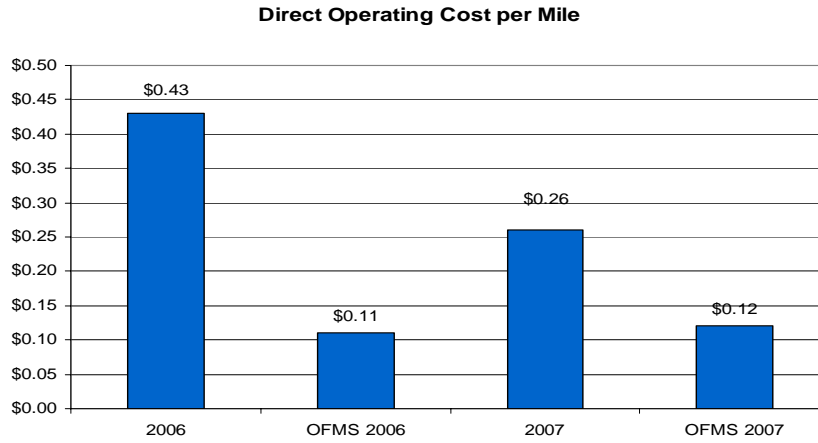
Vehicle Management Performance Indicators:

FY07 data received from the state agencies and institutions was incomplete and as a result, analyses of performance indicators are limited to those presented in the following charts. Note that the information in the charts reflect direct maintenance and operating costs are less for vehicles managed by the VMCC than what was reported by state agencies and institutions. This data reflects direct costs only and does not consider operational overhead.

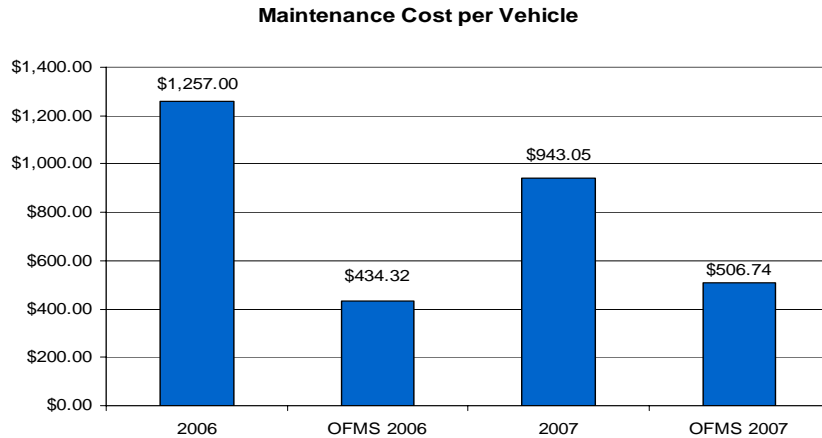
- State Agencies and Institutions FY06 and FY07 Maintenance Cost per Mile Compared to OFMS Cost:



- State Agencies and Institutions FY06 and FY07 Direct Operating Cost per Mile Compared to OFMS Cost:



- State Agencies and Institutions FY06 and FY07 Maintenance Cost per Vehicle Compared to OFMS Cost:



The OFMS maintenance cost per vehicle and operating cost per mile increased from FY06 to FY07. The cause for this increase is a direct relationship between maintenance dollars and vehicle age. As vehicles increase in age, maintenance costs also increase. The average age of the OFMS fleet at the end of FY07 was 4.79 years.

OFMS Re-Engineering Initiative:

The OFMS reengineering effort began on September 1, 2005 with the implementation of the Vehicle Management Control Center (VMCC) and was initially divided into two phases. Phase 1 consisted of the integration of all OFMS pool vehicles into the VMCC, while Phase 2 would capture agency owned vehicles into the system.

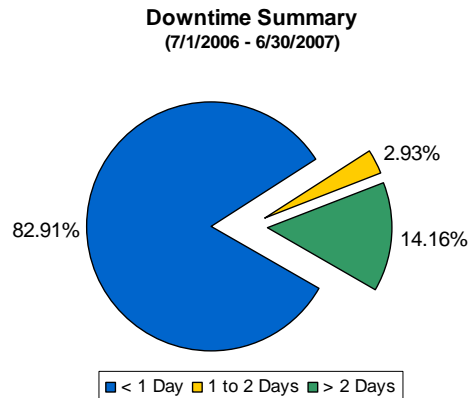
Vehicle Management Control Center (VMCC):

The VMCC is a public/private partnership between DGS and All Star Inc., to manage vehicle maintenance requirements for OFMS vehicles. Maintenance data captured by the VMCC automated information system has enabled OFMS to collect accurate and consistent data that can be analyzed and interpreted into meaningful performance indicators to achieve a level of information for business decision making not previously available.

Vehicle Repair Downtime:

In FY07 82.9 % of all repairs were completed within 1 day; 2.93% of all repairs were completed from 1-2 days; and, the remaining 14.16% took more than 2 days. OFMS saw a 1% increase in repairs completed within 1 day in FY07.

The decrease of repair downtime does not have a concrete cost savings



associated with it, but it does represent a savings to those who would otherwise be without transportation. The VMCC is constantly looking for ways to have repairs completed more efficiently in order to minimize downtime.

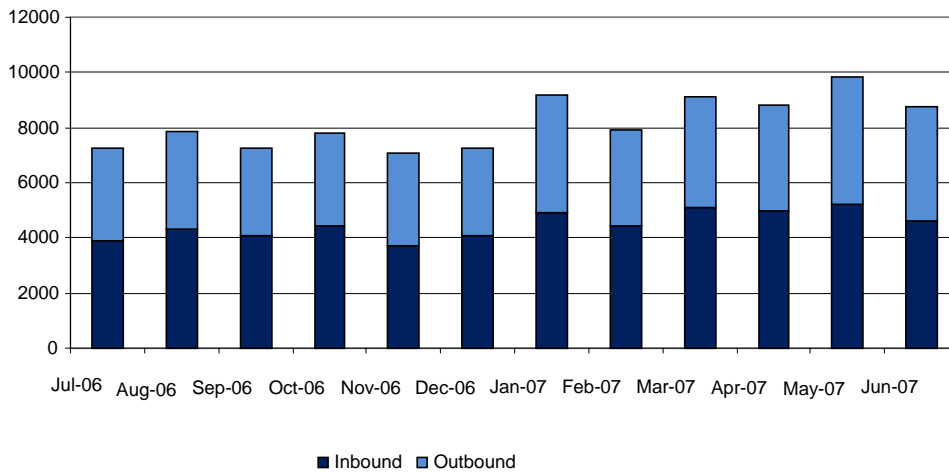
Call Center:

At the heart of the VMCC is the team that handles all of the inbound phone calls from across the Commonwealth. A suite of call center specific programs collect extensive data on the call center activities and are used to evaluate performance and make adjustments to maximize customer satisfaction. The performance of this call center is integral in the success of the VMCC program.

Total VMCC Calls Completed:

The call center completed a total of 97,675 phone calls during the reporting period; 53,634 of those calls were inbound to the call center and the remaining 44,041 outbound.

Total Calls per Month
(7/1/2006 - 6/30/2007)



Average Answer Time:

The industry standard is a 30 second answer time for inbound phone calls. The answer time is calculated from the first ring until an advisor answers the phones. In our application, a 20 second voice recording for menu options is included in this time. During the reporting period, the VMCC performed better than the industry standard.

Average Answer Time by Month
(7/1/2006 - 6/30/2007)
Avg : 25s



Update on Other OFMS Initiatives:

Fuel Card Program:

The fuel card program, through Mansfield Oil Company for FY07, was an overall success. The fuel card program allowed state drivers to fuel at hundreds of retail fuel sites statewide, while still maintaining the ability to use state owned sites. Data is transferred into the VMCC fleet management system allowing each agency to receive one consolidated monthly bill for all pool car related costs. Approximately 80 agencies and localities are currently using the program. Even as retail gasoline prices set all time records, the methodology of this program kept the FY07 average price per gallon at a respectable \$2.19.

OFMS Pool Car Retail Fuel Purchases:

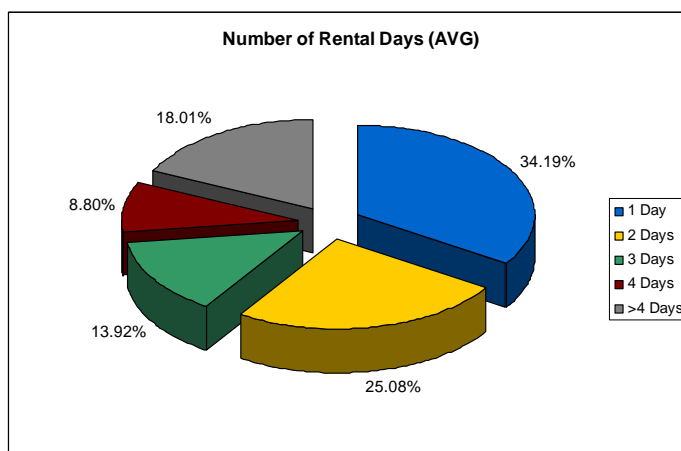
Voyager Card	Jan 1 2006 thru June 30 2006 (FY06 p2)	July 1 2006 thru Dec. 31 2006 (FY07 p1)	Jan 1 2007 thru June 30 2007 (FY07 p2)
(quantity)	335575.63	392398	540524.48
(cost)	\$759,436.00	\$815,650.92	\$1,230,916.82
Avg. Price per Gallon	\$2.26	\$2.08	\$2.28

E85 Fueling Station:

The first ethanol based fueling site for state owned vehicles became operational at the OFMS Central Garage in October 2006. Since that time OFMS has been proactive in educating state drivers of the usage and availability of the fuel. At approx 2000 gallons, usage was below the OFMS goal in FY07, but usage is expected to double in FY08. Education combined with the acquisition of more flexible fuel vehicles will increase usage of E85 and will help decrease the use and dependency of conventional gasoline.

Enterprise Rental Contract:

In the Fall of 2006 a DGS contract with Enterprise Rent-a-Car became available for use by state agencies across the Commonwealth. This service was provided to give state agencies and their employees an option to use an Enterprise vehicle rather than the employees' personal vehicle when traveling on state business. When the contract was made available the personal travel reimbursement rate to state employees, when using their personal vehicle, was 44.5 cents per mile. In 2007, personal travel reimbursement increased to 48.5 cents per mile. In FY07 state employees traveled a total of 2,613,081 miles in Enterprise vehicles for a total Enterprise rental cost of \$749,919 and a fuel cost of approximately \$228,905 for a total cost of approximately \$978,824. This calculates to approximately 37.5 cents per mile. If that same number of miles (2,623,081) would have



been reimbursed using the personal reimbursement rates in effect in FY07, the blended reimbursement rate of 46.5 cents per mile ($44.5 + 48.5 = 93/2 = 46.5$) would have cost the Commonwealth approximately \$1,215,082. The use of the Enterprise car rental option has resulted in a cost avoidance to the Commonwealth in FY07 of approximately \$236,258 ($\$1,215,082 - \$978,824$).

Conclusion

During FY07, the Office of Fleet Management Services has been moving forward with the objective of providing an enterprise approach to managing the Commonwealth's vehicle assets. Many of the concepts in the FY06 State of the Fleet report were further developed and refined.

The first fiscal year of data, in its entirety, captured in the VMCC fleet management system was for FY07. This data will be integral in making decisions in upcoming years and will give OFMS means for accurate comparisons on future reports. Along with accurate maintenance data, the VMCC has collected vehicle usage data that can now be used to track underutilization and forecast future purchasing needs.

FY08 will mark the beginning of the next phase of the re-engineering effort. OFMS will be integrating other state agencies into the VMCC program. Once in the program, the agencies' vehicle assets will be maintained through the VMCC call center and data will be tracked in the fleet management system. As of the date of this report the Department of Environmental Quality and Richmond Redevelopment Housing Authority are participating in the program. The program is expected to expand depending on demand in FY08.

OFMS is also working with the Auditor of Public Accounts in an effort to meet all recommendations outlined in their report that will be filed this upcoming fiscal year. As a part of that recommendation OFMS has contracted a consultant to provide additional support and expertise in the development of a business plan. With an extensive business plan and working in conjunction with the Fleet Advisory Group, established this year, OFMS will produce an updated and comprehensive policies and procedures manual. This manual will not only provide the rules and regulations for all state drivers to follow, it will also be the basis for an effective fleet safety program.

Attachment A

Agencies Reporting their FY07 Passenger Vehicle Information to OFMS

Agency
Department of Military Affairs
Department of Human Resource Management
State Board of Elections
State Auditor of Public Accounts
Department of Criminal Justice Services
Department of the Treasury
Department of Motor Vehicles
Department of State Police
Department of Housing and Community Dev.
State Lottery Department
Charitable Gaming Commission
Secretary of Education
Department of General Services
Department of Conservation & Recreation
Department of Education
The Library of Virginia
Woodrow Wilson Rehab Center
Virginia Tech - VPI& SU
Virginia Military Institute
Virginia State University
Norfolk State University
Longwood College
University of Mary Washington
Radford University
VSDB – Staunton
Old Dominion University
Department of Health Professions
State Office of Minority Business Enterprise
Virginia Museum of Fine Arts
Richard Bland College
Virginia Community College System
Southside Virginia Community College
Paul D Camp Community College
Rappahannock Community College
Northern Virginia Community College
Patrick Henry Community College
Virginia Western Community College
Wytheville Community College
Blue Ridge Community College
Southwest Virginia Community College
Germanna Community College
Lord Fairfax Community College

Mountain Empire Community College
Department of Agriculture & Consumer Services
Virginia Economic Development Partnership
Chippokes Plantation Farm Foundation
Department of Business Assistance
Marine Resources Commission
Commission of Game and Inland Fisheries
Virginia Racing Commission
Department of Mines, Minerals, & Energy
Department of Forestry
Department of Historic Resources
Department of Environmental Quality
Virginia Department of Transportation
Motor Vehicle Dealer Board
Department of Health
Department of Medical Assistance Services
Eastern State Hospital
Southwestern Virginia Mental Health Institute
Central Virginia Training Center
Department of Mental Health & Mental Retardation
Southeastern Virginia Training Center
Catawba Hospital
Northern Virginia Training Center
Piedmont Geriatric Hospital
Southwestern Virginia Training Center
Southern Virginia Mental Health Institute
Department of Correctional Education
Department of Social Services
Department of Juvenile Justice
Commission on Youth
Virginia Indigent Defense Commission
Virginia Tobacco Settlement Foundation
Governor's Office for Substances Abuse Prevention
Virginia Museum of Natural History
Department of Fire Programs
Division of Capitol Police
Department of Employee Dispute Resolution
Department of Alcoholic Beverage Control
Agencies Reported : 80