



DEPARTMENT OF
GENERAL SERVICES

OFFICE OF FLEET MANAGEMENT SERVICES

Serving Government. Serving Virginians.



STATE OF THE FLEET REPORT

FISCAL YEAR 2008

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). The data received from those agencies responding to OFMS’ request is used in this report.

OFMS also used data collected in its fleet management software system for this report. With over two years worth of reliable data collected, OFMS has been able to make educated decisions and comparisons. These decisions have given OFMS the ability to make long term plans to improve the efficiency and cost effectiveness of the fleet.

The following represent “best practice” vehicle management performance indicators. These indicators are used in this report to document and compare OFMS performance to other state agencies and institutions that reported 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 2008 Review

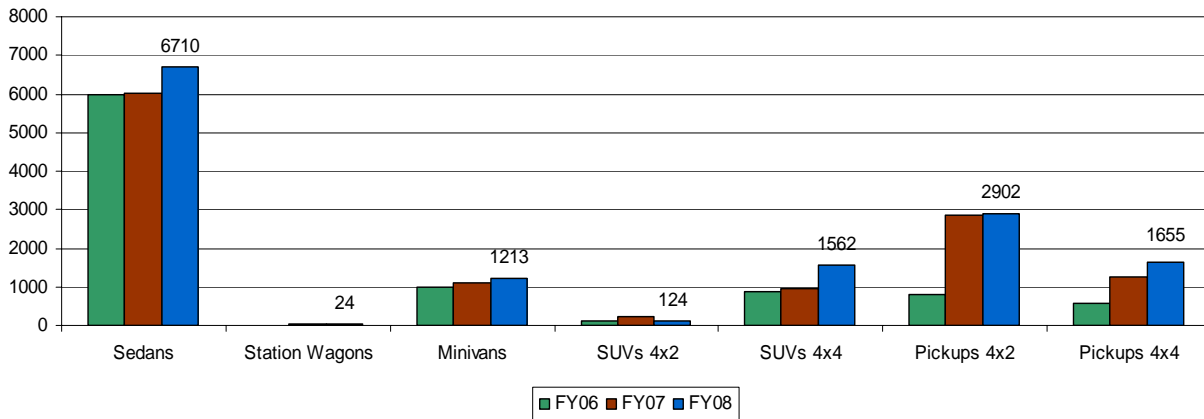
This report provides a comparison of the state agency and institution performance data collected in FY06, FY07 and FY08. In addition, the report includes FY08 performance data from OFMS that can be compared against other agency and institution data.

In FY05, OFMS established certain goals and objectives it set out to achieve from re-engineering its fleet management processes towards an enterprise approach to managing the Commonwealth's passenger-type vehicles. Status towards achieving these goals and objectives is included in this report.

State Fleet Composition Data:

The total number of vehicles reported by agencies in FY08 has grown considerably in many categories. This growth is a direct correlation to the response of the OFMS FY08 request for agencies to submit vehicle count data. In FY07 only 50% of the agencies reported their information to OFMS. In FY08 we saw closer to 75% reporting, where the remaining agencies do not own or operate passenger type vehicles.

Fleet Inventory Composition
 FY08 Total: 14190 units

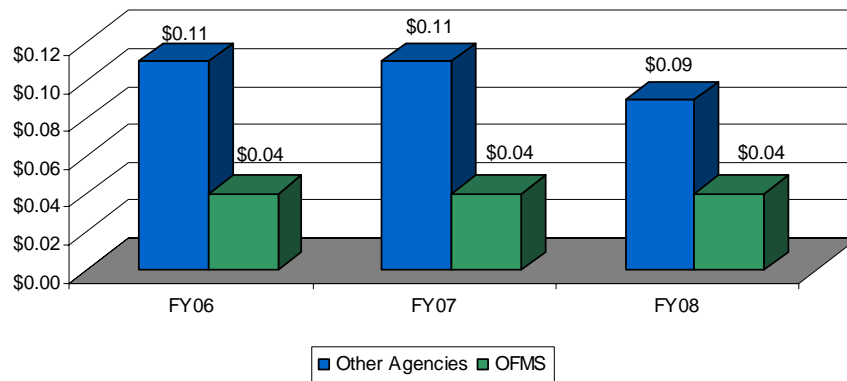


Vehicle Management Performance Indicators:

The following performance indicators represent common fleet management performance indicators. These figures give a big picture look at the performance of the state fleet. Note that the information in the charts reflect that direct maintenance and operating costs are less for vehicles managed by OFMS than what was reported by state agencies and institutions. This data reflects direct costs only and does not consider operational overhead.

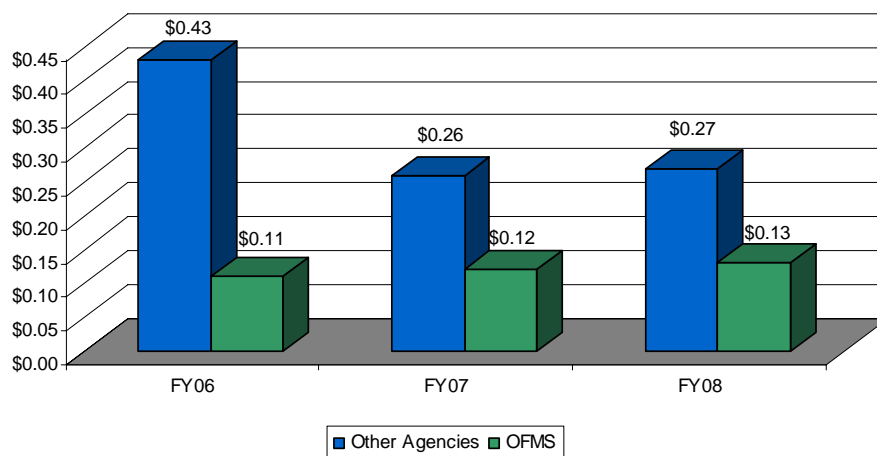
- State Agencies and Institutions FY06, FY07 and FY08 Maintenance Cost per Mile Compared to OFMS Cost. Maintenance cost consists of all parts and labor costs associated with vehicle maintenance and repair. Accident repair costs have been excluded from these figures:

Maintenance Cost per Mile

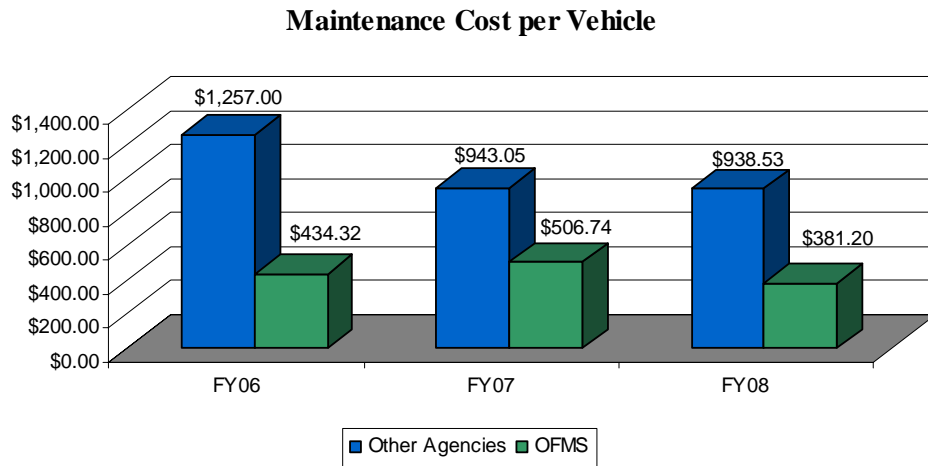


- State Agencies and Institutions FY06, FY07 and FY08 Direct Operating Cost per Mile Compared to OFMS Cost. Direct Operating Cost consists of all maintenance costs plus fuel costs.

Direct Operating Cost per Mile



- State Agencies and Institutions FY06, FY07 and FY08 Maintenance Cost per Vehicle Compared to OFMS Cost:



The OFMS Maintenance Cost per Vehicle decreased from FY07 to FY08 for OFMS pool vehicles. This decrease can be attributed to the efforts to decrease the age of the fleet along with the success of the Vehicle Management Control Center (VMCC) program, described in the next section of this report. Operating cost per mile increased slightly from FY07 to FY08. This increase was caused by the sudden increase of the price for gasoline.

OFMS Re-Engineering Initiative:

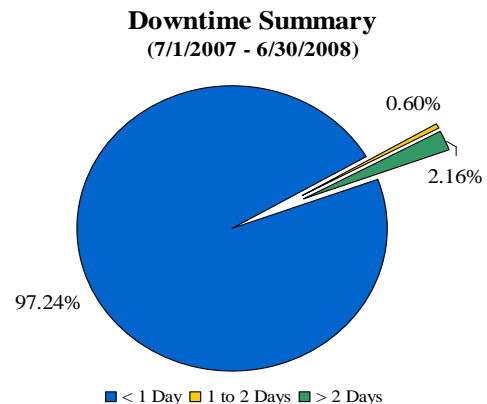
The OFMS reengineering effort began on September 1, 2005 with the implementation of the Vehicle Management Control Center (VMCC) and was initially divided into two phases. Phase 1 consisted of the integration of all OFMS pool vehicles into the VMCC while Phase 2 would capture agency owned vehicles into 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 that was not previously available.

Vehicle Repair Downtime:

In FY08 97.24 % of all repairs were completed within 1 day; .6% of all repairs were completed from 1-2 days; and, the remaining 2.16% took more than 2 days.



The vehicle downtime does not have a concrete cost savings associated with it, but it does represent an operational efficiency to those who would otherwise be without transportation. The VMCC is constantly looking for ways to have repairs completed more efficiently to minimize downtime. By increasing the size of the state-wide network of private sector vehicle repair facilities, the VMCC is able to schedule drivers at a repair facility (both State owned and private) that can complete the repair the quickest and at the best price.

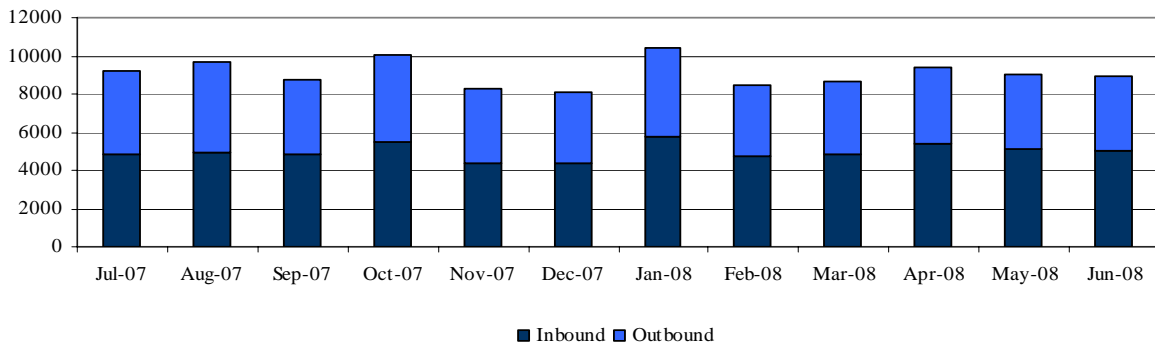
Call Center:

At the heart of the VMCC is the team of 6 contractor employees that handle 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 call center also utilizes an off-the-shelf fleet management software package “FASTER”. The FASTER application allows the VMCC to capture and track equipment information, maintenance data, vehicle usage, and fuel transactions. 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 109,018 phone calls during the reporting period; 59,780 of those calls were inbound to the call center and the remaining 49,238 outbound.

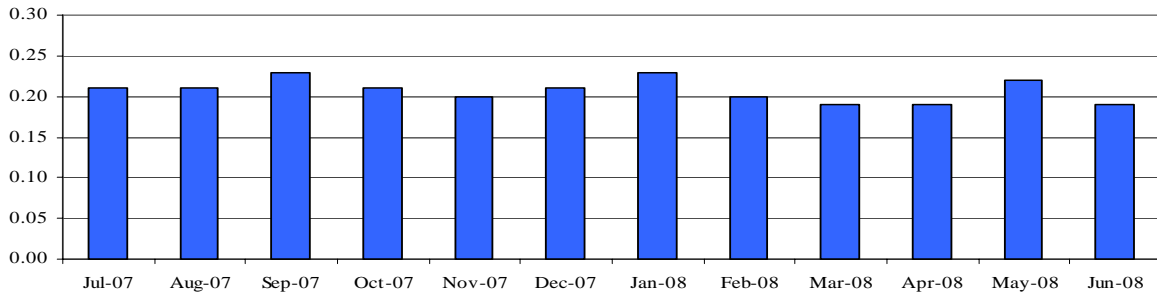
Total Calls per Month
(7/1/2007 - 6/30/2008)



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, although the recording does not have to be listened to in its entirety. During the reporting period, the VMCC performed better than the industry standard.

Average Answer Time by Month
(7/1/2007 - 6/30/2008)



Fuel Program

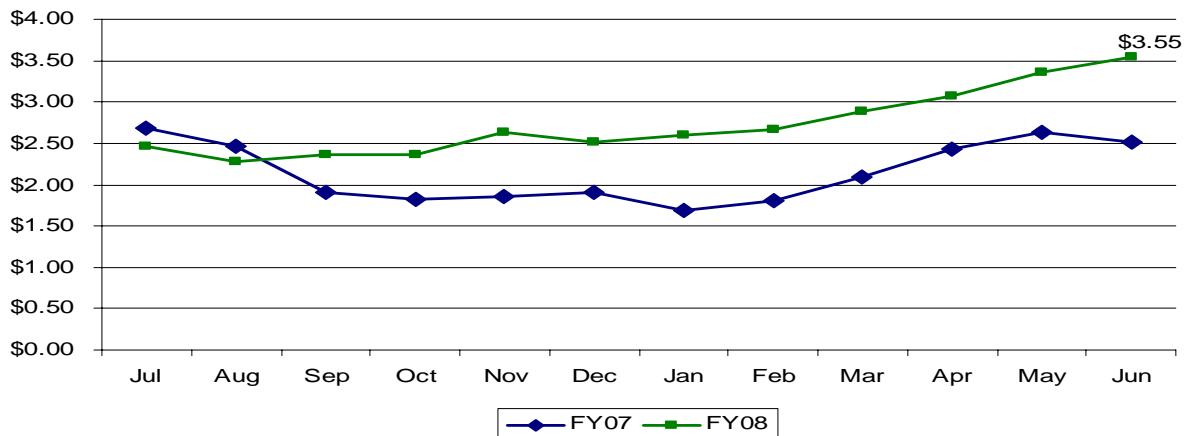
Fuel Card Program:

The OFMS fuel card program is an OFMS contracted service provided by a private sector fuel service provider. This service provides state drivers access to over 16,000 commercial fuel sites statewide, while still maintaining the ability to use state owned sites. Fuel purchase data is transferred into the VMCC fleet management system allowing each agency to receive one consolidated and detailed monthly bill for fuel card purchases. Approximately 300 agencies, organizations and localities are currently using the program.

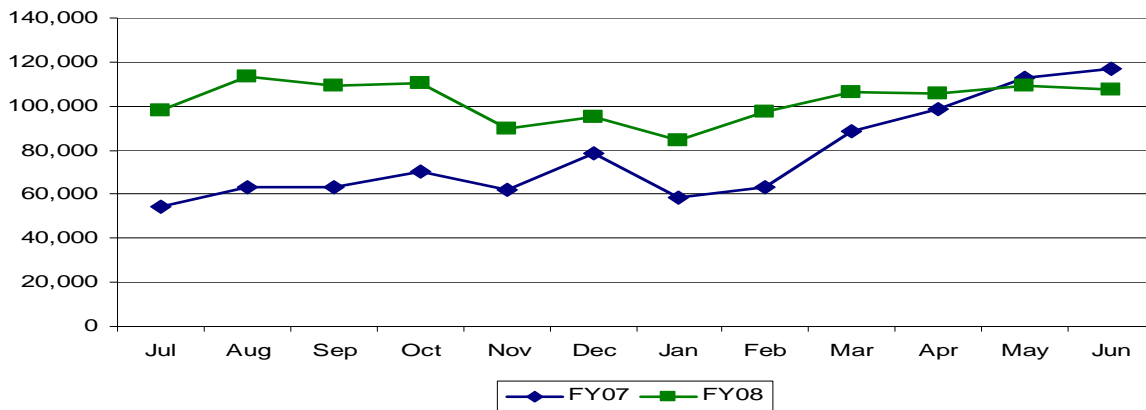
OFMS Pool Car Retail Fuel Purchases:

Voyager Card	July 1 2006 thru June 30 2007	July 1 2007 thru June 30 2008
(usage / gallons)	932,922.48	1,227,007
(cost)	\$2,046,567.74	\$3,355,870
Avg. Price per Gallon	\$2.19	\$2.74

Average Price per Gallon



Gasoline Usage

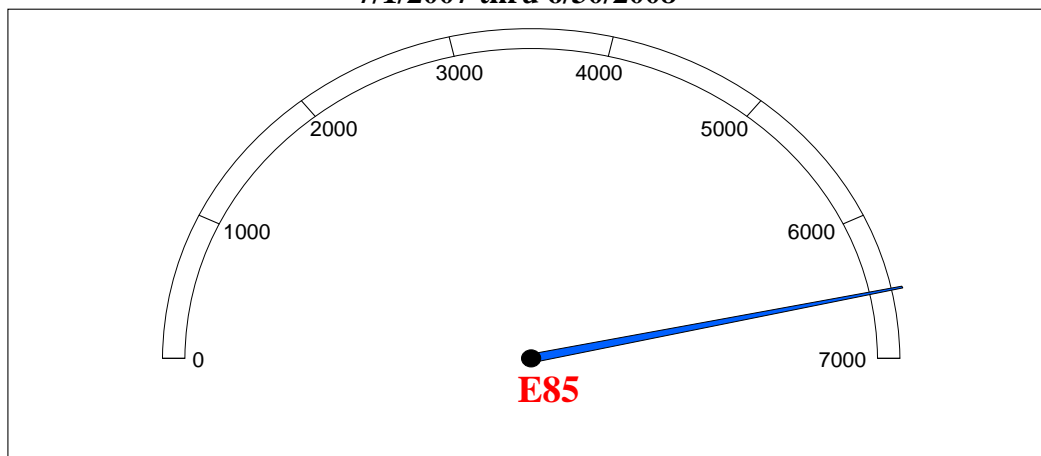


E85 Fueling Station:

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. The program had a slow start but the FY08 usage of 6,527 gallons exceeded the 5,000 gallon goal set in FY07. OFMS currently operates 872 (21%) E85 capable vehicles. Compact class E85 capable vehicles have not been available until Model Year 2009. The expectation is that usage will increase for FY09 as more E85 capable vehicles are introduced into the fleet and through continued promotion of the site. OFMS will continue to monitor the price of E85 and will compare that to the price of gasoline. If the price differential becomes too great, OFMS may advise agencies to refrain from the use of E85. OFMS strives to balance the environmental benefits with the subsequent monetary costs and advise our customers of the best alternative.

E85 Usage

7/1/2007 thru 6/30/2008



Alternative Fueling Stations in Virginia

As of: 9/8/08

	Public (Commercial, etc)	Private (Military, City, etc)	Planned	Total
Biodiesel (B20 and above)	6	7	1	14
Compressed Natural Gas	5	5	0	10
Electric	1	0	0	1
Ethanol (E85)	2	4	4	10
Hydrogen	0	1	0	1
Liquefied Natural Gas(LNG)	0	0	0	0
Liquefied Petroleum Gas (Propane)	20	1	0	21
Total	34	18	5	57

Data Source: U.S. Department of Energy

<http://www.eere.energy.gov/afdc/stations/advanced.php>

Short Term Rental Program

Rental Car Contract:

In the Fall of 2006 a DGS contract with a Rent-a-Car company 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 a rental vehicle rather than the employees' personal vehicle when traveling on state business. At the time the contract was made available to state employees, the personal travel reimbursement rate for employees when using their personal vehicle was 44.5 cents per mile. In FY08, personal travel reimbursement increased to 50.5 (CL: changed 7/1/07 to 50.5) cents per mile. In FY08 state employees traveled a total of 4,887,945 miles in rental vehicles for a total rental cost of \$1,374,800 and a fuel cost of approximately \$490,605. This calculates to approximately 38.4 cents per mile. If that same number of miles (4,887,945) would have been reimbursed using the personal reimburse rate in affect in FY08 of 50.5 cents per mile would have cost the Commonwealth approximately \$2,468,412. The use of the rental car option has resulted in a cost avoidance to the Commonwealth in FY08 of approximately \$594,002.

	FY07	FY08
Miles Driven	2,613,081	4,887,945
Fuel Used (Gallons @ 27 MPG)	96,781	181,035
Fuel Cost	\$228,905	\$490,605
IRS Mileage Rate	\$0.465	\$0.505
Rental Car Cost Per Mile	\$0.375	\$0.384
Personal Reimbursement Cost	\$1,215,083	\$2,468,412
Less Rental Car Cost	\$749,919	\$1,383,806
Less Fuel Cost	\$228,905	\$490,605
CoVA Cost Avoidance (YTD)	\$236,259	\$594,002

Conclusion

During FY08, the Office of Fleet Management Services has been moving forward with the objective of providing an enterprise approach to managing the Commonwealth's passenger-type vehicle assets. OFMS developed a new policies and procedures manual that serves as a regulating document for all state drivers. This manual has expanded from its original form to be a more comprehensive document for agencies to supplement with more specific requirements that better fit their mission.

To meet requirements set by the Auditor of Public Accounts, OFMS worked with a private sector vehicle maintenance and management consulting firm to analyze the cost recovery methods of OFMS. With input from the consultant's findings, the OFMS staff developed a new charge back methodology that will reduce the risk of over-charging as well as expanding the scope of vehicles that OFMS provides. The new charge back rates are more business like by design and bill customers directly for the type of vehicle they require.

OFMS also drafted a comprehensive business plan in FY08. This business plan will serve as a guide to changes we expect and the best practices to react to those changes. This business plan reflects the vision of the OFMS leadership team to create a comprehensive five-year strategic plan that will serve as a guide in providing direction to the organization and to our customers as we anticipate future needs.

Customer service has become the cornerstone for changes made at OFMS throughout the FY. The OFMS website was updated and enhanced with a customer feedback form. This form has been a great tool for our customers to provide feedback about the various areas of the operation. OFMS also began holding regional Agency Transportation Officer meetings across the state. These meetings have served as an avenue for our customers to get specific training and to meet the OFMS staff face to face.

FY09 will be an integral step in the OFMS re-engineering effort. Many of the changes initiated in FY08 will take effect in FY09. OFMS will continue to be on the leading edge of industry standards and strive to be a benchmark operation.