DEPARTMENT OF GENERAL SERVICES

FEASIBILITY STUDY: RELOCATION OF THE DEPARTMENT OF GENERAL SERVICES, DIVISION OF FLEET MANAGEMENT SERVICES

TO: ***Chairs of the House Appropriations and Senate Finance and Appropriations Committees***

COMMONWEALTH OF VIRGINIA
RICHMOND
NOVEMBER 1, 2025

Table of Contents

EXECUTIVE SUMMARY

Item C-3.60 of Chapter 725, 2025 Acts of Assembly requires that a study for the relocation of the Department of General Services fleet management services be completed. Specifically, it provides the following:

T*he Department of General Services (DGS) shall undergo a review of the potential relocation of its Division of Fleet Management Services (DFMS), currently located at the property at 2400 West Leigh Street in the City of Richmond. The review shall include, but not be limited to, (i) examination of other properties for relocation of DFMS, and (ii) review of potential consolidation with the Virginia State Police and any other sizeable state fleet operations in the Richmond area. Virginia State Police and other affected agencies shall assist with the review as needed, which shall be provided to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees by November 1, 2025.*

Consistent with this requirement, DGS conducted a comprehensive study. DGS surveyed all the state agencies that have similar sizeable fleets and automotive shop operations and conducted an analysis of the current customers/clients' base service locations. To maximize efficiency and reduce operational costs, the following agencies with larger fleets of state vehicles were proactively contacted to explore opportunities for consolidation:

Department of Corrections (DOC)
Department of Health (VDH)
Department of Juvenile Justice (DJJ)
Virginia Commonwealth University (VCU)
Department of Motor Vehicles (DMV)
Department of Transportation (VDOT)
Department of State Police (VSP)

In recent years, VCU closed its automotive-maintenance shop, and DFMS has become its primary shop and fueling station. The other agencies contacted—DOC, VDH, DJJ and DMV—are not planning to relocate and wish to continue with their present-day administrative operations in their respective agencies. None of these agencies have maintenance or repair shop operations in the Richmond area. They rely on the DFMS or the DGS Vehicle Management Control Center (VMCC) to schedule maintenance and repair services. According to VDOT, it has committed to relocating their fleet administrative function to Hanover County and they are not relocating their Colonial Heights fleet maintenance operations.

Based on the DGS survey, VSP needs to relocate their communications/radio installation shop. This is partly due to the pending construction of a new training academy that would encroach on the VSP fleet operations. However, beyond the construction of a new training facility, DGS/DFMS and VSP share critical needs and have multiple overlapping requirements. Therefore, sharing a lobby, reception, waiting area for drivers, service bays, parts and tire cages, fueling stations, car wash facility, and a large parking area for parking state vehicles is an efficient use of space and will maximize resources. This collaboration will significantly enhance the services both agencies provide to their constituents and advance their missions.

This study used three criteria to gauge the viability of the proposed site: cost, proximity to customers (including access to interstate networks), and functional capacity:

- **Cost** consists of net present cost calculations of all components prior to full utilization: acquisition, construction/modification, and relocation costs.

- **Proximity to customers** primarily includes location relative to current DGS work order locations and the VSP Headquarters. Site capacity consists of the total capabilities the site can hold, based on terrain and size measured by workorder throughput, storage capacity, and administrative support capabilities, including room for growth of the site as demand grows.

- **Functional capacity** takes into consideration that DGS/DFMS can provide automotive preventive maintenance and repairs to the VSP vehicles located in the Richmond area. Presently, DGS/DFMS has an 88% turn-around time within 24 hours. Consistently, the DGS/DFMS waiting customers leave the premises within 45 minutes of their scheduled appointment. During shop hours, automotive technicians are always available for breakdowns or emergencies.

To accommodate the unique program requirements and the large parking needs of both agencies and their respective missions, a total of 101,373 square feet of building with approximately 12 acres of developable land would be needed. At the time of writing of this report, DGS identified several properties in close proximity to the City of Richmond, which could support the programming necessary to develop a joint DGS/VSP facility.

Both agencies have outgrown their current facilities, and it is not feasible to renovate the existing aged facilities. It is advantageous to the agencies to consolidate their respective shops and relocate into one facility. The other potential advantage of DGS/VSP consolidation is cost savings associated with the Richmond area VSP state vehicles. Currently, VSP uses local commercial shops at a labor rate of $130 an hour. With the consolidation, DGS can provide the same automotive services at a labor rate of only $65 which represents a 50% reduction in labor costs alone. In addition, DGS/DFMS provides a lower cost for automotive parts, rather than the markups that are added by commercial shops. Furthermore, the additional savings would be realized through shared infrastructure, centralized procurement, and improved turnaround times.

BACKGROUND

DGS/Division of Fleet Management Services

In 1948 and reaffirmed in 1971, the Department of Highways, Equipment Division assigned and maintained all state-owned passenger-type motor vehicles through the Central Garage Car Pool Committee. Over the years, the Department of Highways transitioned to the Department of Transportation (VDOT). VDOT built the current fleet facility (3,750 sq. ft., offices / 5,000 sq. ft., shop) in 1982 and operated at 2400 West Leigh Street, Richmond, until June 30, 2001. Effective July 1, 2001, the facility and the centralized fleet operations were transferred to DGS. Effective July 1, 2025, the Office of Fleet Management Services became the Division of Fleet Management Services (DFMS).

Based on JLARC's and APA's 2004 recommendations, DGS/DFMS became an internal revenue service and established the Vehicle Maintenance Control Center (VMCC) in August 2005. In that same year, Executive Order 89 was issued, instructing DGS to develop a consistent, efficient, and cost-effective fleet management program for all vehicles owned by the Commonwealth.

DFMS supports the following functions at the 2400 West Leigh location:

Function	Results
10-service bay maintenance garage	FY25 5,316 completed automotive service jobs
2-fueling station	FY25 65,310 gallons of regular gas pumped
Level 3 (DC Fast-Charger) & Level 2 (240-volt)	n/a
Car Wash	No cost to state operators
24/7 Vehicle Management Control Center/VMCC	Over 85,000 calls annually FY25 Cost avoidance approximately $200K
Centralized Fleet	3,264 vehicles; FY25, 34 million miles driven

The Vehicle Management Control Center (VMCC) seeks to secure the best possible pricing for off-site maintenance by leveraging relationships with hundreds of shops across the Commonwealth. It provides a 24/7 hotline support to state drivers when facing mechanical failures, crashes, or routine maintenance needs.

VSP will also be able to take advantage of the DGS maintenance program, which provides access to the 24/7 VMCC support services throughout the Commonwealth. The benefits of the VMCC for all state drivers regardless of location are:

- The driver is relieved of the hassle or burden of finding an automotive shop.
- The driver is notified when preventive maintenance services are due.

- The driver is not upsold on services not needed, providing cost avoidance to the Commonwealth.
- The driver is relieved of paying for the services rendered. The VMCC pays on their behalf. This reduces some of the required tracking and reconciliation of receipts for the Commonwealth's small purchase charge card.

DFMS also serves as the administrator for fleet-related contracts. DFMS manages both the state fuel contracts for the Commonwealth's Voyager fuel cards and the bulk fuel. The Voyager fuel cards are not only for the centralized fleet vehicles but for all state vehicles throughout the Commonwealth. The bulk fuel contract enables the agencies that host their own fuel tanks to purchase at a lower and stable rate without hedging or being subject to the volatility of the fuel market. Lastly, when it is cost-effective to rent a vehicle for the day or week in lieu of owning a state vehicle, state drivers take advantage of the short-term vehicle rental contract.

The 2400 West Leigh Street facility is a vital hub, supporting 14 full-time employees (FTEs) and 14 contractors, as well as maintenance bays, a parts/tires storage facility, bulk fuel storage, and the capacity to serve 1,000 vehicles and 20 buses, all anchored by its 24/7 call center. However, the facility faces a critical challenge. As vehicles have grown in size, especially with the integration of electric vehicles, the current bay dimensions can no longer accommodate the fleet's evolving needs. On average in the last five years, compact sedans have all but vanished, replaced by larger crossover vehicles. From 2013 to 2023, vehicles' lengths increased by a remarkable 12%, adding nearly two feet each vehicle.

Furthermore, electric vehicles require services bays that can safely handle advanced 400–800-volt systems and the specialized insulated tools necessary for their maintenance. Therefore, to ensure safety and efficiency, today's service bays must be larger — not only to properly insulate high-voltage EV batteries but also to accommodate the specialized tools essential for their maintenance. Expanding and modernizing DGS's service bays is essential to ensure the facility remains capable, safe, and ready to support the agency's growing, modernized fleet.

Finally, due to the increasing development pressure and property values of the Scotts Addition and Diamond District areas, the DFMS land assessment has increased considerably. As a result, developers have approached DGS with the goal of purchasing the 2400 West Leigh Street property. Consequently, DGS is proactively reviewing relocation options.

Virginia State Police

The Virginia State Police can trace its origins to 1922, when the Virginia General Assembly hired state employees to enforce the Automobile Acts of 1919. In 1932, the first Trooper was created to investigate major crimes and stolen vehicles. In 1939, the Virginia State Police (VSP) was established.

In 2004, VSP implemented the Statewide Agencies Radio System (STARS) and continues to upgrade and support the STARS initiative. Virginia became one of the first states to use Integrated Voice and Data (IV&D) land mobile radio architecture. Today, VSP offers the STARS program to 25 state agencies and multiple cities and counties throughout the Commonwealth, serving approximately 30,000 users, and the initiative continues to grow.

VSP's fleet services do not routinely repair or service trooper vehicles. Those services are handled by local repair shops as selected by the driver. VSP does maintain and service some state-issued vehicles for employees working out of VSP Headquarters' offices. If the consolidation of these services moves forward, DGS would offer repair and maintenance services for trooper vehicles and state issued vehicles for employees located within the Richmond area. VSP would use DFMS for repair and maintenance when it is the most time and cost-efficient option.

VSP's Fleet Services and the radio communications/installation operation are a critical backbone for statewide safety and connectivity, supported by 60 full-time employees, including 45 technicians who utilize multiple outdated buildings — some dating back to 1948 and 1956 — and scattered parking lots at the 7700 Midlothian Turnpike VSP Headquarters (see Figure 2 on Page 9). The most recent radio communications facility, built in 2012, is already overwhelmed by modern operational demands. Due to limited warehouse storage, radio equipment is continuously stored in many shipping containers throughout the campus, and VSP leases off-site warehouse storage space, undermining efficiency and security. In 2024, there were a total of 300 new vehicle builds. When VSP upfits a vehicle, it involves removing seats and disassembling most interior panels and trim to route specialized wire harnesses, install antennas, emergency lighting, a center console, a vertical weapon system, a rear cargo divider, a radio box, and associated radio equipment. During the installation process, the vehicle's interior components (seats, trim, and interior panels) are removed from the vehicle. As a direct result of these space constraints and inefficient facility design, increasing demands, manpower constraints, VSP was forced to outsource the installation process to keep up with demand. This reliance on vendor services has created quality control concerns resulting in unsatisfactory and unsafe work products, as well as rework. VSP seeks to bring all radio installation work back in-house. However, due to limited space, that goal cannot be achieved today. VSP also reports there is a growing demand from agencies and localities for VSP's technicians to complete their STARS installations.

Impact of Construction of New Training Academy

VSP has been authorized to construct a new training academy within the VSP Headquarters campus. The project is managed by DGS. Construction, in phases, is expected to break ground in August 2027. The phased estimated construction timeline is listed on the next page:

- Phase 1 - Construct the training/gym and surface lot starting in August 2027, complete by August 2028;
- Phase 2 - Construct the dormitory, academy, admin building and K-9 building starting in August 2028, complete by August 2029; and
- Phase 3 - Demolish the existing academy and complete the new surface parking lot, access roads, and the remaining site work, starting August 2029 to April-May 2030

The estimated completion and move-in is expected in the summer of 2030. While none of the above-listed work will impact on the VSP fleet or communications/radio installation buildings, the project will significantly affect multiple surface lots essential to the VSP fleet services. This disruption will hinder the smooth flow of installation operations, risking delays and inefficiencies when operational effectiveness is critical. The relocation of VSP fleet services will create a more seamless workflow and position VSP for future growth of its fleet operations to support more state agencies and localities.

Below is an illustration of the new academy's overlay of the existing VSP's operations.

Figure 1 – Overlay of new training academy on existing property.

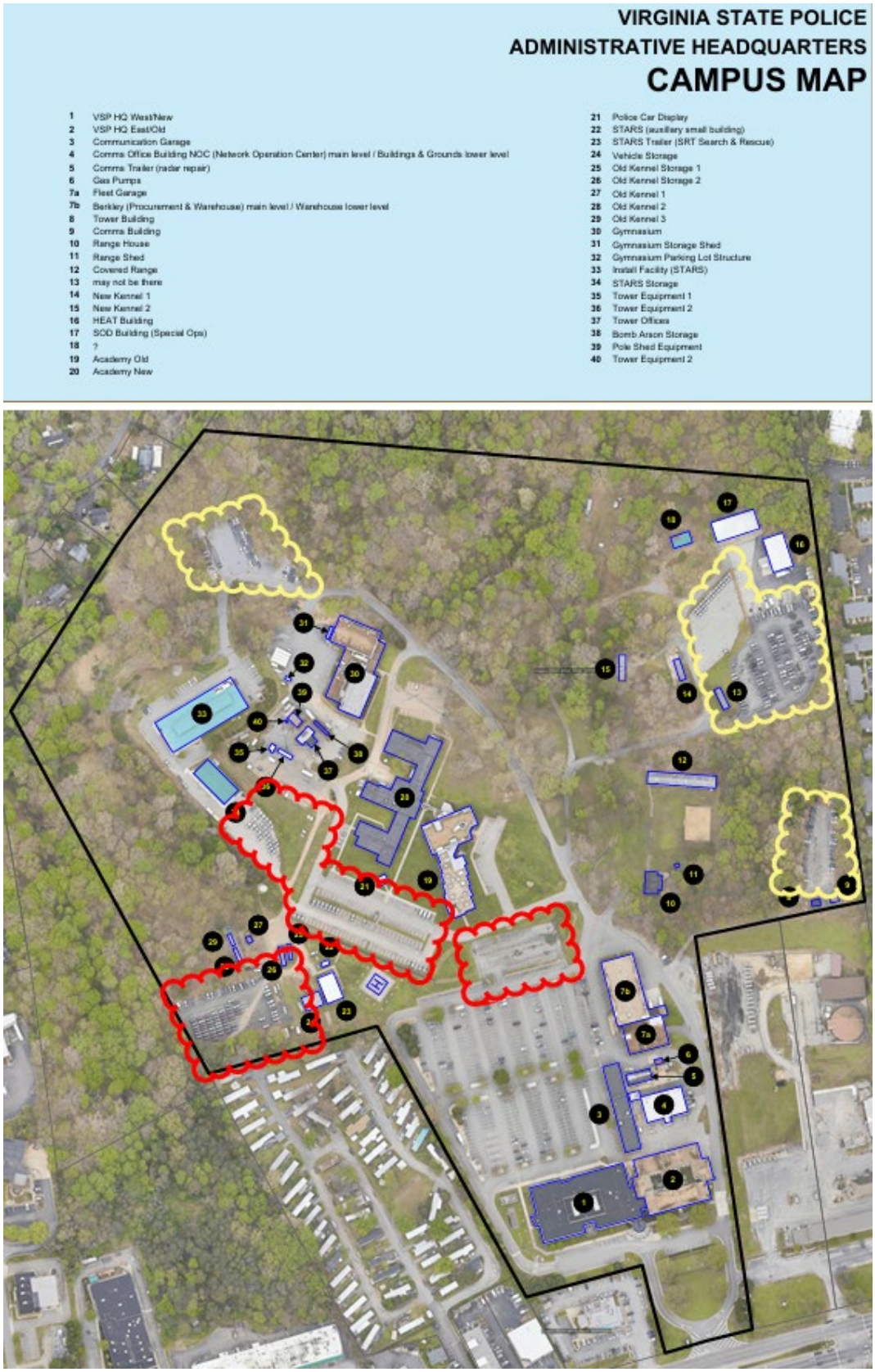

Figure 2 - Impacted parking lots identified.

Co-locating the VSP fleet services and their communication/radio installation with the DFMS could allow increased efficiencies, foster collaboration for both agencies, maximize resources, and provide a forward-thinking public service for all the reasons outlined below.

DGS & VSP CUSTOMER BASE

Of the 3,200 DGS centralized fleet vehicles, nearly one in five rely on services in the Richmond area — making this hub a linchpin in statewide operations. Richmond, along with the key hubs in Norfolk and Northern Virginia, forms the backbone of DGS' fleet maintenance operations. As illustrated in Figures 3 through 7, these hubs collectively support the majority of DGS's fleet, with maintenance operations within just 30 minutes of these locations accounting for an impressive 55.26% of all fleet maintenance between June 2024 and May 2025.

Work Orders within 30 minutes of Central Location.		
Richmond	**Norfolk/Newport**	**Northern Virginia**
4,494/12,637 Workorders 35.56%	1,733/12,637 Workorders 13.71%	757/12,637 of NOV 5.99%
$846,982/$2,224,420 38.08%	$307,770/$2,224,420 13.84%	$117,270/$2,224,420 5.27%

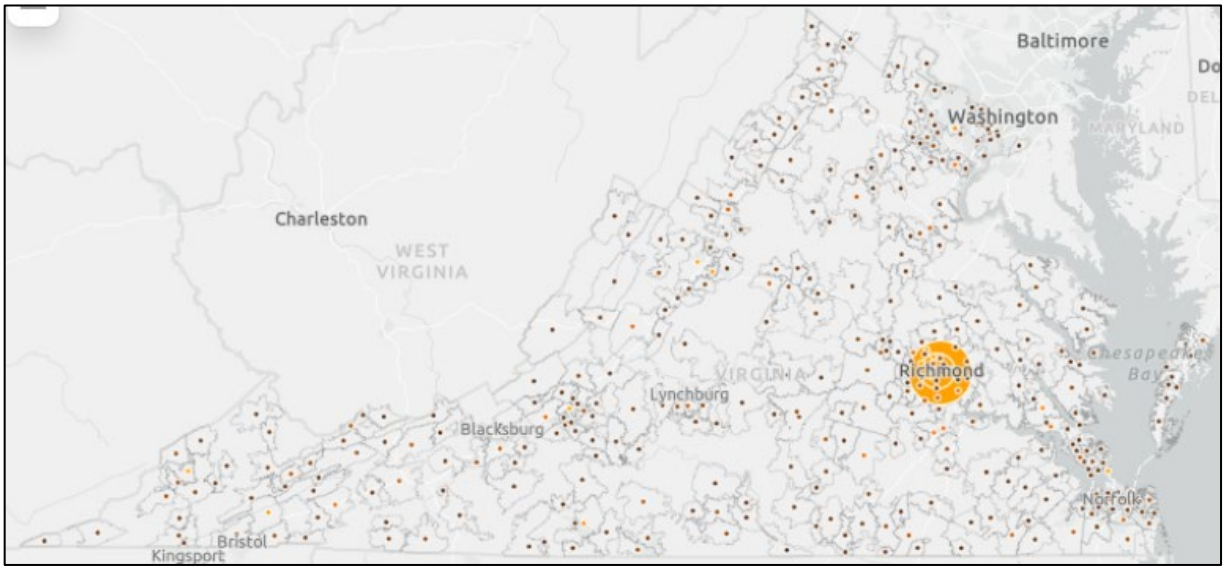

Figure 3: Vehicle reported operational location by zip code

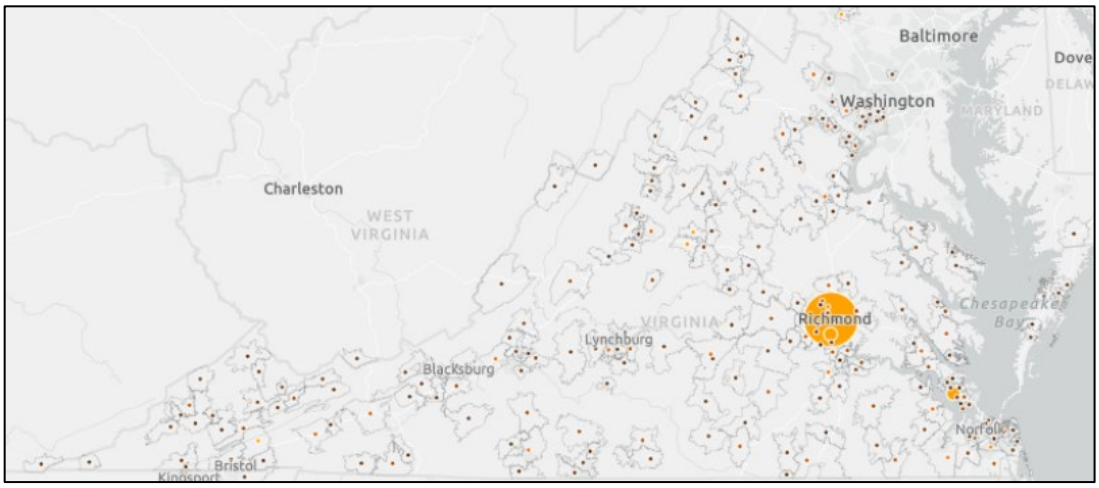

Figure 4: Number of work orders by zip code

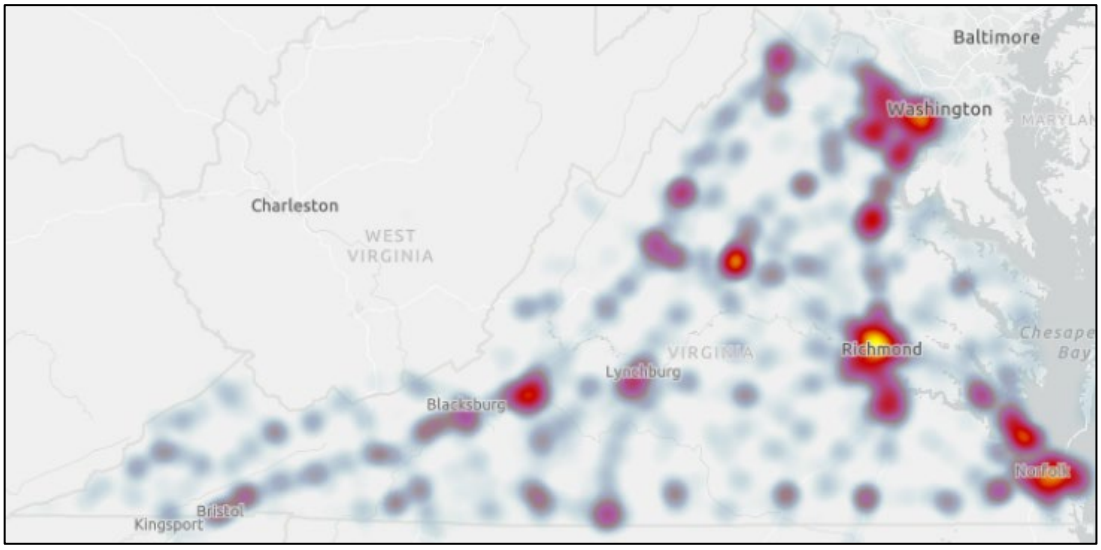

Figure 5: Reported density of fuel purchases

Based on the above analyses, remaining in the heart of the Richmond area ensures continued accessibility, operational efficiency, and cost-effectiveness—benefits that are vividly illustrated by the distribution of work orders shown in figures 6 and 7.

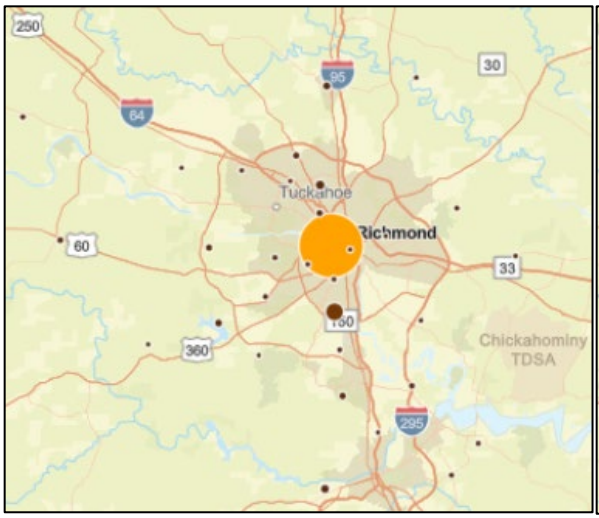

Figure 6: Richmond Area Work Orders by Number

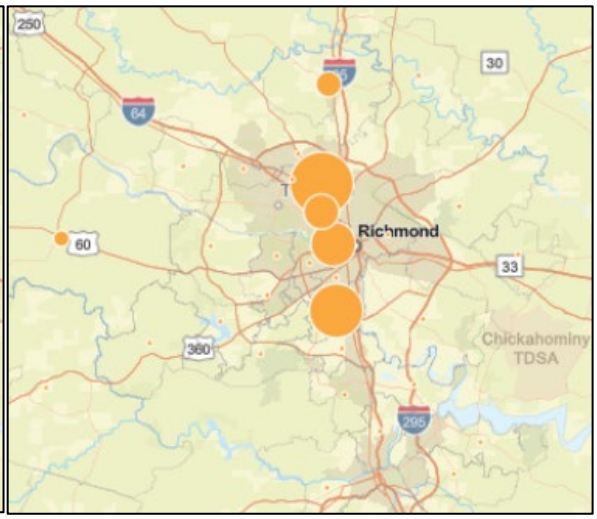

Figure 7: Richmond Area Work Orders by Cost

An assessment of the geographic origins of work orders indicates that a consolidated fleet facility located in close proximity to the northeast and southeast quadrants surrounding the Richmond central business district would serve the needs of regional fleet customers and VSP. Although the assessment demonstrated that work orders originating on the west side of town, land values there are much higher and the development of a facility in that area would be impacted by future development pressures.

The VSP's fleet services and radio communication installation shop at 7700 Midlothian Turnpike, processes over 1,000 vehicles at its complex. Together, the communications and radio installation team, in partnership with VSP Fleet Services, deploys **all** of the VSP vehicles from this central location. In order to maintain their operations with minimal disruption, choosing a site in central Virginia central is essential for seamless deployment of VSP vehicles, and rapid response. The following graphics of 10- and 15-mile radii illustrate the strategic importance of this location.

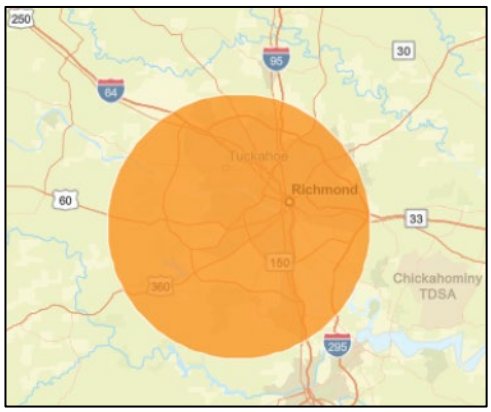

Figure 8: 15-mile VSP Radius

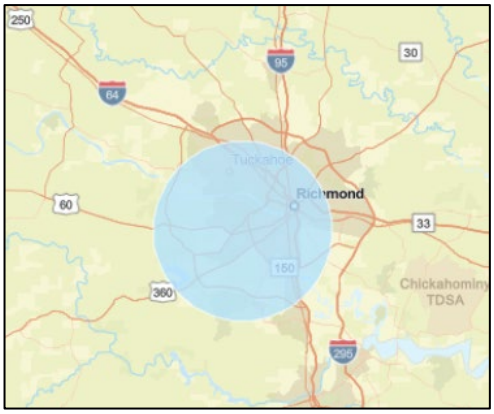

Figure 9: 10-Mile VSP Radius

The combination of these frames of analysis is listed in the table below.

Work Orders within 30 minutes of Central Location.							
	Work Orders within 30 minutes		Work orders within 15 minutes		Distance to VSP HQ		
Location	w/ 2400 W Leigh	w/ 2400 W Leigh	w/o 2400 W Leigh	w/o 2400 W Leigh	Miles	W/in 10 miles	W/in 15 miles
2400 W Leigh	4135	2003	3827	1521	11.5	N	Y
Chamberlayne	4414	2102	3833	1521	8.5	Y	Y
Bensley	4532	2220	3663	1351	8.1	Y	Y
Richmond Airport	4482	2107	3436	1124	20.9	N	N
N Chamberlayne	4412	2100	3268	881	15.7	N	N
Mechanicsville	4376	2064	3193	881	19.1	N	N

FACILITY REQUIREMENTS

Administrative Support

Consolidating the administrative support teams for DGS and VSP presents a unique opportunity to avoid redundant space needs. The functionality would include a combined lobby with waiting area, offices, cubical open-area workstations for the VMCC, a conference room, a training room, office supply storage and a breakroom to accommodate DGS and VSP current employees along with equipment storage space and vehicle parking.

Garage Capabilities

Consolidating both fleet maintenance operations and STARS installation into a single modern shop would result in savings by eliminating unnecessary redundancies. By authorizing independent but co-located space within the same facility — 14 dedicated service bays for DGS and 16 sequential linear assembly line style installation bays with parallel workstations. (2 rows of 8 bays), 28 pull-in bays with parallel workstations (1 dynamometer bay, 1 wash bay, 2 turn-in, and a 24 service) for VSP — it can streamline workflows and minimize bottlenecks. Centralizing technician workspaces, vehicle lifts, and shared systems for bulk fluid, air, and hydraulics, along with an on-site parts storage area, further reduces the need for duplicate infrastructure.

If these services are consolidated, STARS installs would no longer be partially outsourced and operations would increase if additional square footage for added personnel, floor space and storage were provided. In addition, VSP believes it could support more STARS service and installation requests from localities and other state agencies. Should this happen, VSP believes it

would need additional shop technician personnel. The number of personnel will depend on the timing of implementing this phase of the service to other agencies.

Warehouse Capacity

Beyond in-garage tool storage, the facility would also provide a warehouse space for longer-term inventory of radio communication tools and parts. It would require a storage area equipped with shelving, racks, and capacity for 100 pallets along with a dedicated loading bay. This would ensure organized, secured, and scalable storage that would meet the needs of both agencies.

Lot Capacity

Currently, DGS and VSP maintain capacity for 1,100 combined vehicles. However, VSP believes there is a future demand for STARS installations from other state agencies and municipalities as well as VSP's discontinuance of its current outsourcing. The anticipated required outdoor vehicle storage need is likely to grow to 1,445 in the near future. Accommodating this growth requires five acres of well-designed asphalt parking, 5,000 square feet of covered storage, two 10,000-gallon underground tanks with fueling pumps, 10 EVSE (charging stations), a car wash facility, and dedicated systems for safe automotive waste and oil disposal.

Both DFMS and VSP Fleet Services are the only state vehicle deployment offices for their respective agencies and the deployment process - assigning vehicles and surplusing the older vehicles - does result in needing larger accessible parking areas. DFMS' replaces 10% to 20% of the Centralized Fleet annually due to high mileage or age. The DGS Centralized Fleet (3,200 vehicles) replacement schedule is 85,000 miles, 10 years of age or if a repair is equal or higher than 60% of the vehicle's value. Replacing the vehicle at 85,000 miles eliminates the upcoming costly maintenance repairs and optimizes the residual value when the vehicle goes to auction prior to the odometer reaching the milestone of 100,000.

VSP has 3,500 vehicles in their fleet and replaces 15% annually. Their replacement schedule is based on mileage per vehicle classification. See below:

- Trooper Vehicles – 130,000
- Executive Vehicles – 75,000
- Surveillance/Administrative/Investigative/Civilian Vehicles – 150,000

In addition, VSP has two training schools of trooper trainees annually. New vehicles are ordered and upfitted in preparation for those graduates.

Security

Consolidating both of these services would also generate savings in security related efforts. Specifically, the facility would feature security measures—including full perimeter fencing, motion-activated lighting, and security cameras—alongside an internal perimeter protecting 5,000 square feet of outdoor finished inventory storage.

SPACE NEEDS

If both DGS and VSP were simply relocated with current combined square footage, the site size would be 12 acres, and the facility would be approximately 101,373 square feet and 1,445 parking spaces with requirements as shown below:

Type of Space (Combined)	Square Footage
Office	10,003
Warehouse Storage	25,054
Fleet Shop/Comm Install Shop	66,316
Total	101,373

CAPITAL COST ESTIMATES

Based on the DFMS and VSP defined program space needs, the estimated capital costs were developed for three scenarios. Below are the projected costs for each scenario: either the state agency relocating individually or both agencies consolidating into a single location. The combined facility would save the Commonwealth approximately up to $15,207,233, which includes land acquisition and other construction related costs.

	DGS & VSP Combined	**DGS Standalone**	**VSP Standalone**
Scope of Work	101,373 sf	22,003 sf	88,028 sf
New Parking Spaces	1,445	645	400 + 400 gravel
Acreage	12	7	10
Start of Design	7/1/2027	7/1/2027	7/1/2027
Start of Construction	10/1/2028	10/1/2028	10/1/2028
Project Construction Duration	24	24	24
Total Project Budget	**$ 72,024,264**	**$ 27,883,083**	**$ 59,348,414**

CONCLUSION

The Department of General Services (DGS) and the Virginia State Police (VSP) have outgrown their current facilities. The existing infrastructure is outdated, undersized, and no longer capable of supporting the evolving operational needs of either agency—particularly in light of the growing use of electric vehicles, increased service demands, and the need for modernized communications infrastructure.

Consolidating the DGS Division of Fleet Management Services and VSP fleet and communications operations into a single, purpose-built facility presents a unique and timely opportunity. This co-location would not only eliminate redundancies in administrative, maintenance, and storage functions, but also significantly improve service delivery, reduce operational costs, and enhance inter-agency collaboration.

The proposed facility, estimated at 101,373 square feet with capacity for 1,445 vehicles located in close proximity to the northeast and southeast of the Richmond central business district, would support current and future growth, streamline operations, and improve the Commonwealth's ability to respond to fleet and communications needs efficiently. The strategic location options identified ensure continued accessibility to key service areas while minimizing disruption to existing operations.

Financially, the consolidation offers substantial cost savings. VSP's current reliance on commercial maintenance services at $130 per hour could be partially replaced with DGS services at $65 per hour, representing a 50% reduction in labor costs alone for affected services. Additional savings would be realized through shared infrastructure, centralized procurement, relinquishing leased storage space, and improved turnaround times.

In conclusion, this initiative represents a forward-thinking investment in the Commonwealth's operational infrastructure. It supports long-term sustainability, enhances public service delivery, and positions both DGS and VSP to meet their current and future needs.