



DEPARTMENT OF GENERAL SERVICES

Triennial Report - Electric Vehicle (EV) Procurement
Cost Savings & Avoid Emissions

TO THE GOVERNOR AND MEMBERS OF THE GENERAL ASSEMBLY



**COMMONWEALTH OF VIRGINIA
RICHMOND
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EXECUTIVE SUMMARY

Code of Virginia § 2.2-1176.2 Declaration of policy supporting cost-effective vehicle purchase and lease; total cost of ownership calculator; report. Item C provides the following:

Beginning January 1, 2026, and every three years thereafter, the Department shall submit to the Governor and the General Assembly a report summarizing the Department's vehicle procurements and the vehicle procurements of other agencies of the Commonwealth. The report shall, at a minimum, include a compilation of types of vehicles by size, fuel sources, and the total estimated cost savings and avoided emissions attributable to purchasing or leasing of EVs instead of ICEVs.

The Department created and implemented the Total Cost of Ownership (TCO) calculator on its website in October 2022. In addition, the Department requires the TCO calculator documentation to accompany the organization's request. As instructed in the Agency Procurement and Surplus Property Manual (APSPM), state agencies must receive the Department's approval prior to purchasing or leasing a vehicle. However, the vehicle *request* does not always result in a vehicle purchase. Furthermore, annually, state agencies and institutions of higher education (IHEs) are required to submit a report to the Department identifying vehicles purchased in the preceding fiscal year. Based on the submissions since October 2022, only two electric vehicles were purchased in the last three years.

There are only 41 dedicated chargers among nine state agencies and IHEs. Legislation and regulations have incorporated requirements for electric vehicle supply equipment (EVSE) - EV chargers installation for future state construction builds. However, at the time of this report, 98% of agencies and state colleges are not equipped to support EV vehicles for their state drivers. By the same token, the on-going issues of availability and/or functionality of public chargers, the Department cannot issue electric vehicles to state drivers when there is not a reliable source of EV charging.

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 Virginia 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 fund 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.

All the state agencies and IHEs can 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.

Per Va. Code § 2.2-1178, the Department manages the Commonwealth's centralized fleet. DGS purchases the state vehicles and leases them to the state agencies/IHEs spreading the capital costs over 84 months. Currently more than 170 organizations take advantage of this service. In addition, according to Va. Code § 2.2-1180 and along with Executive Order 89 (2005), agencies are required to seek the Department's approval prior to leasing or purchasing a state vehicle; exceptions include VDOT's road improvement/incident vehicles, Alcohol Beverage Control and IHEs' vehicles. Seeking the Department's approval is the opportune time to evaluate the cost comparison of an internal combustion engine (ICE) or gas/diesel vehicle to an electric vehicle. As mentioned earlier in this report, a request may not materialize into a vehicle purchased or leased. However, the mandated annual report captures the vehicle purchased by fiscal year for each state agency and IHE.

Currently, the Department's centralized fleet has four Chevrolet Bolt and three Nissan Leaf electric vehicles which were purchased prior to this legislation.

Total Cost of Ownership (TCO) Calculator

The TCO calculator accounts for the following contributors or data points:

- Fuel Cost per state contract pricing
- Maintenance costs based on Department's maintenance cost per vehicle classification
- Resale Proceeds based on the Department's historical data per vehicle classification
- Insurance coverage per Treasury's Division of Risk Management's CarCare rates
- 60% Depreciation
- 7-year life expectancy
- Average Gasoline Price is \$3.19
- Average Kilowatt Price is .1800 – peaking charging costs are not considered.

The TCO calculator allows the following exceptions:

- Law enforcement/emergency response vehicles/incident response vehicles
- EV delivery exceed ICE delivery by 90 days
- EV equivalent does not exist or is not available
- EV and EVSE installation costs exceeds budgeted funds
- EV is used 75% or higher of the 24-hour day
- Lack of permission from property owner to install charging station/infrastructure
- Property is not conducive to the EVSE installation
- Vehicle's anticipated daily driving range exceeds EV capability and/or there is inadequate infrastructure in the geographical area where the vehicle will be operated

- The vehicle purchase is paid for with grant funds but the cost of the EVSE and/or installation is not

Since January 2023, the Department has received a total of 1,618 vehicle purchase/lease requests. Of those, 1,287 were exempt vehicles; 1,579 were approved with only 7 cases where the EV was the less expensive option. In the majority of cases, the gas/diesel or ICE vehicle was the less expensive option or the organization identified one of the exemptions listed above.

Since January 2023, agencies/IHEs purchased 2,384 vehicles and of those, 1,894 were exempt and two EVs were purchased. During the same time, the Department purchased 666 vehicles and with none being EVs.

STATISTICAL INFORMATION

2023	Total Vehicles Purchased		Totals		Annual Cost Savings	Annual Avoided Emissions
Types of Vehicles	DGS	Other Agencies	ICE	EVs		CO2 g/mi
	180	609	789	0	0	0
Sedans						
Compact	7	3	10	0		
Mid-Size	6	27	33	0		
Full-Size	9	2	11	0		
SUVs						
Compact	22	19	41	0		
Mid-Size	93	238	331	0		
Full-Size	10	9	19	0		
Mini-Vans	16	49	65			
Motorcycles	0	0	0	0		
Compact Cargo Vans	0	1	1	0		
Full-Size Vans (12-Passenger/Cargo)	9	8	17	0		
Trucks	0					
Compact	0	16	16	0		
Mid-Size	6	153	159	0		
Full-Size	2	84	86	0		
Exempt Vehicles per Code	420	53% Hybrids		0		

2024	Total Vehicles Purchased		Totals		Cost Savings	Annual Avoided Emissions
Types of Vehicles	DGS	Other Agencies	ICE	EVs		Metric Tons
Total	333	987	1,319	1	\$11,058	8
Sedans						
Compact	0	0	0	0		
Mid-Size	0	33	33	0		
Full-Size	0	1	1	0		
SUVs						
Compact	101	91	192	0		
Mid-Size	97	528	625	0		
Full-Size	14	24	38	0		
Mini-Vans	0	18	18	0		
Motorcycles	0	4	4	0		
Compact Cargo Vans	0	0	0	0		
Full-Size Vans (12-Passenger/Cargo)	8	26	33	1		
Trucks						
Compact	2	6	8	0		
Mid-Size	101	134	235	0		
Full-Size	10	122	132	0		
Exempt Vehicles per Code	944	72%	Hybrids	3		

2025	Total Vehicles Purchased		Totals		Cost Savings	Annual Avoided Emissions
Types of Vehicles	DGS	Other Agencies	ICE	EVs		Metric Tons
Total	153	788	940	1	\$8,753	4.6
Sedans						
Compact	0	12	11	1		
Mid-Size	0	30	30	0		
Full-Size	0	9	9	0		
SUVs						
Compact	50	15	65	0		
Mid-Size	22	295	317	0		
Full-Size	6	20	26	0		
Mini-Vans	40	16	56	0		
Motorcycles	0	4	4	0		
Compact Cargo Vans	0	0	0	0		
Full-Size Vans (12-Passenger/Cargo)	4	79	83	0		
Trucks						
Compact	0	2	2	0		
Mid-Size	26	158	184	0		
Full-Size	5	148	153	0		
Exempt Vehicles per Code	530	56%	Hybrids	12		