

State *of the* Fleet Report
Fiscal Year 2013



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Department *of* General Services
Office *of* Fleet Management Services

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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. This report documents 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 that own, operate, and maintain their own fleet of passenger-type state vehicles. OFMS requested the needed data from state agencies 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 eight years worth of reliable data collected, OFMS has been able to make educated decisions and establish reliable benchmarks. These decisions have given OFMS the ability to make long term plans to improve the efficiency and cost effectiveness of the fleet.

In FY05, OFMS began 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.

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:

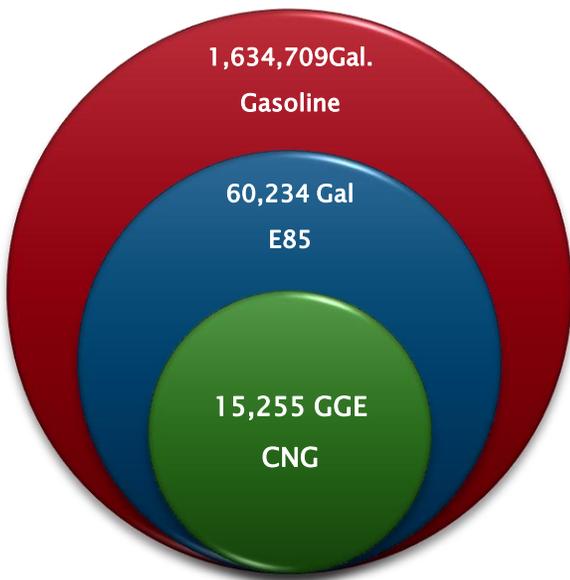
- Maintenance Cost per Mile
- Direct Operating Cost per Mile
- Maintenance Cost per Vehicle

The report also provides an update on key programs offered and operated by OFMS. These include the State Motor Fuel Program, Alternative Fuels Program, the Vehicle Management Control Center, and the Short-Term Rental Car Contracts.

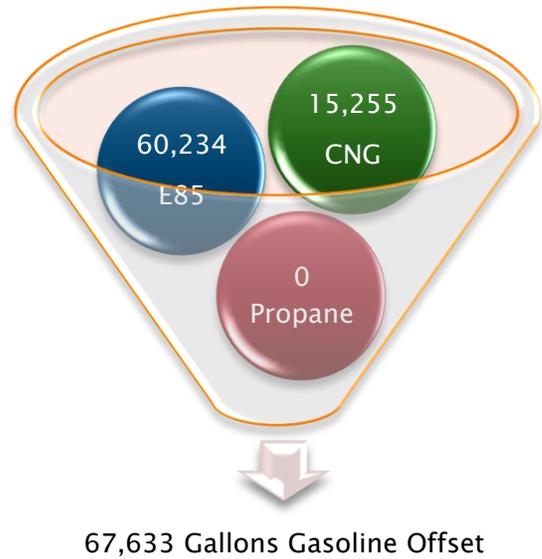
Statistics Dashboard



Fuel Usage - OFMS



Alternative Fuel Usage



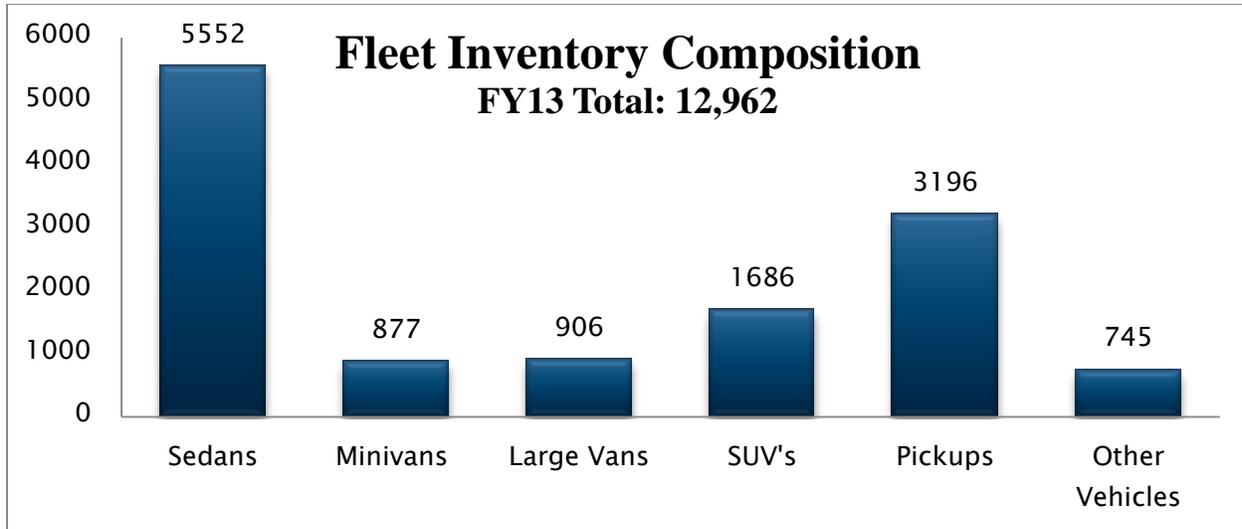
Vehicle Count



Fiscal Year 2013 State Fleet Review

This report provides a comparison of the state agency and institution performance data collected in FY10, FY11, FY12 and FY13. In addition, the report includes FY13 performance data from OFMS that can be compared against other agency and institution data.

State Fleet Composition Data:



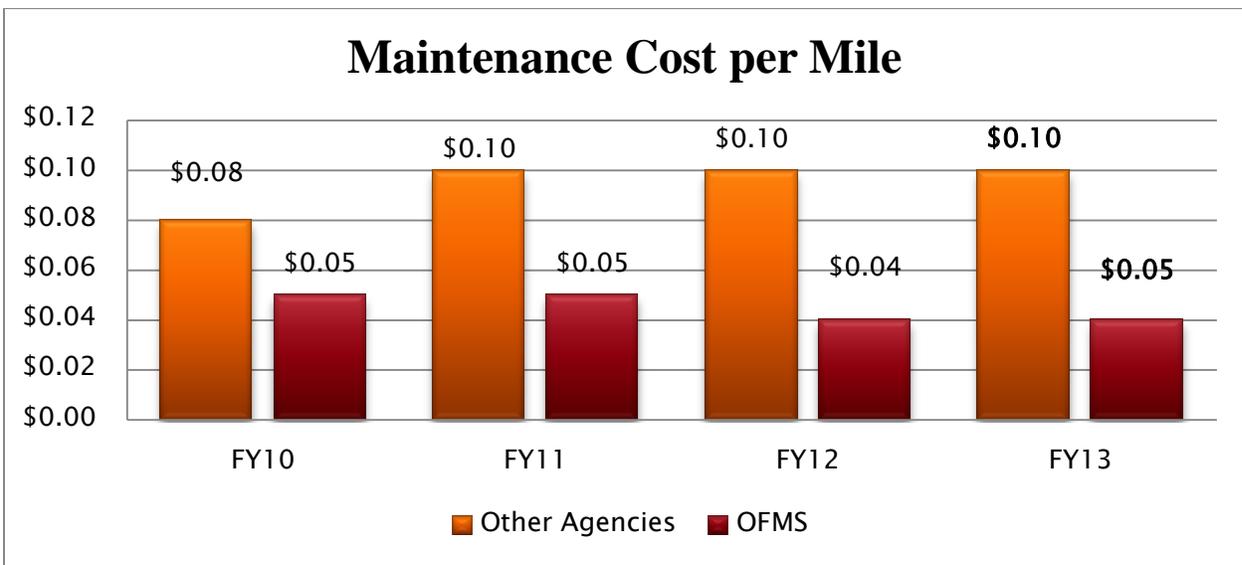
Agency #	Agency Name	Sedans	Minivans	Large Vans	SUV's	Pickups	Other
117	Virginia State Bar	0	0	0	0	0	0
123	Department of Military Affairs	5	6	5	7	17	9
141	Office of the Attorney General	3	1	0	0	0	0
146	Science Museum of Va	0	0	2	0	1	0
147	Office of the State Inspector General	0	0	0	2	0	0
154	Department of Motor Vehicles	18	5	38	7	5	32
156	Virginia State Police	2212	48	66	281	142	128
161	Department of Taxation	0	4	0	0	0	1
163	RRCS	8	12	49	1	0	0
165	Dept of Housing & Community Dev	0	0	0	7	0	0
171	State Corporation Commission	0	0	0	12	1	0
182	Virginia Employment Commission	0	0	0	0	0	2
194	Department of General Services	3190	679	32	211	84	0
218	Virginia School for the Deaf and the Blind	1	0	0	0	4	5
239	Frontier Culture Museum	0	1	0	0	4	0
247	George Mason University	19	17	70	8	60	26
262	Department of Aging and Rehabilitative Services	0	8	2	0	1	3
263	VRCBVI	0	0	0	0	0	2
299	Mountain Empire Community College	0	0	2	9	5	6
301	Department of Agriculture and Consumer Services	1	2	0	6	113	6
310	Virginia Economic Development Partnership	0	0	0	2	0	0
325	Department of Business Assistance	0	0	0	0	0	0
402	Virginia Marine Resource Commission	0	0	2	5	35	0
403	Game & Inland Fisheries	0	1	0	268	210	0
423	Dept of Historic Resources	0	0	0	0	6	0

440	Department of Environmental Quality	3	0	6	48	6	1
501	Dept. of Transportation	0	22	0	357	1,790	0
505	Department of Rail and Public Transportation	0	0	0	0	0	0
601	Virginia Department of Health	17	10	8	44	38	23
701	Dept. of Corrections	16	8	463	318	512	386
702	Division of Blind and Visually Impaired	3	9	0	0	3	5
704	Eastern State Hosp	5	7	7	1	7	14
705	SWVMHI	0	1	2	0	9	1
707	Central Virginia Training Center	5	3	11	1	34	29
726	Southside VA Training Center	11	9	58	4	37	24
729	Piedmont Geriatric Hospital	0	3	5	3	4	7
738	Southwestern Virginia Training Center	6	11	2	1	12	16
767	Community Corrections	13	0	43	49	13	11
777	Department of Juvenile Justice	14	9	23	18	19	1
778	Department of Forensic Science	0	0	3	0	0	0
794	VCBR	1	0	5	1	5	3
912	Department of Veterans Services	0	0	1	0	12	4
960	Department of Fire Programs	1	1	1	15	7	0
Sub-Total		5552	877	906	1686	3196	745

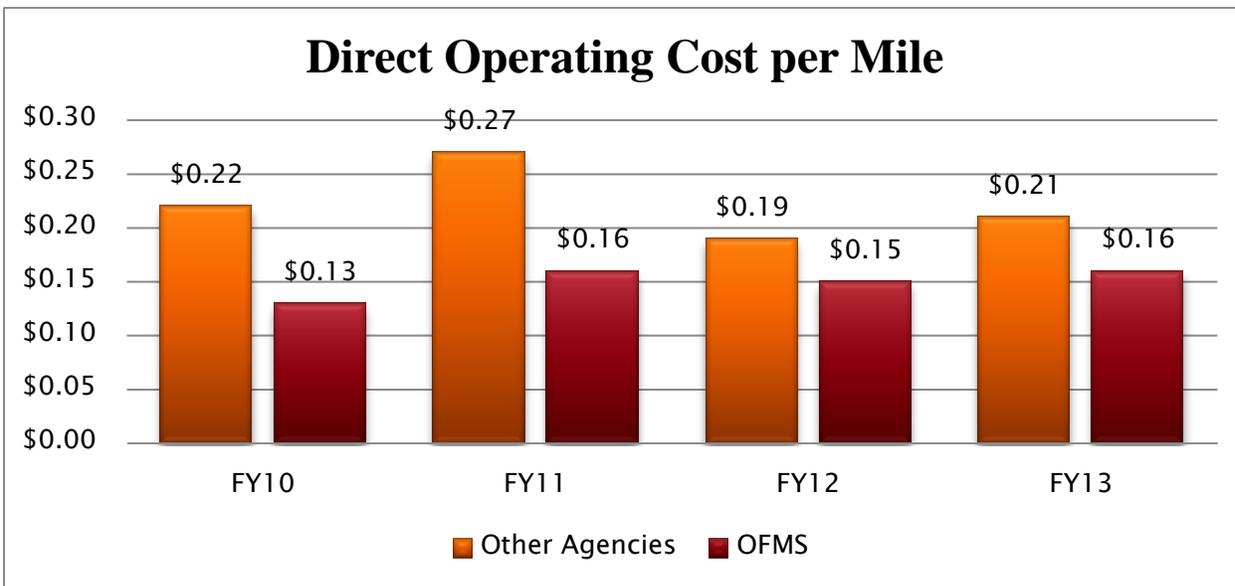
Vehicle Management Performance Indicators:

The following performance indicators represent common state-level fleet management performance indicators. These figures give a high level overview of the performance of the Commonwealth 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.

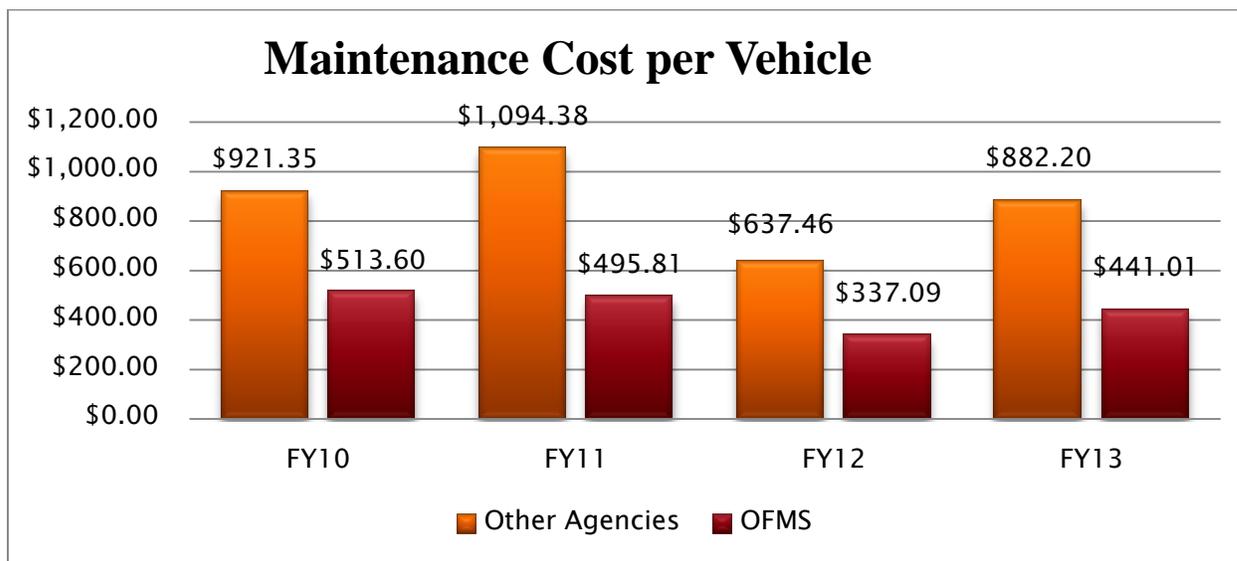
- State Agencies and Institutions Maintenance Cost per Mile Compared to OFMS Cost. Maintenance cost consists of all parts and labor costs associated with vehicle maintenance and repair. Accident repair costs have been excluded from these figures:



- State Agencies and Institutions Direct Operating Cost per Mile Compared to OFMS Cost. Direct Operating Cost consist of all maintenance costs plus fuel costs:



- State Agencies and Institutions Maintenance Cost per Vehicle compared to OFMS cost:



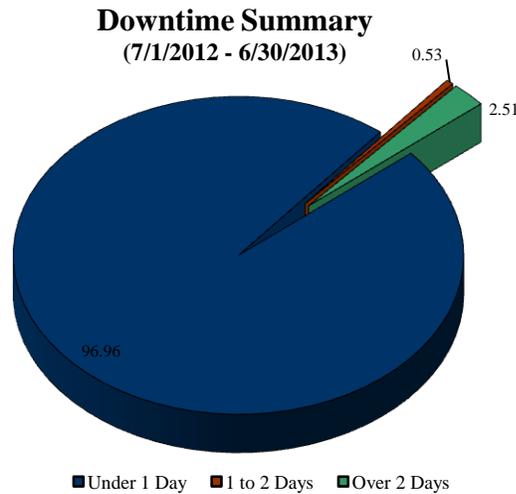
Vehicle Management Control Center (VMCC):

The VMCC is a public/private partnership between DGS and G4S (formerly All Star Fleet Services), to manage vehicle maintenance requirements for OFMS vehicles. The VMCC offers 24/7 availability to state drivers who have breakdowns or accidents. The VMCC follows repairs from cradle to grave and ensures that the best interest of the driver and the Commonwealth are at the forefront of the process.

Vehicle Repair Downtime:

In FY13 96.96% of repairs were completed in less than 1 day, a slight decrease from last fiscal year.

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 staff 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 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. These efforts were critical in maintaining these rates within a reasonable range.

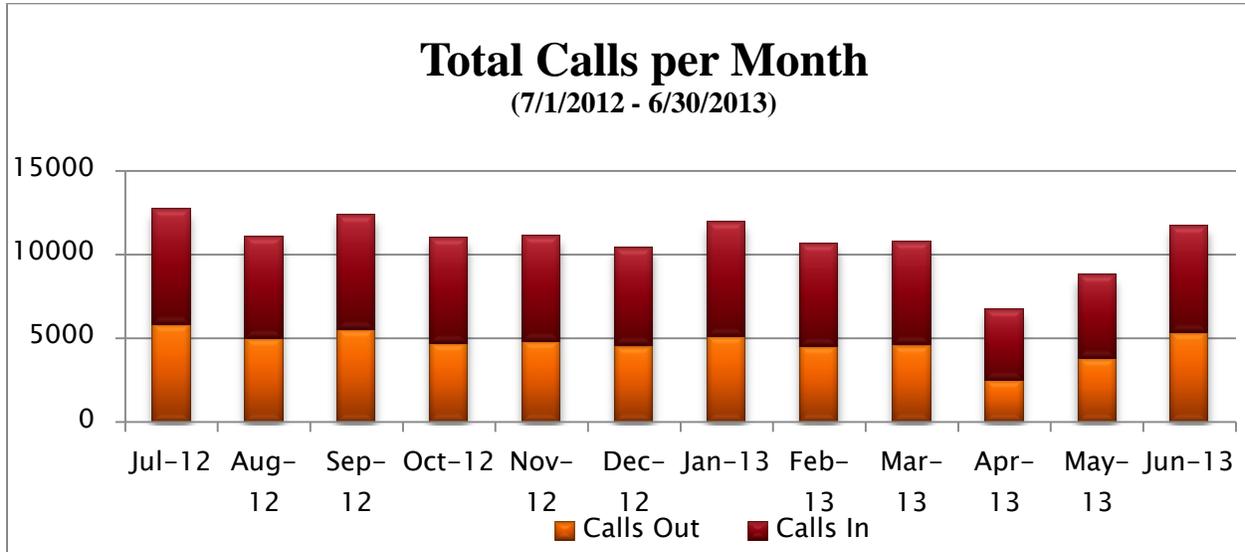


Call Center:

At the heart of the VMCC is the team of 8 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.

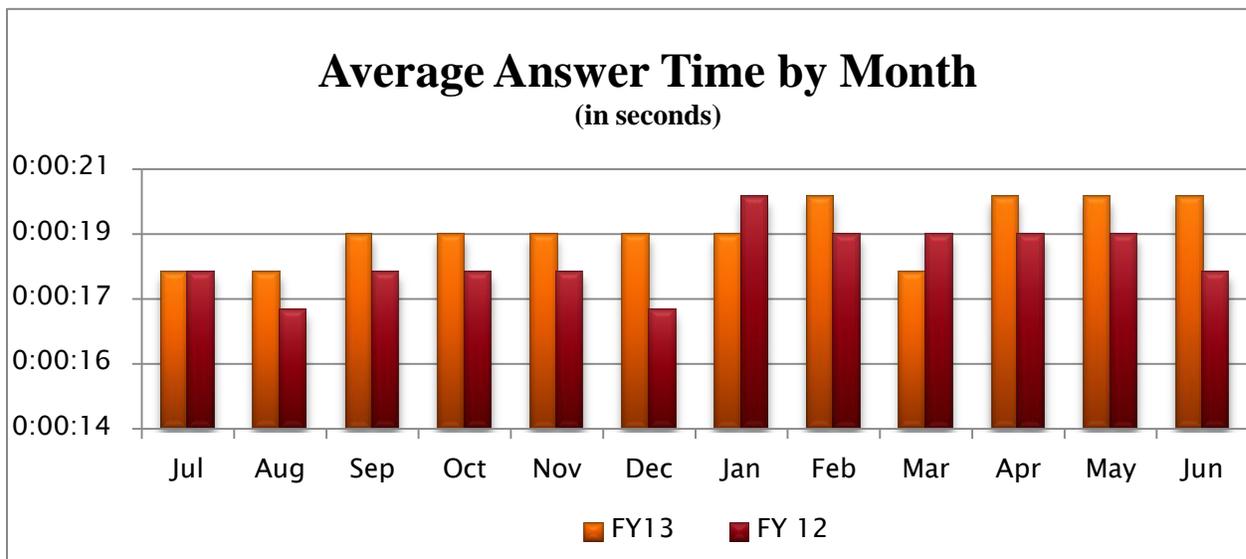
Total VMCC Calls Completed:

The call center completed a total of 129,062 phone calls during the reporting period; 72,762 of those calls were inbound to the call center and the remaining 56,300 outbound.



Average Answer Time:

In FY13 the average answer time was 18 seconds, 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. The VMCC continues to perform far better than the general industry standard of 30 seconds.



VMCC Services for State Agencies and Public Entities:

The VMCC program proved to be successful in the first phase so OFMS extended all of the VMCC services to other state agencies and public entities in Phase II. This service gives agencies the ability to relinquish maintenance control over the vehicles to the VMCC by providing the security of a 24 hour call center along with a turn-key maintenance management system. This program also affords users the same data collection and reporting tools OFMS utilizes for pool vehicles. Currently the following are participating in the program:

- Attorney General's Office
- Buckingham Correctional Center
- Capitol Police
- Christopher Newport University
- Department of Agriculture
- Department of Conservation and Recreation
- Department of Correctional Education
- Department of Corrections
- Department of Environmental Quality
- Department of General Services Surplus
- Department of Health
- Department of Motor Vehicles
- Department of Social Services
- Department of Treasury
- Dillwyn Correctional Center
- Emergency Management
- Halifax Correctional Unit
- Housing and Community Development
- Indian Creek Correctional Center
- Lord Fairfax Community College
- Northern Virginia Community College
- Piedmont Community College
- Rappahannock Regional Jail
- Rappahannock-Rapidan Community Services Board
- Region Ten Community Services Board
- Rehabilitative Services
- Richmond Redevelopment and Housing Authority
- Science Museum
- Virginia Correctional Enterprises
- Virginia Economic Development
- Virginia School for the Deaf and Blind
- Virginia Tourism Authority
- Wallens Ridge Correctional Center
- Wytheville Community College

State Motor Fuel Program

DGS was directed by the General Assembly to procure, through a competitive procurement process, gasoline and diesel fuel for state and local government entities. DGS conducted the procurement process and on August 11, 2010 awarded contracts for bulk gasoline and diesel fuel purchased to fill state and local government owned bulk fuel tanks and a fuel card contract for the purchase of fuel from commercial retail fuel providers. The resulting contracts were combined to form the State Motor Fuel Program. The contracts became available for use in October 2010.

Through a concerted marketing campaign, promoting the benefits of the contracts, there continues to be increased participation by local public bodies and institutions of higher education.

Fuel Program Usage Summary:

Figures include statewide bulk fuel, consignment fuel and fuel card usage for gasoline and diesel fuels.

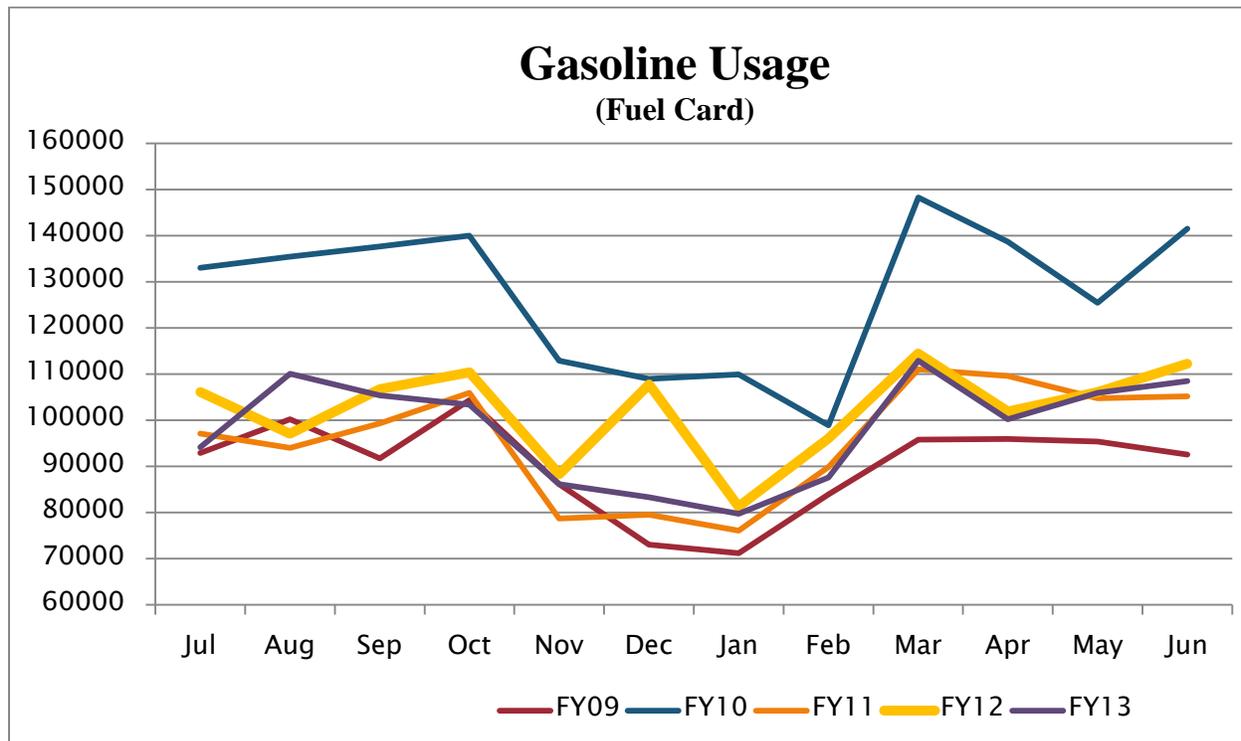
	Gallons	Total \$	Price Per Gallon
FY11 / Q2	3,621,981	\$9,132,375.98	\$2.52
FY11 / Q3	4,630,156	\$13,561,784.41	\$2.93
FY11 / Q4	4,330,938	\$14,114,158.96	\$3.26
FY12 / Q1	4,911,281	\$15,387,981.39	\$3.13
FY12 / Q2	4,368,454	\$13,128,012.31	\$3.01
FY12 / Q3	4,518,539	\$14,780,871.76	\$3.27
FY12 / Q4	4,554,781	\$14,206,156.27	\$3.12
FY13 / Q1	4,494,545	\$14,515,218.89	\$3.23
FY13 / Q2	4,750,319	\$15,160,395.27	\$3.19
FY13 / Q3	5,263,759	\$17,184,548.10	\$3.26
FY13 / Q4	4,912,500	\$15,108,047.00	\$3.08

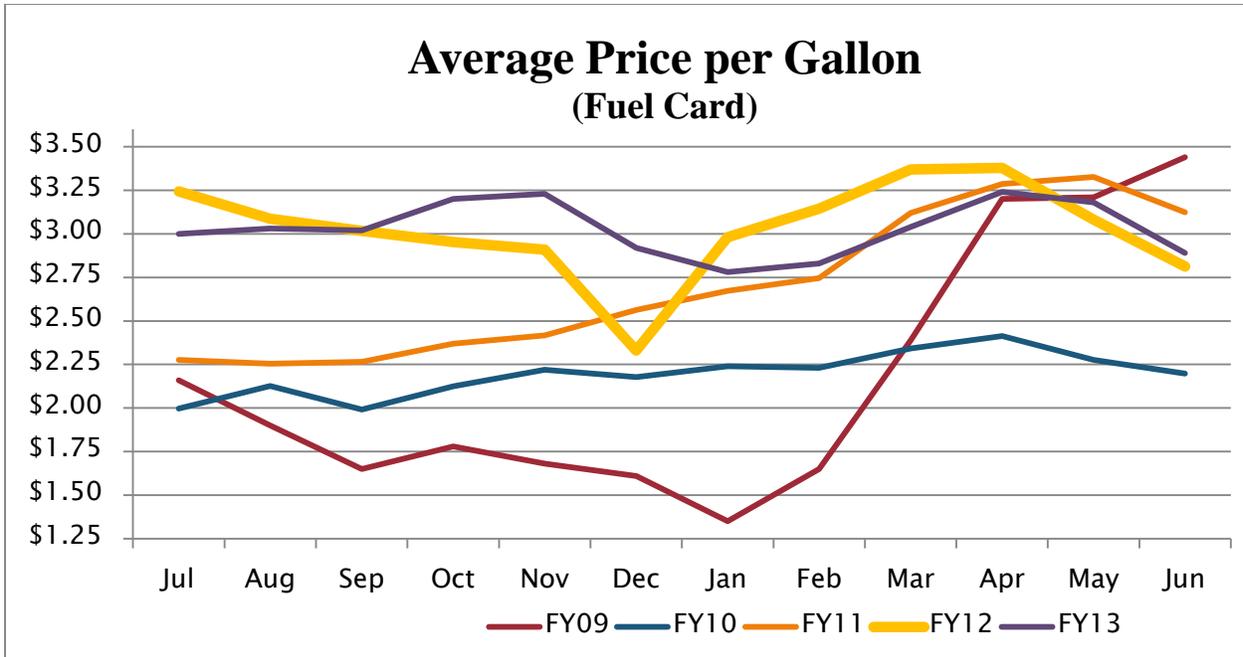
Fuel Card Program:

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

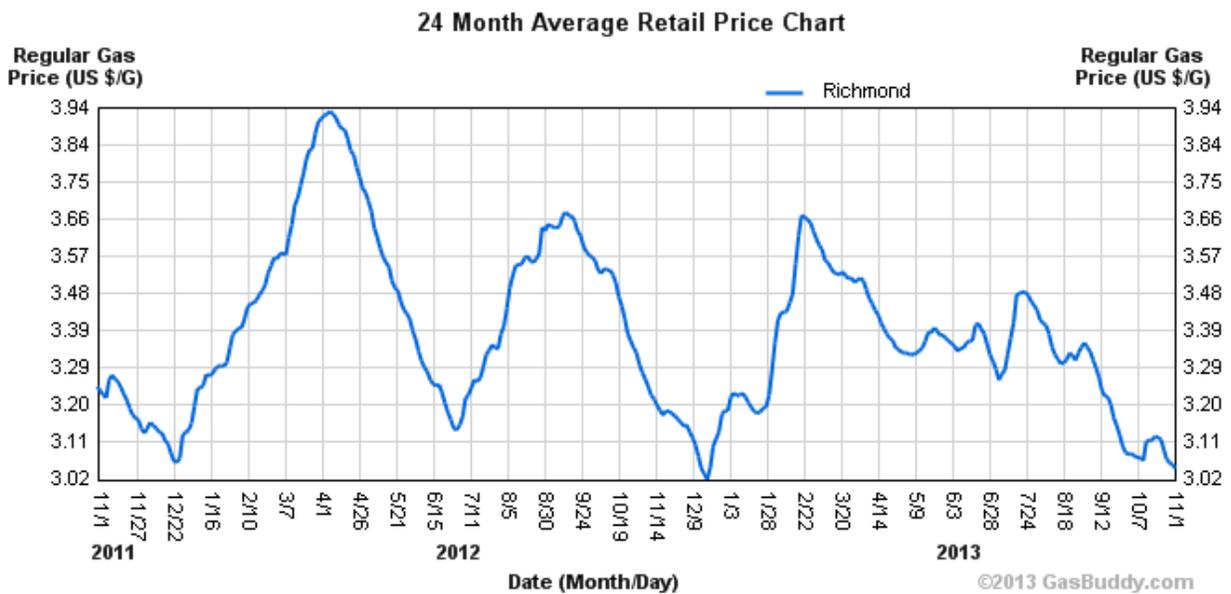
OFMS Pool Car Fuel Purchases:

Voyager Card	FY08	FY09	FY10	FY11	FY12	FY13
(Usage/Gallons)	1,213,683	1,083,493	1,059,247	1,151,270	1,228,621	1,592,932
(Cost)	\$3,355,870	\$2,398,795	\$2,362,738	\$3,137,283	\$3,717,212	\$4,669,910
Avg. Price per Gallon	\$2.77	\$2.17	\$2.19	\$2.70	\$3.03	\$2.93





The following represents the average retail cost in the Richmond, VA area for the past two years.



Alternative Fuel Program

OFMS has a very robust alternative fuels portfolio that consists of E85, Propane and Natural Gas. By utilizing a variety of sources, we are able to offer as many alternatives to our agencies as possible to meet their diverse transportation needs.

During the 2011 General Assembly, House Bill 2282 was introduced and passed directing the establishment of a plan providing for the replacement of state-owned or operated vehicles with vehicles that operate using natural gas, electricity, or other alternative fuels.

To fulfill this requirement, the Commonwealth looked to the private sector, through a Public-Private partnership, to investigate the feasibility of such a plan. This Public-Private initiative was conducted in accordance with the Public-Private Educational Facilities and Infrastructure Act (PPEA) of 2002. This process required industry leaders in vehicle manufacturing, alternative fuel infrastructure, producers of alternative fuels and other alternative fuel experts to partner among themselves and government for a successful plan to be developed and implemented.

As a result of the PPEA, contracts were awarded to Clean Energy for a natural gas (CNG) solution and Blossman Gas for a propane (LPG) solution. Both contracts include provisions for fueling infrastructure, statewide fuel pricing and vehicle conversions.

In December of 2012 the first public CNG station under the PPEA became operational. Initial customers utilizing the station are DGS State Mail Service, City of Richmond and Greater Richmond Transit Authority. The first Propane fueling site is under construction at the DGS OFMS facility at 2400 W. Leigh St. with an expected completion date of December 2013. 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.

Alternative Fueling Stations in Virginia

As of: 9/3/13

http://www.afdc.energy.gov/afdc/locator/stations/state	Public (Commercial, etc)	Private (Military, City, etc)	FY12 Total	FY13 Total
Biodiesel (B20 and above)	3	9	14	12
Compressed Natural Gas	5	14	15	19
Electric	114	46	134	160
Ethanol (E85)	10	9	18	19
Hydrogen	0	1	2	1
Liquefied Natural Gas(LNG)	0	0	0	0
Liquefied Petroleum Gas (Propane)	48	10	59	58
Total	180	89	242	269

Compressed Natural Gas (CNG):

Successes:

Fuel Pricing: CNG has the advantage of having the lowest overall fuel cost of the alternative fuel options available to the Commonwealth. CNG, being based on the area utility rate, also has the most stable cost of any transportation fuel.

OEM Vehicle Availability: Unlike propane, a number of vehicle manufactures have begun offering factory orderable CNG vehicles that are now available on statewide contract.

Challenges:

Infrastructure: Fueling infrastructure is one of the biggest hurdles for CNG. Both in cost of construction and limitations of station locations, as CNG stations must be built on a CNG pipeline. Fueling infrastructure development will continue to restrict statewide rollout of CNG vehicles.

Vehicle Financial Viability: While having the lowest fuel costs, CNG has a higher conversion or purchase price than either propane or E85. Thusly, it is harder for light duty vehicles, that have a lower lifecycle cost to begin with, to be financially viable. There are more opportunities currently with larger vehicles such as refuse trucks and transit buses. As the price of the fuel tanks continues to decrease, the expectation is that conversions costs will come down and light duty vehicles will be financially viable across the board.

Fueling Sites

- Maury St. Richmond, VA
- Old Ox Rd. Dulles, VA

Vehicles Converted

- 4 – DGS State Mail Service

Fuel Consumption

- 15,255 Gasoline Gallon Equivelant

Propane / AutoGas:

Successes:

Fuel Pricing: Propane offers the Commonwealth a lower price per gallon than both gasoline and diesel. While there is an efficiency loss when utilizing propane, it still offers lifecycle savings when compared to their petroleum base alternatives.

Fueling Infrastructure: While CNG has location and financial hurdles with regard to infrastructure, propane infrastructure is considerably cheaper and can be placed virtually anywhere. As a result, a number of propane fuel station projects are already underway to include Chesterfield County, City of Chesapeake and OFMS.

Challenges:

Vehicle Availability: The automotive industry has not put the investment into propane as we have seen with CNG. Thusly, there are not any factory orderable propane vehicles currently available leaving all vehicles to be converted. The EPA approval process has been a hurdle for the contractor in getting current model year conversions to market. There is also more focus on light to medium duty work vehicles, leaving the bulk of the OFMS centralized fleet without a propane solution.

Fueling Sites

- OFMS Fleet, Richmond VA (December 2013)

Vehicles Converted

- 2-FY14 – DGS Bureau of Facilities Management

Fuel Consumption

- 0 Gallons

E85:

Successes:

OEM Vehicle Availability: There are a multitude of E85 flex-fuel options available by the vehicle manufacturers from compact vehicles to pickup trucks. There is also no price delta for E85 capability. As a result, over half of the OFMS centralized fleet is E85 flex fuel.

Challenges:

Infrastructure / Fuel Availability: E85 availability has not expanded as was once predicted. With only 10 public stations statewide, the availability of E85 is minimal.



Short Term Rental Program

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. 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 FY13 state employees traveled a total of 4,298,320 miles in Enterprise vehicles for a total Enterprise rental cost of \$1,509,630 and a fuel cost of approximately \$546,046. This calculates to approximately 48 cents per mile. If that same number of miles (4,298,320) would have been reimbursed using the personal reimburse rate in affect in FY13 of 56 cents per mile would have cost the Commonwealth approximately \$2,407,509. The use of the Enterprise car rental option has resulted in cost avoidance to the Commonwealth in FY13 of approximately \$351,384.

(Note: FY13 mileage \$.555 July-December and \$.565 January – June)

CoVA Cost Avoidance (Enterprise Rentals)	FY10	FY11	FY12	FY13
Miles Driven	4,314,009	4,755,594	5,265,101	4,298,320
Fuel Used (Gallons @ 27 MPG)	159,778	176,133	195,004	159,197
Ave Fuel Cost/Gal	\$2.23	\$3.05	\$3.46	\$3.43
Fuel Cost	\$356,305	\$537,206	\$674,713	\$546,046
IRS Mileage Rate	\$0.550	\$0.505	\$0.555	\$0.56
Personal Reimbursement Cost (Potential)	\$2,372,705	\$2,401,575	\$2,922,131	\$2,407,059
Less Rental Vehicle Cost	(\$1,693,529)	(\$1,545,392)	(\$1,787,873)	(\$1,509,630)
Less Rental Fuel Cost	(\$356,305)	(\$537,206)	(\$674,713)	(\$546,046)
CoVA Cost Avoidance (YTD)	\$322,871	\$318,977	\$459,545	\$351,384

Conclusion

During the last few years, the Office of Fleet Management Services (OFMS) has cemented itself as an industry leader with regards to fleet efficiency. OFMS offers Commonwealth agencies a full array of safe and reliable transportation options. Services include; leased vehicles, short-term vehicle rentals, vehicle maintenance management, fuel cards, bulk fuel, alternative fuels, safety training and policy development. OFMS strives to add value to the fleet customers, while keeping costs stable. OFMS continues to operate under the same operational rate as established in 2008. By keeping a stable lease rate, we hope to offer agencies the lowest cost and most predictable option for vehicular transportation.

FY13 saw development of the Alternative Fuel Program. OFMS has taken the collaborative contracts established by the alternative fuels PPEA and developed an easy to access system for agencies and local public bodies to obtain CNG and propane fuel, fueling infrastructure and vehicle conversions. As a result, there has been positive interest from localities with the City of Richmond, Chesterfield County, City of Chesapeake, James Madison University and the City of Newport News already participating. OFMS will be continuing to market the program to agencies and localities in FY14.

The State Motor Fuel Program continues to be a positive program for Commonwealth agencies, but an equally advantageous solution for localities to access motor fuel contracts. With over 150 localities participating, we continue to see new enrollees into the program. The marketing success of this program is being used as a spring board to promote the Alternative Fuel Program and the Vehicle Management Control Center (VMCC) options to other public bodies.

At the heart of OFMS is the VMCC, the main point of contact for fleet vehicle drivers to OFMS. With 24/7 availability, quick response times and excellent follow-up, the VMCC receives consistent accolades from drivers. As we enter the final contract year of the VMCC, OFMS will be evaluating its successes and areas of improvement to ensure the program is absolutely meeting our customers' expectations and the operational needs of OFMS.

OFMS will be focusing on 'sharpening our saw' FY14. With a multitude of existing programs and services to offer, OFMS will continue its effort to better serve our customers as well as keeping an eye on new technologies and programs that could improve efficiency and save the Commonwealth money.