



OFFICE OF FLEET MANAGEMENT **Fiscal Year 2009 | Annual Report**

**A unit within the Ohio Department of Administrative
Services' General Services Division**

MISSION STATEMENT:

The Office of Fleet Management is dedicated to providing innovative programs, education and support to state agencies in order to manage cost-effective, safe and ecologically friendly fleets.

VISION STATEMENT:

Our vision is to be the leader in promoting progressive fleet management programs that support Ohio's strengths in industry, technology and agriculture.

OhioDAS
General Services Division

Office of
Fleet Management
Service · Support · Solutions

Introduction

Ohio Revised Code Section 125.832 grants the Ohio Department of Administrative Services (DAS) exclusive authority over the acquisition and management of a significant portion of the motor vehicles used by state agencies. The DAS Office of Fleet Management is committed to service excellence by providing state agencies with the necessary tools to manage their fleets and to provide appropriate, quality motor vehicles to allow them to meet their unique mission objectives.

Fleet Management receives national recognition

The Office of Fleet Management submitted its Statewide Alternative Fuel Usage Scorecard program to the National Association of Fleet Administrators (NAFA) Larry Goill Memorial Quality Fleet Management Idea Award Program and to the 2009 National Association of State Chief Administrators (NASCA) Outstanding Awards Program.

The Alternative Fuel Scorecard concept uses a “stop light” system of green-yellow-red scoring to keep track of individual state agencies’ progress towards their goal in the use of alternative fuels. The scorecard is distributed monthly to the agencies and subsequently posted to the Fleet website. The scorecard adds a level of competition between agencies and another level of transparency when posted to the web.

The Statewide Alternative Fuel Usage Scorecard concept was awarded first place by both NAFA and NASCA organizations.

Vehicle Inventory

Some motor vehicles fall under DAS management authority as specified in ORC Section 125.831. Vehicle types included are as follows: automobiles, sport utility vehicles, and all types of vans and pick-up trucks that do not exceed 12,000 pounds gross vehicle weight (GVW). Vehicles outside of DAS authority include law enforcement, elected officials and vehicles over 12,000 pound GVW. The slight decrease in DAS authority vehicles is largely due to an equipment freeze and statewide budget constraints. Executive Order 2009-07S placed emphasis on reducing personal mileage reimbursements and agencies are responding by leasing state vehicles for high mileage drivers. Increases to the state fleet will be reflected in fleet inventories in FY10.

	FY08	FY09	# Change	% Change
Number Of State Vehicles Under DAS Authority	6,859	6,794	- 65	- 0.9%
Number Of State Vehicles Total	11,863	11,812	- 51	- 0.4%

FleetOhio Management Information System

FleetOhio is a comprehensive software application used to capture all vehicle inventories and related operating expenditures. It provides state agencies and the Office of Fleet Management with the ability to track agency fleets, analyze operating costs, and monitor and schedule vehicle maintenance. All agencies are required to use FleetOhio per the Ohio Revised Code 125.832(C) and Ohio Administrative Code 123:6-1-04. FleetOhio incorporates a web-based reporting tool to provide agencies with easy access to fleet information.

FleetOhio	FY08	FY09	# Change	% Change
State Agencies Utilizing FleetOhio**	47	47	0	0%
Number Of Motor Vehicles in FleetOhio	7,437	7,383	- 54	- 1%

**Two agencies are utilizing their own fleet management information system. A third agency has inventory information in FleetOhio.

Voyager Fleet Card

DAS Fleet Management administers a contract with US Bank/Voyager Fleet Systems Inc. to provide fleet credit cards to all state agencies. The program is also made available to colleges, universities and political subdivisions. Fleet credit cards allow drivers to purchase fuel and maintenance using a single method of payment. Usage information gathered each month is uploaded into the state's fleet management system and provides detailed cost and utilization data on each vehicle. Exception reports highlight any unauthorized or improper use of the card.

Administrative Rule 123:6-1-08, passed in FY08, made use of the fleet credit card mandatory for all fuel and maintenance purchases. While agencies used the fleet credit card for fuel, Fleet began to identify and work with agencies to begin processing maintenance expenses on the fleet credit cards to fully capture fleet costs. In FY09, state agencies increased their maintenance spend in the Voyager system by \$589,850 or 62%.

All Voyager transactions and payments are processed electronically, reducing paperwork and time. Voyager provides all fuel and maintenance transaction data in a monthly file that can be uploaded into the statewide FleetOhio program, eliminating manual entry of transactional data. In FY09, the total number of transactions was reduced by 2%, however an additional 2,600 maintenance transactions were uploaded into FleetOhio, saving approximately \$43,000 in administrative costs over FY08.

The current contract with US Bank/Voyager Fleet Systems Inc. provides rebates based upon purchasing volume and timely payment. These rebates offset the administrative costs of managing the program and help to stabilize annual fleet rates. The volume portion of the rebate decreased by 33% due to lower fuel prices and overall reduction in travel. The payment timeliness portion decreased by 5% due to agencies not encumbering funds at the fiscal year end. Overall, the state realized a 29% decrease in the annual rebate.

The following information represents state agencies only.

Usage Totals	FY08	FY09	Change from FY08 to FY09
Fuel	\$17,247,331	\$14,735,751	- 15%
Maintenance	\$944,055	\$1,533,902	62%
Total Spend	\$18,218,386	\$16,269,997	- 11%
Total # of Transactions	432,964	425,154	- 2%

Rebate Totals	FY08	FY09	Change from FY08 to FY09
Spend	\$169,538	\$113,889	- 33%
Payment Timeliness	\$23,934	\$22,778	- 5%
Rebate Total	\$193,473	\$136,667	- 29%

Fuel

The Ohio Revised Code and executive orders require that each state agency do its part to reduce the state's dependence on foreign oil and its emission of greenhouse gasses. Administrative Rule 123:6-1-10 defines an agency's requirement regarding the use of alternative fuels in the state's fleet of motor vehicles. To further reduce our dependence in FY09, the state continued to purchase fuel efficient subcompacts to replace the aging mid-size fleet and continued to promote the use of alternative fuels. A key tool in reaching our alternative fuel goals is the continued use of the monthly alternative fuel scorecard that tracks the fuel use for each agency throughout the year. The scorecard provides a level of accountability and transparency for state agencies.

While there was a decrease in fuel use overall, state agencies were able to increase their use of alternative fuels. E85 ethanol and B20 biodiesel use increased to 1,717,506 gallons and accounted for 14% of the total volume of fuel used in the state, a 1% increase over FY08.

In summary, the combination of 11% lower fuel prices and state agencies using 468,172 fewer gallons resulted in a savings of \$5,269,592 for the state in fuel costs in FY09.

Statewide Fuel Purchases

			FY09 vs. FY08	FY09 vs. FY08
Regular Unleaded	FY08	FY09	#!/\$ Change	% Change
Retail Gallons	5,299,908	5,528,717	228,809	4%
Retail Spend	\$15,737,374	\$12,464,055	-\$3,273,319	-21%
Retail Avg./Gallon	\$2.97	\$2.25	-\$0.72	-24%
Bulk Gallons	2,909,710	2,592,923	-316,787	-11%
Bulk Spend	\$7,623,440	\$6,377,279	-\$1,246,161	-16%
Bulk Avg. \$/Gallon	\$2.62	\$2.46	-\$0.16	-6%
Total Unleaded Gallons	8,209,618	8,121,640	-87,978	-1%
Total Unleaded Spend	\$23,360,814	\$18,841,334	-\$4,519,480	-19%
Unleaded Avg. \$/Gallon	\$2.85	\$2.32	-\$0.53	-18%
Ethanol (E85)	FY08	FY09	#!/\$ Change	% Change
Retail Gallons	108,312	139,149	30,837	28%
Retail Spend	\$295,733	\$324,299	\$28,566	10%
Retail Avg./Gallon	\$2.73	\$2.33	-\$0.40	-15%
Bulk Gallons	15,556	28,363	12,807	82%
Bulk Spend	\$40,912	\$65,751	\$24,839	61%
Bulk Avg. \$/Gallon	\$2.63	\$2.32	-\$0.31	-12%
Total E85 Gallons	123,868	167,512	43,644	35%
Total E85 Spend	\$336,645	\$390,050	\$53,405	16%
E85 Avg. \$/Gallon	\$2.72	\$2.33	-\$0.39	-14%
Diesel	FY08	FY09	#!/\$ Change	% Change
Retail Gallons	374,122	341,838	-32,284	-9%
Retail Spend	\$1,232,563	\$1,029,730	-\$202,833	-16%
Retail Avg./Gallon	\$3.29	\$3.01	-\$0.28	-8%
Bulk Gallons	2,581,119	2,140,749	-440,370	-17%
Bulk Spend	\$6,917,399	\$6,063,465	-\$853,934	-12%
Bulk Avg. \$/Gallon	\$2.68	\$2.83	\$0.15	6%
Total Diesel Gallons	2,955,241	2,482,587	-472,654	-16%
Total Diesel Spend	\$8,149,962	\$7,093,195	-\$1,056,767	-13%
Diesel Avg. \$/Gallon	\$2.76	\$2.86	\$0.10	4%
Biodiesel (B20)	FY08	FY09	#!/\$ Change	% Change
Retail Gallons	66	120	54	82%
Retail Spend	\$243	\$267	\$24	10%
Retail Avg./Gallon	\$2.97	\$2.22	-\$0.75	-25%
Bulk Gallons	1,501,232	1,549,994	48,762	3%
Bulk Spend	\$4,368,585	\$4,621,810	\$253,225	6%
Bulk Avg. \$/Gallon	\$2.91	\$2.98	\$0.07	2%
Total Biodiesel Gallons	1,501,298	1,550,114	48,816	3%
Total Biodiesel Spend	\$4,368,828	\$4,622,078	\$253,250	6%
Biodiesel Avg. \$/Gallon	\$2.91	\$2.98	\$0.07	2%
Retail/Bulk Totals	FY08	FY09	#!/\$ Change	% Change
Retail Total Gallons	5,782,408	6,009,824	227,416	4%
Retail Total Spend	\$17,265,913	\$13,818,351	-\$3,447,562	-20%
Retail Avg./Gallon	\$2.99	\$2.30	-\$0.69	-23%
Bulk Total Gallons	7,007,617	6,312,029	-695,588	-10%
Bulk Total Spend	\$18,950,336	\$17,128,305	-\$1,822,031	-10%
Bulk Avg. \$/Gallon	\$2.70	\$2.71	\$0.01	0%
All Fuels	FY08	FY09	#!/\$ Change	% Change
Total Gallons	12,790,025	12,321,853	-468,172	-4%
Total Spend	\$36,216,249	\$30,946,657	-\$5,269,592	-15%
Total Avg./Gallon	\$2.83	\$2.51	-\$0.32	-11%

* Price per gallon excludes taxes

Rhodes State Office Tower Motor Pool

The Rhodes State Office Tower (SOT) motor pool is located on the B-3 level of the Rhodes Tower in Columbus and provides pool vehicles to all state agencies as authorized by Section 125.83 of the Ohio Revised Code. The fleet count and vehicle utilization remained stable for FY 2009. Utilization percentages are based on the number of rental days the vehicles are in use compared to the total number of rental days the vehicles are available.

FleetOhio	FY08	FY09	# Change	% Change
Utilization	74%	72%	- 98	- 2%
Miles Driven	550,579	545,219	- 5,360	- 1%
Number of Vehicles	20	20	0	0%

Vehicle Master Lease Program

Ohio Revised Code Section 125.832 requires each state agency to acquire all passenger motor vehicles using the DAS master lease program when it is determined to be in the best interest of the state. As a result, the Office of Fleet Management completed the implementation of the Fleet Master Lease Agreement that may be used by the state agencies to finance the purchase of vehicles. In fiscal year 2009 DAS used the master lease agreement to finance the purchase of 78 vehicles, a slight decrease over FY08. The purchase of these 78 vehicles represents approximately 30% percent of the passenger vehicles acquired statewide during fiscal year 2009.

Vehicle Procurement

During fiscal year 2009 the Office of Fleet Management reviewed requisitions for the purchase of 638 vehicles having a total acquisition cost of \$14,429,000. This figure is down by 68 units or \$981,000 as compared to fiscal year 2008, due to budget constraints and a strict OBM waiver justification process. In 2009 OFM continued to advise agencies that the default passenger vehicle, where appropriate, should be the subcompact sedan. The Office of Fleet Management has recommended the purchase of the compact sedan in lieu of the mid-size sedan since 2008 and continued to do so in 2009. To date Fleet has approved requisitions totaling \$3,741,761 for the purchase of 297 subcompact vehicles. In acquisition cost alone this has saved the state agencies approximately \$713,240 when compared to the mid-size sedan. These smaller vehicles have covered 6,590,400 miles or an average of 22,350 miles per vehicle. The compact sedan operating expense for fuel and maintenance is currently averaging \$0.09/mile as compared to \$0.12/mile for the mid-size sedan, yielding an additional operating savings of \$197,700. The cost savings to the agencies resulting from the implementation of the compact sedan in place of the mid-size sedan totals \$910,940.

Mileage Reimbursements

Mileage reimbursements are routinely paid to state employees who use their personal motor vehicles to perform state business. A mileage break-even point is established annually that determines when it is more fiscally prudent to provide a state vehicle rather than reimburse an employee for mileage accumulated in a personal vehicle. If an agency determines that an

employee's use of a state vehicle is more economical than mileage reimbursement, such a decision will result in an increase in the number of motor vehicles owned or leased by the state.

The table below shows the activity relative to mileage reimbursement payments to state employees driving their personal vehicles for state business. The table shows the results and the comparison of FY09 to FY08.

In FY09 the state reimbursed 2,498 (-23%) fewer employees, reimbursement payments in FY09 show an overall reduction of \$804,691 (-8%), or a reduction of 6,251,733 fewer personal vehicle miles (-25%) reimbursed as compared to last year.

The opportunity each fiscal year is to reduce the number of employees being reimbursed any amount over the mileage breakeven point. In FY09, the mileage breakeven point dropped from 9,700 miles to 7,518 miles due to a significant increase in the mileage reimbursement rate. The 22% decrease in the mileage breakeven point led to a 10% (62 employees) increase in the number of employees over breakeven point for FY09. All state agencies continue to work with their fleet plans to reduce their mileage reimbursement payments. In those instances where an agency's fleet plan indicates that there will be a transition of employees to state vehicles, we may not see any change in the reimbursement figures until later in the year after the vehicles are received and placed into service.

Total Reimbursement Payments/Miles Driven	FY08	FY09	FY09 vs. FY08	% Change
# of Employees Reimbursed	10,774	8,276	- 2,498	- 23%
Miles Reimbursed	24,844,174	18,592,441	- 6,251,733	- 25%
Mileage Reimbursements Amount Paid	\$9,931,669	\$9,126,978	- \$804,691	- 8%

Reimbursement Reduction Opportunities Amounts over Breakeven	FY08	FY09	FY09 vs. FY08	% Change
# of Employees w/Mileage Exceeding Annual Breakeven	616	678	62	10%
Miles Driven over Mileage Breakeven	3,030,536	3,358,420	327,884	11%
Amount Paid over Mileage Breakeven	\$1,212,214	\$1,511,289	\$299,075	25%
Mileage Breakeven Point	9,700	7,518		

*Does not include exempt state entities, i.e. elected officials.

Alternative Fueled Vehicles (AFVs)

State fleets are required to purchase alternative fuel vehicles under the federal Energy Policy Act (EPAAct). The current requirement is that 75 percent of the light-duty, non-emergency vehicle purchases must be vehicles capable of operating on alternative fuels. The state of Ohio has achieved compliance with the requirements of the EPAAct in every year since its inception in 1997.

The state added 404 AFVs to its fleet in FY09, which represents a 9% increase over the FY08 AFV count. A total of 42% of the state fleet is now capable of using alternative fuels such as ethanol and biodiesel.

Alternative Fueled Vehicles	FY08	FY09	# Change	% Change
Vehicles Capable of Alternative Fueling	4,519	4,923	404	9%
Vehicles Total	11,863	11,812	- 51	- 0.4%
Vehicles Capable of Alternative Fueling as a Percentage of the State Fleet	38%	42%		

Fleet Manager Certification

Pursuant to Ohio Revised Code Section 125.832(I), Administrative Rule 123:6-1-06 outlines the requirements and conditions for state agencies to employ a certified fleet manager. Fleet manager certification is one of the requirements that agencies must meet for delegated authority. DAS contracted with the National Association of Fleet Administrators (NAFA) to offer its Certified Automotive Fleet Manager educational curriculum to state agencies. Ohio is the first state to require state agencies to have certified fleet managers.

The curriculum is separated into eight modules of self-study that cover the many aspects of fleet management. Individuals enrolled in the program have the option of taking the module exams in any order or quantity. DAS Fleet has made special arrangements with NAFA to hold quarterly testing opportunities in Columbus. In addition, numerous study sessions were made available for participants to work individually or in small groups with other state agency employees. NAFA also offers testing opportunities throughout the year at various locations throughout the country.

In FY09 the certified fleet manager program had 16 individuals enrolled, and two individuals dropped out. During the year a total of 88 tests were taken and 27 received a passing score for a pass rate of 31%. In FY09 two individuals achieved certification bringing the statewide total to four. Agencies with certified fleet managers are the Department of Administrative Services, the Turnpike Commission and the Department of Commerce.

Self-Insured Vehicle Liability Program

Pursuant to ORC Sections 9.823 and 9.83, the DAS Office of Risk Management (ORM) administers the state's self-insured vehicle liability program. The program covers more than 18,000 state-owned vehicles including self-propelled off-road equipment and watercraft. The program settles bodily injury and property damage claims and provides subrogation (damage recovery) services to state agency customers when their vehicle sustain damage caused by a negligent third party. The base rate for passenger vehicles for FY 2009 was \$115 per vehicle, which is the same rate level used in the previous fiscal year.

In FY09 the state experienced a 16% drop in the number of claims over the previous year.

FY 2009 Vehicle Liability Year End Results			
Claims Data	FY08	FY09	Change from FY08 to FY09
Number of Claims Processed	1,946	1,620	- 326
Total Claim Payments	\$2,704,692	\$1,048,586	-\$1,656,106
Subrogation Recovery	\$767,340	\$516,518*	-\$250,822

* 2nd highest annual recovery in ORM history

University Certification

Ohio Revised Code Section 125.832(P) requires that state institutions of higher education annually report to DAS by September 15th on their use of a fleet management information system, use of fleet credit cards and purchasing of bulk fuel for motor vehicles. DAS is to compare the information received from the universities to the services it offers to other state agencies and certify whether or not a savings opportunity exists. To aid the universities, the Office of Fleet Management developed a Fleet Data Request and forwarded it to the 14 state institutions of higher education to facilitate the collection of data to be used in the comparative analysis. DAS notified the institutions of the findings of the certification. The certification noted potential savings to the universities for the three areas associated with the certification process. Subsequent year's certification will focus on identifying and defining additional administrative savings where they exist.

Summary

DAS Fleet Management strives each year to enhance the service it provides to state agencies, allowing them to efficiently carry out their individual missions while complying with state and federal laws, administrative rules and Governor's executive orders.

In FY09 Fleet Management achieved statewide success in alternative fuel goals, centralization of fleet credit card use, mileage reimbursement and providing vehicles with lower acquisition costs and greater fuel economy. As the FY09 Annual Report shows, the efficiencies in these areas have saved the state millions of dollars in administrative and operational expenses.

In FY10 Fleet Management will:

- Continue to work with agencies to reduce costs through proper management of the state fleet;
- Finalize and implement delegated authority and fleet consolidation statewide;
- Continue to host quarterly testing sessions for agencies pursuing fleet manager certification;
- Lead by example to reduce travel by utilizing web based training and user group sessions;
- Work with agencies to further reduce personal mileage reimbursements through the proper utilization of motor pools and vehicle assignments as directed by the Governor's Executive Order 2009-07S.