



Ohio Department of Administrative Services

Fiscal Year 2008

The Office of Fleet Management, a unit within the Ohio Department of Administrative Services' General Services Division.

Office of Fleet Management

Mission Statement:

Annual Report

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.

January 30, 2009

Vision Statement:

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

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.

Administrative Rules Created

Ohio Revised Code promulgated the creation of administrative rules for fleet that were submitted to JCARR and made effective on January 3, 2008. The new rules cover areas of fleet including delegation of authority, use of the state's fleet system, fleet credit card, appropriate vehicle selections and alternative fuel use. These rules, once fully implemented, will allow OFM to provide center-led programs to agencies to reduce cost, eliminate redundant systems and realize administrative efficiencies through fleet consolidation.

Vehicle Inventory

Motor vehicles included below fall under the management authority as specified in Ohio Revised Code 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. The slight decrease in vehicles is largely due to an equipment freeze and an OBM waiver process put in place due to budget constraints. Some agencies decided not to replace or add vehicles, while other agencies ordered late in FY08, which will be reflected in fleet inventories in FY09.

	FY07	FY08	# Change	% Change
Number Of State Vehicles Under DAS Authority	6,936	6,859	-77	-1.1%

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 Administrative Rule 123:61-04. FleetOhio incorporates a web-based reporting tool to provide agencies with easy access to fleet information. During FY08 additional fleet reports were developed in FleetOhio to assist the agencies in filing their annual fleet plans. The additional reports included Vehicle Replacement Analysis, Average Fleet Fuel Economy and a vehicle assignment to pool analysis.

	FY07	FY08	# Change	%Change
State Agencies Utilizing FleetOhio**	47	47	0	0%
Number Of Motor Vehicles In FleetOhio	7,363	7,437	+74	+1.0%

**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, adopted 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 Management began to identify and work with agencies to begin processing maintenance expenses on the fleet credit cards to fully capture fleet costs. In FY08, state agencies had increased their maintenance spend in the Voyager system by \$393,840 or 72%.

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 FY08, an additional 12,000 transactions were uploaded into FleetOhio, saving approximately \$199,200 in administrative costs.

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 charged to agencies. The volume portion of the rebate increased by 31% because agencies were encouraged to use the Voyager card for maintenance. The payment timeliness portion, with the help of an agency payment scorecard, increased by 208%. Overall, the state realized a 66% increase in the annual rebate.

The following information represents state agencies only.

Usage Totals	FY07	FY08	Change FY07 to FY08
Fuel	\$ 13,555,509	\$ 17,274,331	27%
Maintenance	\$ 550,215	\$ 944,055	72%
Total Spend	\$ 14,105,274	\$ 18,218,386	29%
Total # of Transactions	420,393	432,964	3%

Rebate totals	FY07	FY08	Change FY07 to FY08
Spend	\$ 108,762	\$ 169,538	56%
Payment Timeliness	\$ 7,762	\$ 23,934	208%
Rebate Total	\$ 116,435	\$ 193,473	66%

Fuel

The Ohio Revised Code and executive orders require that each state agency is to do its part to reduce the state's dependency on foreign oil and its emission of greenhouse gasses. Specifically, Administrative Rule 123:6-1-10, which became effective on January 3, 2008, defines an agency's requirement regarding the use of alternative fuels in the states fleet of motor vehicles. Throughout fiscal year 2008 these reductions were accomplished through the revision of policies, introduction of technology and the use of alternative fuels. Fleet Management promoted the use of alternative fuels in the state's fleet through driver education and awareness. A key tool in the education process was the development of an alternative fuel scorecard that identified the alternative fuel usage goal and tracked the fuel use for each agency throughout the year. These initiatives and tools provided a level of accountability and transparency for state agencies.

Total fuel use for the state fleet decreased by 11% or 1,539,403 gallons in fiscal year 2008. While the use of conventional fuels decreased, the state agencies were able to increase their use of alternative fuels. E85 and bio-diesel use increased 1,457,112 gallons or 13% of the total volume of fuel used in the state.

The state was challenged by fuel prices that increased an average of 26% in the retail and 19% in the bulk markets. Even with state agencies using over 1.5 million fewer gallons of fuel overall, the spike in gas prices resulted in the state spending 2.2 million dollars more than in FY07.

Statewide Fuel Purchases

Regular Unleaded	FY07*	FY08	#\$ Change	% Change
Retail Gallons	5,342,732	5,299,908	-42,824	-1%
Retail Spend	\$12,648,032	\$15,737,374	\$3,089,342	24%
Retail Avg./Gallon	\$2.37	\$2.97	\$0.60	25%
Bulk Gallons	4,264,678	2,909,710	-1,354,968	-32%
Bulk Spend	\$10,088,371	\$7,623,440	-\$2,464,931	-24%
Bulk Avg. \$/Gallon	\$2.37	\$2.62	\$0.25	11%
Total Unleaded Gallons	9,607,410	8,209,618	-1,397,792	-15%
Total Unleaded Spend	\$22,736,403	\$23,360,814	\$624,411	3%
Unleaded Avg. \$/Gallon	\$2.37	\$2.85	\$0.48	20%
E85	FY07*	FY08	#\$ Change	% Change
Retail Gallons	10,231	108,312	98,081	959%
Retail Spend	\$26,184	\$295,733	\$269,549	1029%
Retail Avg./Gallon	\$2.56	\$2.73	\$0.17	7%
Bulk Gallons	14,662	15,556	894	6%
Bulk Spend	\$44,129	\$40,912	-\$3,217	-7%
Bulk Avg. \$/Gallon	\$3.01	\$2.63	-\$0.38	-13%
Total E85 Gallons	24,893	123,868	98,975	398%
Total E85 Spend	\$70,313	\$336,645	\$266,332	379%
E85 Avg. \$/Gallon	\$2.82	\$2.72	-\$0.11	-4%
Diesel	FY07*	FY08	#\$ Change	% Change
Retail Gallons	350,025	374,122	24,097	7%
Retail Spend	\$857,641	\$1,232,563	\$374,922	44%
Retail Avg./Gallon	\$2.45	\$3.29	\$0.84	34%
Bulk Gallons	4,203,939	2,581,119	-1,622,820	-39%
Bulk Spend	\$10,022,924	\$6,917,399	-\$3,105,525	-31%
Bulk Avg. \$/Gallon	\$2.38	\$2.68	\$0.30	13%
Total Diesel Gallons	4,553,964	2,955,241	-1,598,723	-35%
Total Diesel Spend	\$10,880,565	\$8,149,962	-\$2,730,603	-25%
Diesel Avg. \$/Gallon	\$2.39	\$2.76	\$0.37	15%
Bio-Diesel	FY07*	FY08	#\$ Change	% Change
Retail Gallons	0	66	66	
Retail Spend	\$0	\$243	\$243	
Retail Avg./Gallon	\$0.00	\$2.97	\$2.97	
Bulk Gallons	143,161	1,501,232	1,358,071	949%
Bulk Spend	\$334,283	\$4,368,585	\$4,034,302	1207%
Bulk Avg. \$/Gallon	\$2.34	\$2.91	\$0.57	24%
Total Bio-Diesel Gallons	143,161	1,501,298	1,358,137	949%
Total Bio-Diesel Spend	\$334,283	\$4,368,828	\$4,034,545	1207%
Bio-Diesel Avg. \$/Gallon	\$2.34	\$2.91	\$0.58	25%
Retail/Bulk Totals	FY07*	FY08	#\$ Change	% Change
Retail Total Gallons	5,702,988	5,782,408	79,420	1%
Retail Total Spend	\$13,531,857	\$17,265,913	\$3,734,056	28%
Retail Avg./Gallon	\$2.37	\$2.99	\$0.61	26%
Bulk Total Gallons	8,626,440	7,007,617	-1,618,823	-19%
Bulk Total Spend	\$20,489,707	\$18,950,336	-\$1,539,371	-8%
Bulk Avg. \$/Gallon	\$2.38	\$2.70	\$0.33	14%
All Fuels	FY07*	FY08	#\$ Change	% Change
Total Gallons	14,329,428	12,790,025	-1,539,403	-11%
Total Spend	\$34,021,564	\$36,216,249	\$2,194,685	6%
Total Avg./Gallon	\$2.37	\$2.83	\$0.46	19%

* Price per gallon excludes taxes

*FY07 retail usage figures have been updated for this report

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 and provides pool vehicles to all state agencies as provided by 125.83 of the Ohio Revised Code. The fleet count was reduced by 23% in the SOT in order to provide additional parking space on the B-3 level. Due to the vehicle reduction, the utilization of the remaining vehicles increased by 19%. Utilization percentages are based on the amount of hours that the vehicles are in use compared to the total amount of available hours that they could be utilized.

	FY07	FY08	# Change	% Change
Utilization	55%	74%		+19%
Miles Driven	510,416	550,579	+40,163	+8%
Number of Vehicles	26	20	-6	-23%

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 determined by the department. 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 2008, DAS used the master lease agreement to finance the purchase of 82 vehicles, a 204% increase over FY2007. The purchase of these 82 vehicles represents approximately 30% percent of the passenger vehicles acquired statewide during fiscal year 2008.

Vehicle Procurement

During fiscal year 2008, the Office of Fleet Management reviewed requisitions for the purchase of 706 vehicles having a total acquisition cost of \$15,410,000. This figure is down by 993 units or \$21,300,000 as compared to fiscal year 2007, due to budget constraints and a strict OBM waiver justification process. In 2008, Fleet Management advised agencies that the default passenger vehicle, where appropriate, should be the subcompact sedan in lieu of the traditional mid-size sedan. The subcompact sedan offered on the state term contract had a mileage rating of 34 miles per gallon and a low acquisition cost, making it environmentally and economically attractive for the state's transportation needs. In FY08, subcompacts accounted for 24% of all passenger vehicle purchases and saved the state \$249,000 in acquisition costs compared to the cost of mid-sized vehicles.

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 FY08 to FY07.

Even though the state did reimburse more employees, the reimbursement payments in FY08 numbers show an overall reduction of \$2,077,060 (-17%), or a reduction of 5,193,649 fewer personal vehicle miles 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 FY08, the number of employees over breakeven dropped to 616, which is 399 or 39% fewer than FY07. All state agencies continue to work with their FY08 fleet plans to reduce their mileage reimbursement payments, and will submit FY09 plans to keep up the momentum. In those instances where an agency's fleet plan indicates that there will be a transition from employee reimbursement to increased use of 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	FY07	FY08	FY08 vs. FY07	% Change
# of Employees Reimbursed	12,450	12,822	+ 372	+ 3%
Miles Reimbursed	30,037,823	24,844,174	-5,193,649	-17%
Mileage Reimbursements Amount Paid	\$12,014,729	\$9,931,669	-\$2,077,060	-17%

Reimbursement Reduction Opportunities – Amounts over Breakeven	FY07	FY08	FY08 vs. FY07	% Change
# of Employees w/Mileage Exceeding Annual Breakeven	1015	616	- 399	-39%
Miles Driven over Mileage Breakeven	5,144,285	3,030,536	-2,113,749	-41%
Amount Paid over Mileage Breakeven	\$2,057,714	\$1,212,214	-\$845,500	-41%
Mileage Breakeven Point	8,350	7,518		

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

With the assumption that the annual miles driven remains relatively stable and the state's current mileage reimbursement rate of \$0.505 remains constant, we would anticipate that the cost of mileage reimbursement payments and the number of employees over the mileage breakeven point will increase in FY09. At the new reimbursement rate state agencies would have to reduce the miles driven by an additional 5.1 million miles to maintain current levels of reimbursement expense.

Alternative Fueled Vehicles

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 alternative-fueled vehicles. The State of Ohio has achieved compliance with the requirements of the EPAAct in every year since its inception in 1997.

	FY07	FY08	# Change	% Change
Number of Alternative Fueled Vehicles Purchased	695	567*	-128	-18%

	FY07	FY08	# Change	% Change
Number of Alternative Fueled Vehicles	2,098	2,719**	+621	+3%

*Although the number of alternative fueled vehicles purchased has dropped in FY08 the percentage of the total acquisitions has increased.

**Includes 515 additional units reported in FY08 by DOT

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. In FY08, DAS Fleet 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 FY08, the certified fleet manager program had 18 individuals enrolled. During the year, a total of 91 tests were taken and 37 received a passing score, for a pass rate of 41%. In FY08, a second state employee achieved certification. Agencies with certified fleet managers are DAS and the Turnpike Commission.

Vehicle Liability Insurance

Pursuant to Ohio Revised Code Sections 9.823 and 9.83, the DAS Office of Risk Management 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 whose vehicle is damaged by a negligent third party. The base rate for passenger vehicles for FY 2008 was \$115 per vehicle, which represented a 4.4 percent premium discount over the previous year, saving the state \$90,210. The increased payments in FY08 were a result of two major claims that were paid. The judgments, totaling close to \$2 million, involved fatal accidents with OSHP trooper vehicles.

	FY07	FY08	#\$ Change	% Change
New Claims Received	1,712	1,946	+ 234	+14%
Claims Paid	\$721,122	\$2,704,692	+\$1,983,570	+375%
Subrogation	\$333,993	\$767,339	+\$433,346	+230%

University Certification

Ohio Revised Code Section 125.832(P) requires that state institutions of higher education annually report to DAS by September 15 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. The institutions were notified 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.

Fleet Management Initiatives

Pursuant to Ohio Revised Code Section 125.832 and Administrative Rules 123:6-1-01 through 10, the DAS Office of Fleet Management has been given additional responsibility and authority to properly manage the state's light duty vehicle fleet. The Office of Fleet Management will pursue the following initiatives:

- Continue to increase customer use of the fleet management information system (FleetOhio).
- Evaluate our existing fleet software and develop a plan to upgrade to a web based version.
- Develop a fleet scorecard to monitor and track agency operational and administrative efficiencies as well as compliance to state and federal laws, administrative rules and policies.
- Continue to promote and administer the National Association of Fleet Administrators Certified Automotive Fleet Manager Program. Facilitate one exam sitting per quarter.
- Develop metrics to capture the fleets' average fuel economy and investigate ways to increase the miles per gallon.
- Finalize development and begin the implementation of delegated authority.



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Office of Fleet
Management

Annual Report

State of Ohio

Ted Strickland, *Governor*

Ohio Department of Administrative Services

Hugh Quill, *Director*

Richard Hickman, *Assistant Director*

General Services Division

Jeffrey Westhoven, *Deputy Director*

Office of Fleet Management

Charles Stang, *Administrator*

4200 Surface Road
Columbus, OH 43228-1395

Phone: (614) 466-6607

Fax: (614) 752-8883

<http://das.ohio.gov/gsd/Fleet/Fitmail.htm>
