

Report on Department Fleet/Mileage

Department: Transformation and Shared Services

Secretary: Amy Fecher

The purpose of this report is to prompt an analysis of fleet management and mileage reimbursement within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency and cost savings in this area. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

ACTION PLAN FOR PROJECT 1:

1. Project Title:

Integrate all Division Vehicles into a One Fleet Management Model under the Department of Transformation and Shared Services (TSS) Managed by TSS Operations

1.1. Brief description of project, goal, and action plan.

Currently, there are 36 vehicles in the TSS pool for all divisions with each division managing fleet, reservations, and data entry in SAVA and AASIS as well as maintaining VSP information.

Breakdown on the 36 Vehicles:

- Div. of Building Authority = 21
- Div. of Information Systems = 10
- Marketing & Redistribution = 4
- Geographical Information Systems = 1
- Average mileage of 36 Vehicles = 72k
- Average age of 36 vehicles = 9 yrs old
- No. of vehicles over 5 yrs old = 29
- Vehicles near or over 100k miles = 13

To streamline the management of all 36 vehicles, TSS Operations will provide the following services under a one fleet management model:

- Establish a reservation process (hub) for checking-in and out vehicles and create points of contact at each division for fleet oversight.
- Provide vehicle asset management for all divisions under a one fleet management model and track vehicles in SAVA and AASIS.
- Create, oversee, and maintain a TSS fleet map available to all divisions with the responsibility of fleet management residing within TSS.
- Update and maintain VSP reporting to ensure all personnel reserving vehicles are eligible to so under state insurance requirements.

Benefits:

- Elimination of duplicative processes.
- Fully cross trained staff to ensure fleet service continues without delays.
- Empowers division staff to focus on other duties due to reduced time spent managing fleet.

1.2. Identify any additional resources required for the implementation and success of this plan.

- No additional resources needed.

1.3. *Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?*

- No anticipated additional cost.

1.4. *How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.*

- Delivering services successfully at no additional cost.

1.5. *What is the implementation timeline and key action steps for this plan? How will you track progress?*

- Fall 2019: Integrate all division vehicles under TSS with management under TSS Operations. Establish a reservation process (hub) for checking-in and checking-out vehicles and create points of contact at each division for fleet oversight.
- Winter 2019: Create, oversee, and maintain a TSS fleet map available to all divisions with the responsibility of fleet management residing with TSS Operations. Update and maintain VSP reporting to ensure all personnel reserving vehicles are eligible under state law.
- Spring 2020: TSS to gather information from all divisions on new processes to determine added improvement opportunities.

1.6. *Identify any obstacles to the implementation and success of this plan.*

- Buy-in from divisions within TSS.

ACTION PLAN FOR PROJECT 2:

2. Project Title

Utilize a One-Stop Shop for Maintenance Performed by the Division of Building Authority (DBA) with Oversight by TSS Operations in the Department of Transformation and Shared Services (TSS)

2.1. Brief description of project, goal, and action plan.

Currently 21 of the 36 TSS vehicles are maintained at DBA, while the remaining are maintained in outside facilities without any centralized oversight.

To ensure consistent maintenance of TSS fleet, DBA will provide the following services with oversight by TSS Operations:

- Perform all regular maintenance on TSS fleet onsite with existing DBA staff.
- Explore partnering with area schools to utilize students currently enrolled in auto maintenance programs to assist as interns in the maintenance of TSS fleet when applicable.
- Maintain current maintenance facility and update with the necessary tools to keep TSS fleet operating at its max capacity.

Benefits:

- Reduced maintenance cost over the life of the vehicle using a one-stop shop.
- Improved effectiveness in vehicle use due to preventative maintenance.
- Community give back through skill enhancement of area students via an internship program.

2.2. Identify any additional resources required for the implementation and success of this plan.

- Explore part-time help or reassignment of existing staff to assist in the maintenance of fleet.
- Minor upgrade to maintenance facility and purchase materials through M&R as needed.

2.3. *Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?*

Measures:

- Cost of current TSS fleet preventative maintenance from all sources.
- Savings from reimbursement cost vs. cost needed for implementation.

Forecast:

- Average oil change per vehicle will be between \$11 and \$16 based on hourly wage rather than the \$55 outside maintenance facilities typically charge.
- Currently outside facilities charge an average of \$2,700 annually due to replacements of belts, brakes, bearings, and general maintenance services for vehicles between 5-10 years old.
 - For an in-house one-stop shop, the cost would be based on hourly wage and parts only, thus resulting in a significant annual cost savings for 29 of the 36 vehicles.

2.4. *How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.*

- Cost of current TSS fleet preventative maintenance from all sources.
- Savings from reimbursement cost vs. cost needed for implementation.

2.5. *What is the implementation timeline and key action steps for this plan? How will you track progress?*

- Fall 2019: Gather fleet information, use, and maintenance cost for all 36 vehicles.
- Winter 2019: Perform all regular maintenance on TSS fleet onsite with existing DBA staff.
- Spring 2020: Explore partnering with area schools to utilize students currently enrolled in auto maintenance programs. Maintain current maintenance facility and update with the necessary tools to keep TSS fleet operating at its max capacity.
- Summer 2020: Determine savings from reimbursement cost vs. cost needed for implementation. TSS gather information from divisions on process to determine improvement opportunities.

2.6. *Identify any obstacles to the implementation and success of this plan.*

- Buy-in from divisions within TSS.

ACTION PLAN FOR PROJECT 3:

3. Project Title

Establish a Vehicle Replacement Plan within TSS Managed by TSS Operations

3.1. *Brief description of project, goal, and action plan.*

Action Plan:

- Assess current fleet of vehicles to determine replacement needs.
- Establish a process for repurposing vehicles in good condition with high mileage and selling of vehicles to M&R that have zero usage or are inoperable.

- Transfer between 2 to 5 vehicles from the DF&A pool to the TSS Fleet based on agreement between DF&A and TSS.

Benefits:

- Improved effectiveness and efficiency in vehicle use.
- Reduction of mileage reimbursements for staffs' use of personal vehicles for business use.
- Reduced frequency of vehicle replacement due to eliminating aging vehicles and replacement through M&R when possible.

3.2. Identify any additional resources required for the implementation and success of this plan.

- The ability for TSS Operations to purchase vehicles through the Motor Vehicle Fund (MMV) for all divisions.
- 2-5 vehicles from the DF&A pool.

3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

- Initial Vehicle Replacement Cost (IVRC).
- Currently, there is no funding mechanism in place for purchasing vehicles.

3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

- Savings from reimbursement cost vs. cost needed for implementation.

3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

- Fall 2019: Assess current fleet of vehicles to determine replacement needs. Begin using between 2 to 5 vehicles from the DF&A pool based on agreement between DF&A and TSS to be transferred on July 1, 2020.
- Winter 2019: Establish process for repurposing vehicles in good condition with high mileage and selling vehicles to M&R that have zero usage or are inoperable.
- Spring 2020: Determine savings from reimbursement cost vs. cost needed for implementation.

3.6. Identify any obstacles to the implementation and success of this plan.

- Ability to purchase vehicles from M&R through Motor Vehicle Fund (MMV).

Additional thoughts/comments:

In 2021, explore legislation to enable a Central Arkansas Fleet Pilot across departments, which would allow the sharing of vehicles for employee use among the participating departments.

