



OFFICE OF FLEET MANAGEMENT

Fiscal Year 2011 | Annual Report

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

State of Ohio
Department of Administrative Services
General Services Division
Office of Fleet Management
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Fleet Management Web Page

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Executive Summary

Ohio Revised Code Section 125.832 grants the 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 (OFM) 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.

The Office of Fleet Management performs the following functions:

- Directs and approves all funds that are expended for the purchase, lease, repair, maintenance, registration, insuring, and other costs related to the possession and operation of motor vehicles for the use of state agencies.
- Approves the purchase or lease of each motor vehicle used by state agencies.
- Develops vehicle policies and monitors agency compliance with the state vehicle policies.
- Administers the State Fleet Information System.
- Administers the DAS Lease Program.
- Serves as a resource for state agencies.
- Administers the Master Lease Financial Agreement.
- Administers the Delegated Authority Program.
- Administers the fleet fuel and maintenance credit card.
- Reports the status of the state vehicle fleet annually to the governor, the speaker of the House of Representatives and the president of the Senate.

The Office of 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 the governor's executive orders.

The major accomplishments of the Fleet Management Program for 2011 are as follows:

- Reduced fleet rates for 2011
- Reduced state employee mileage reimbursement costs
- Met all alternative fuel use goals
- Completed fleet consolidation implementation completed
- Three more state agency employees attain national fleet manager certification

Agency Fleet Managers and Coordinators

Agency fleet coordinators serve as a single point of contact between the Office of Fleet Management and their respective agency on all fleet related issues.

Agency Fleet Coordinators for FY 2011 are listed below:

Adjutant General	Daniel Bute
Alcohol & Drug Addiction Services	Mike Price
Aging	Randall Wright
Agriculture	Tom Johnston
Bureau of Workers' Compensation	Sharon Csonka
Civil Rights Commission	Ron Morrison
Commerce	John York
Cosmetology Board	Marsha Tyo
Administrative Services	Jason Bartholow
Development	Tyler Evans
Public Safety	Dennis Zwayer
Mental Health	Madge Scott-Cameron
Developmental Disabilities	Jeff Smith
Natural Resources	Myron Debrosse
Health	Josh Wiethe
Department of Transportation	Mark Gnatowski
Rehabilitation & Correction	Bo Adair
Youth Services	Keith Garnett
Education	Tracy Konopka
Environmental Protection Agency	Mike McDaniel
Employment Relations Board	Barbara Kelly
Ethics Commission	Marilyn Hunter
Expositions	Chris Thomas
Inspector General	Ron Nichols
Insurance	Ray Lacey
Job & Family Services	Dave Smith
State Library	Jamie Pardee
Lottery Commission	Steve Kmiotek
Budget & Management	Teresa Brooks
Consumers' Counsel	Justine Wasmus
Industrial Commission	Ty Rogers
School for the Blind	Gerard (Rocky) Jolly
School for the Deaf	Scott Norris
Ohio Turnpike Commission	Stuart May
Veterans' Services	Charlie Hall
Public Utilities Commission	Gina Burke
Rehabilitation Services Commission	Jerry Batesole
Southern Ohio Agricultural. & Community Development Foundation	Soundra L. Weaver
Taxation	Sandy Weimer

2011 Highlights

Reduction of Mileage Reimbursement Payments

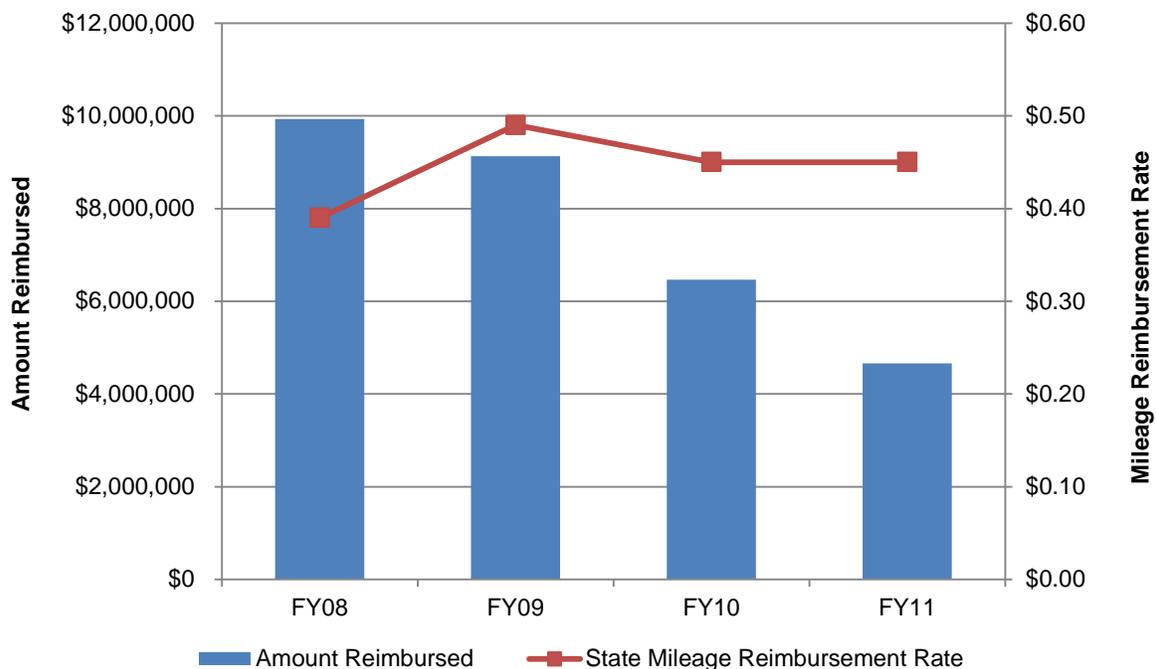
Mileage reimbursements are paid to state employees who use their personal motor vehicles to perform state business. OFM works with agencies to identify opportunities where agencies can reduce mileage reimbursement payments. Over the past three years OFM helped agencies identify drivers, reduce miles driven and saved the state \$9,537,976 in reimbursements. 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 driven in a personal vehicle.

FY11 mileage reimbursement payments to state employees were reduced by \$5,270,463 from the amount paid in FY08. State agencies reduced the number of miles reimbursed in FY11 through increased use of state vehicles. Even with the addition of state vehicles, fuel and maintenance, the state netted savings of \$3,367,924 for the three year period.

The following chart illustrates the number of business miles reimbursed for employee use of personal vehicles compared to the state mileage reimbursement rate for that fiscal year.

Figure 1-1

Mileage Reimbursement Payment Data



Fleet Rates Reduced for 2011

OFM reduced its fleet rates in 2011 for the third straight year, saving the agencies \$39,800 in service fees. Based upon the lower administrative costs, vendor rebates and surplus vehicle sales, it was possible to reduce the fleet rates to our customers by 8.3 percent in 2011. The cost of the state fleet management program is allocated among the agencies by the number of vehicles and/or the use of state fleet fuel credit card.

	<u>FY10</u>	<u>FY11</u>	<u>Percent Change</u>
Fleet Fuel Cards	\$4.00	\$4.00	0.0%
Statewide Fleet Services	\$26.00	\$24.00	-8.3%
FleetOhio	\$26.00	\$24.00	-8.3%
Vehicle Lease & Management	\$35.00	\$35.00	0.0%

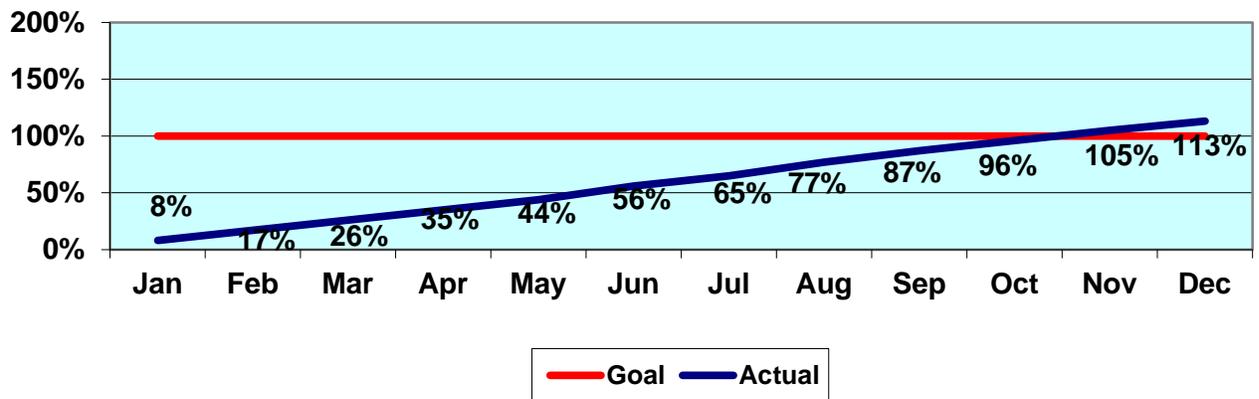
Alternative Fuel Use Goals Achieved

Ethanol (E85)

By statute, alternative fuel usage goals are reported on the calendar year. The calendar year 2011 usage requirement for E85 increased by 5,000 gallons bringing the state's total annual goal up to 85,000 gallons. For CY11, the state has exceeded its annual goal of 85,000 gallons by 13% (Figure 2-1) consuming a total of 95,683 gallons of E85. 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.

Figure 2-1

2011 Ethanol (E85) Usage
Actual vs Goal

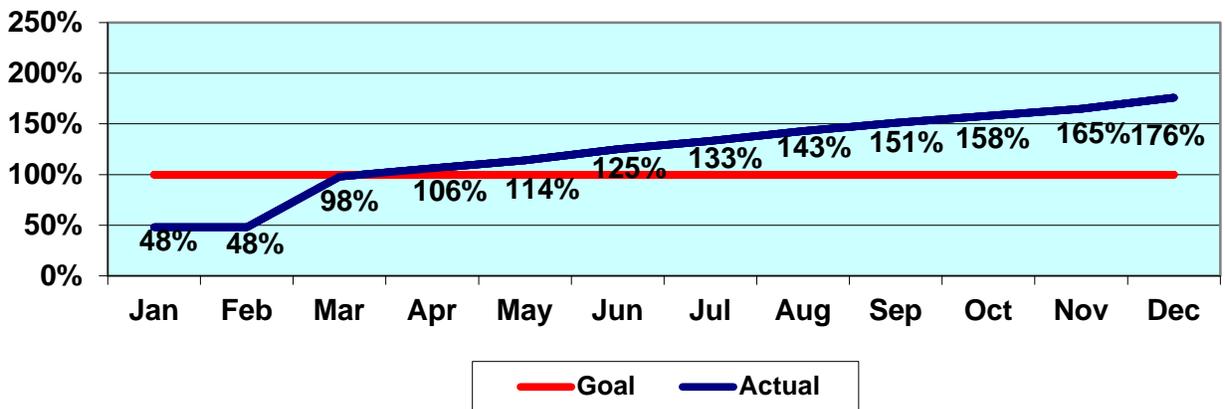


Biodiesel (B20)

The calendar year 2011 usage requirement for biodiesel increased by 100,000 gallons bringing the state's CY11 annual goal up to 1.5 million gallons. CY11 biodiesel usage totaled 2,637,397 gallons which represents 176percent of the state's annual goal (Figure 2-2) of 1.5 million gallons.

Figure 2-2

2011 Biodiesel (B20) Usage
Actual vs Goal



Use of State Fleet Information Management System Expanded

The use of FleetOhio was expanded during fiscal year 2011 with the addition of 688 new users, increased use of the motor pool reservation module and the elimination of nearly 200,000 fuel transactions that previously were entered manually into supplemental systems.

FleetOhio is a comprehensive fleet information management system used to track all vehicle-related data for the state fleet. The system provides state agencies and OFM with the ability to track fleet inventory data, analyze operating costs and monitor and schedule vehicle maintenance. Use of FleetOhio is required per the Ohio Revised Code section 125.832(C) and the Ohio Administrative Code 123:6-1-04. FleetOhio incorporates a Web-based reporting tool to provide agencies with easy access to fleet information via reports that are regularly upgraded to meet changing client needs.

Consolidation of Fleet Management Services Completed

As part of the fleet management delegated authority process, the fleet operations of the state agencies were evaluated as to whether or not they were eligible to manage the day-to-day operation of their fleets. After completing the initial fleet assessment in FY10, it was mutually agreed that 20 agencies did not meet the minimum qualifications to receive delegated authority as outlined in the OAC, and that those fleets would receive fleet management services from DAS through the managed fleet program.

Four agencies decided that they would take the necessary steps to meet the minimum requirements for delegated authority and were not immediately transitioned to the managed fleet program.

In preparation for the transition of the 16 remaining agencies (142 vehicles) to the managed fleet program at the beginning of FY12, OFM had to complete a number of activities during fiscal year 2011. Sixteen fleet card accounts were consolidated to the OFM account to facilitate the payment of the agency fuel and maintenance transactions. Each agency received training on the policies and procedures relating to obtaining vehicle maintenance and the use of the fleet card. A monthly rate structure was developed to cover the expenses incurred by OFM to provide fleet management services consistent with ORC guidelines. The cost for OFM to provide these services is approximately \$60,000 as compared to the estimated \$240,000 expended by the agencies. In addition to the rate structure development, a number of changes were made to the fleet system to facilitate the new billing and account changes.

Agencies Continue to Pursue Fleet Manager Certification

Three agency fleet managers completed, and another four participants enrolled in, the Certified Automotive Fleet Manager (CAFM) certification program administered by the National Association of Fleet Administrators in FY11. The CAFM program is being used by OFM to satisfy the certified fleet manager requirement which is necessary for an agency to receive delegated authority to manage their fleet. Throughout the fiscal year, OFM proctored four quarterly testing opportunities for the thirteen agency fleet managers who were enrolled in the CAFM program. So far there have been ten state agency fleet managers that have attained the Certified Automotive Fleet Manager (CAFM).

State Fleet Data

State Fleet 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 vehicles, elected officials' vehicles and vehicles over 12,000 pound GVW.

The state inventory of vehicles increased slightly by 91 in 2011 (Figure 3-1) as agencies continue to add vehicles to reduce payments to employees for mileage reimbursement and meet the operational needs of their respective organizations. Sixty-six percent of the vehicles added fall under DAS authority. While the composition of the fleet by type is relatively consistent (Figure 3-2, 3-3), another trend is beginning to emerge in the type of vehicle being selected. In 2011 there was a reduction of over 300 pickups in favor of a more economical automobile when selecting a replacement vehicle. There continues to be a transition toward the compact sedans (Figures 3-4, 3-5) that demonstrates the agencies' commitment to reduce fuel usage and lower operating costs in FY11.

Figure 3-1 State Fleet Inventory

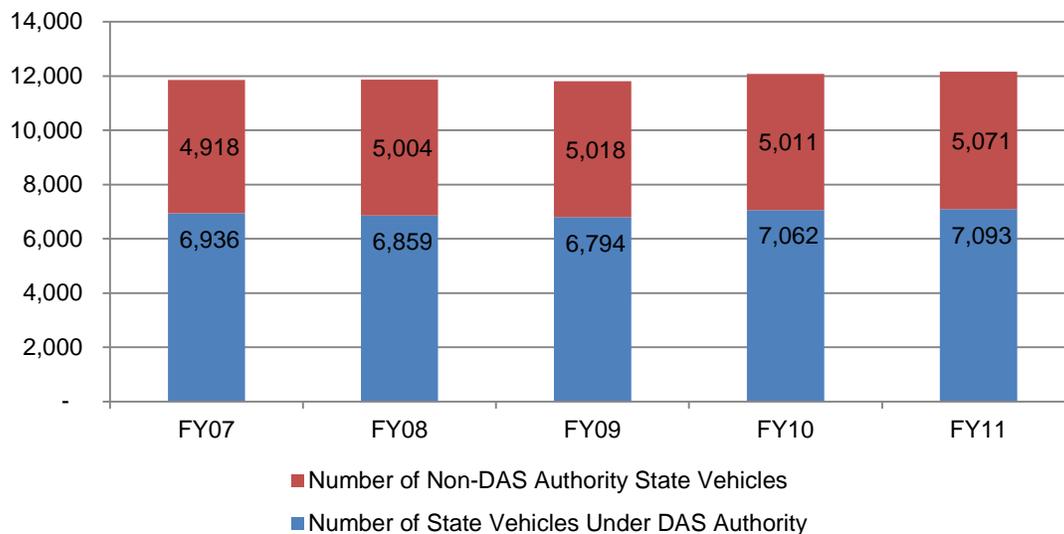


Figure 3-2 FY10 Inventory by Type 12,073 Vehicles

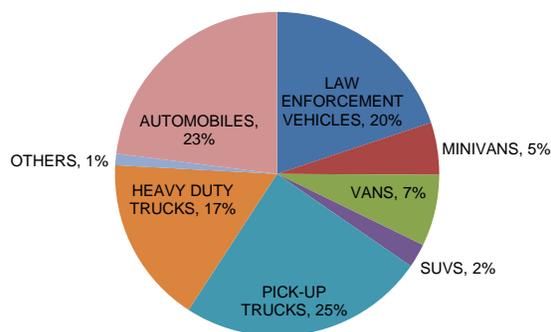


Figure 3-3 FY11 Inventory by Type 12,164 Vehicles

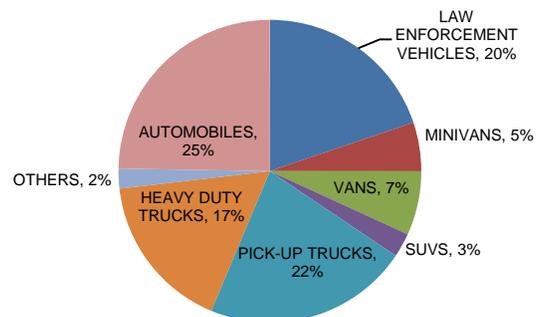


Figure 3-4 FY10 Automobile Inventory by Type
2,775 Automobiles

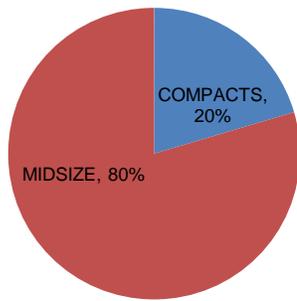
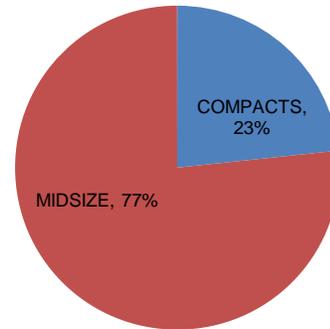


Figure 3-5 FY11 Automobile Inventory by Type
3,008 Automobiles



Vehicle Utilization

The miles traveled in state vehicles increased by 28,135,997 miles (Figures 4-1, 4-2) in 2011. Seventy-five percent of the increase is due to the miles traveled by law enforcement and heavy duty trucks. While the utilization of the autos increased in 2011 by 4,734,211 miles, the number of miles driven by compact sedans remained relatively constant at 5,500,000 miles.

In addition to the number of miles driven in state vehicles, there was a simultaneous decrease of 1,807,641 reimbursement mileage, bringing the total number of miles traveled to 26,328,356.

Figure 4-1 FY10 Mileage by Vehicle Type
161,499,681 Total Miles

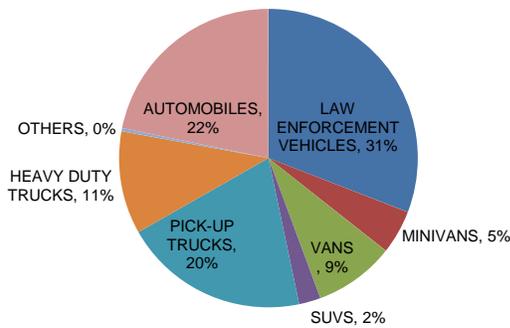


Figure 4-2 FY11 Mileage by Vehicle Type
189,635,678 Total Miles

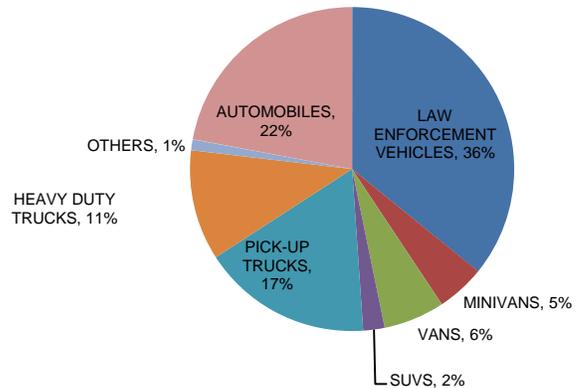


Figure 4-3 FY10 Auto Mileage by Type
35,160,904 Automotive Miles

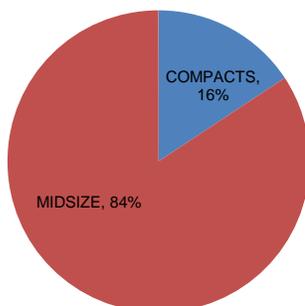
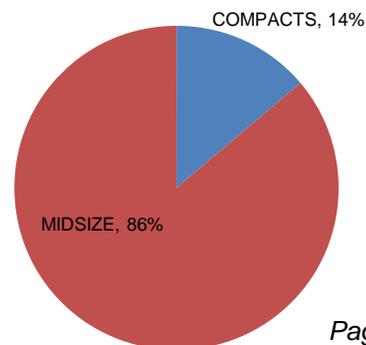


Figure 4-4 FY11 Mileage by Automotive Type
39,895,115 Automotive Miles



Total Cost of Transportation

The total cost of transportation depicted below represents the vehicle expenses for the 12,164 vehicles in the state fleet and the mileage reimbursement payments made to state employees for the use of their personal vehicle on state business.

Expense Type	FY09	FY10	FY11
Fuel	\$30,946,657	\$28,582,367	\$35,685,104
Maintenance	\$22,480,957	\$22,994,226	\$26,099,548
Depreciation	\$24,831,822	\$24,243,850	\$24,134,861
Mileage Reimbursement	\$9,126,978	\$6,468,847	\$4,661,206
Total	\$87,386,414	\$82,289,290	\$90,580,719

Vehicle Acquisition

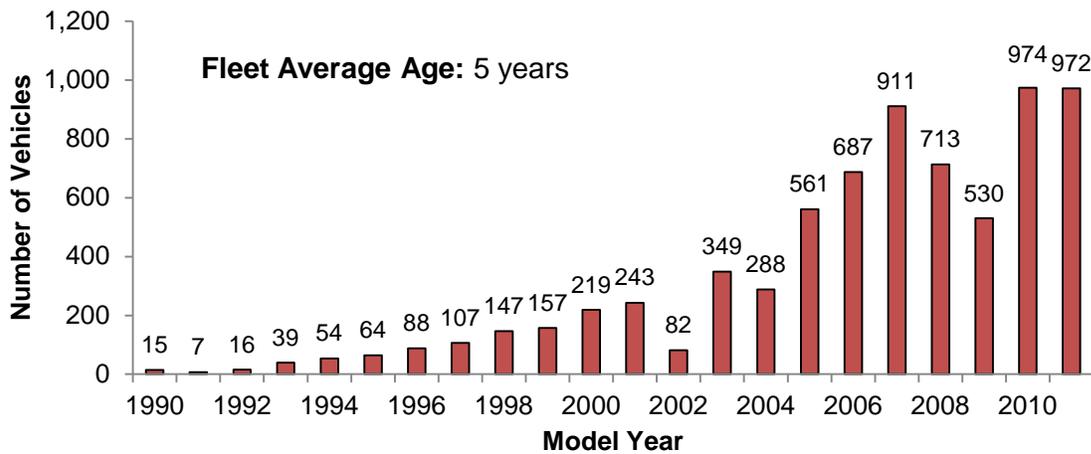
During fiscal year 2011 OFM reviewed and approved 344 requisitions for the purchase of 1,489 vehicles having a total acquisition cost of \$41,525,919. This figure is up by 178 units or \$14,839,456 as compared to fiscal year 2010. In 2011, OFM continued to recommend the compact sedan as the default passenger vehicle.

	FY2008	FY2009	FY2010	FY2011
Acquisition - Purchase	\$23,657,555	\$13,591,059	\$26,686,463	\$41,469,094
Vehicle Acquisition - State Surplus	\$57,549	\$191,421	\$42,774	\$56,825
Total	\$23,715,104	\$13,782,480	\$26,729,237	\$41,525,919

The number of vehicles purchased by model year for vehicles maintained in the State Fleet Information System is illustrated below. This excludes the Department of Transportation.

Figure 5-1

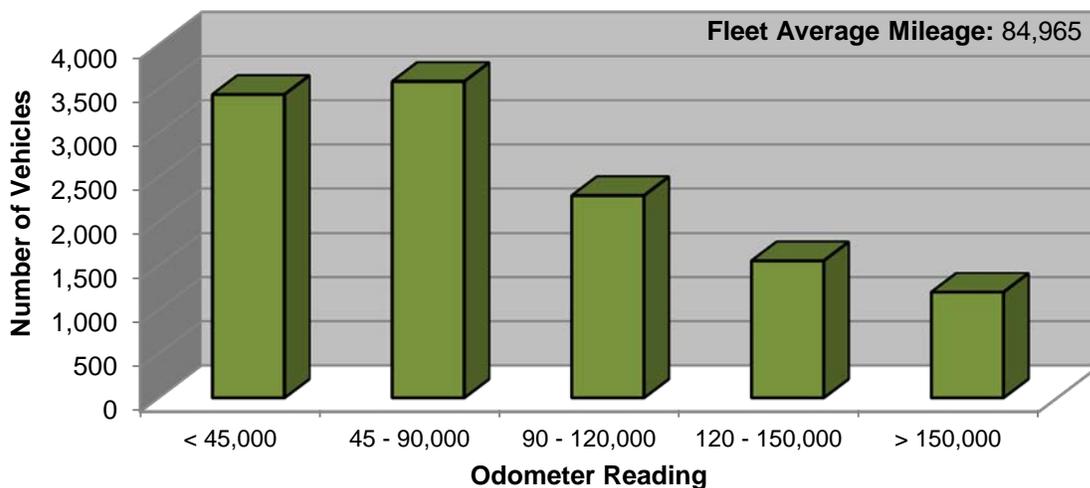
Vehicles by Model Year



Note: There are 30 vehicles with a model year prior to 1990

Vehicles by Odometer Reading

Figure 5-2



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 FY11, the state continued to purchase fuel efficient compacts to replace the aging mid-size fleet and continued to promote the use of alternative fuels. FY11 showed an increase of approximately 366,000 gallons over FY10.

Fuel Purchases				
	FY2008	FY2009	FY2010	FY2011
Vehicle Fuel	\$36,216,249	\$30,946,657	\$28,582,367	\$35,685,104
Equipment Fuel	\$9,334,835	\$7,498,496	\$3,871,757	\$6,028,890
Total Fuel Purchases	\$43,551,084	\$38,445,153	\$32,454,124	\$41,713,994

Alternative Fuel Purchases Vehicles Only				
	FY2008	FY2009	FY2010	FY2011
Ethanol (E85)	\$336,645	\$390,050	\$310,178	\$274,440
Biodiesel	\$4,368,828	\$4,622,078	\$6,648,319	\$9,496,806
Totals	\$4,705,473	\$5,012,128	\$6,958,497	\$9,771,246

Average Price Per Gallon All Vehicle Fuels				
	FY2008	FY2009	FY2010	FY2011
Total Spend	\$36,216,249	\$30,946,657	\$28,582,367	\$35,685,104
Total Gallons	12,790,025	12,321,853	11,631,553	11,998,048
Average Price	\$2.83	\$2.51	\$2.46	\$2.97

Vehicle Maintenance

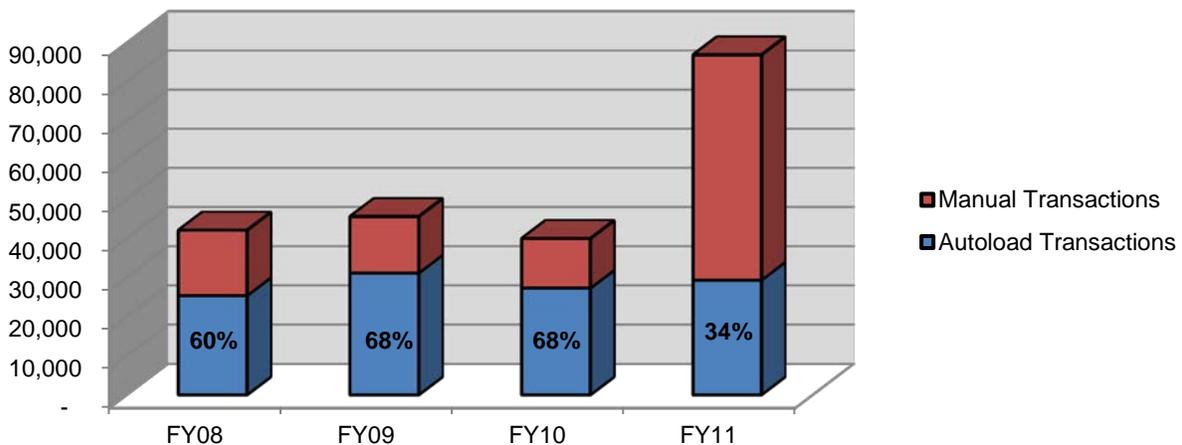
	FY2008	FY2009	FY2010	FY2011
Dept. of Public Safety	\$4,046,637	\$4,427,983	\$4,061,336	\$4,630,314
Dept. of Transportation	\$11,571,485	\$13,223,156	\$14,263,119	\$16,154,342
Other Agencies	\$5,299,207	\$4,826,820	\$4,669,772	\$5,314,892
Total Maintenance	\$20,917,329	\$22,477,959	\$22,994,227	\$26,099,548

	FY08	FY09	FY10	FY11
Autoload Transactions	25,342	31,090	27,248	29,292
Total Transactions	42,031	45,520	39,923	86,857
Percent Autoload Transactions	60%	68%	68%	34%
Autoload Spend	\$1,257,028	\$1,516,647	\$1,661,589	\$1,758,076
Total Spend	\$2,787,618	\$3,340,959	\$5,048,131	\$6,524,633

Note: Increase in manual transactions due to DPS Maintenance not being processed with the fleet card

Figure 6-1

FleetOhio Uploaded Maintenance by Transaction



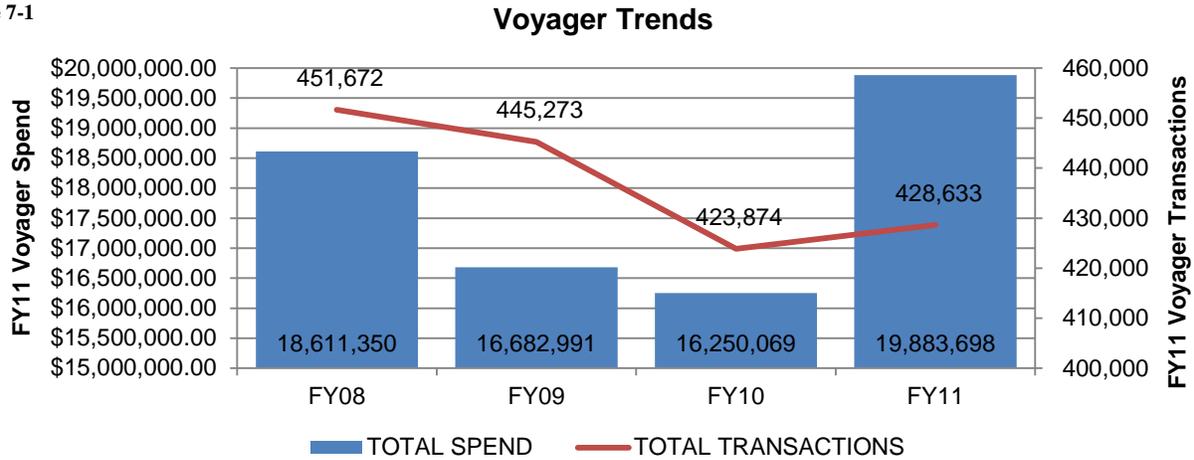
Voyager Fleet Card

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.

State agencies currently use the Voyager card to pay for both fuel and maintenance expenses. In FY11, 45 agencies used 11,192 Voyager cards to pay for vehicle related expenses. The state spent approximately \$20,312,000 on fuel and maintenance and processed more than 428,000

transactions on the Voyager card. The average transaction was approximately \$46.00 and the average card was used to purchase \$1,800 in fuel and maintenance.

Figure 7-1



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. Both the volume portion and the timeliness portion of the rebate increased by 53percent in FY11 resulting in an overall increase in the rebate amount of \$70,423.

Voyager Rebate Data

	FY08	FY09	FY10	FY11
Spend	\$169,538	\$113,889	\$110,325	\$169,011
Timeliness	\$23,934	\$22,778	\$22,065	\$33,802
Total	\$193,472	\$136,667	\$132,390	\$202,813

Additional Services

Delegated Fleet Management Authority

Consistent with ORC 125.832(G), the Department of Administrative Services has established a Delegated Fleet Management Authority program. The program is two-fold; granting Delegated Authority to those agencies meeting the requirements to manage their own fleet and providing a Managed Agency Fleet Program for those agencies not wishing to manage their own fleet.

Agencies seeking Delegated Fleet Management Authority must demonstrate to the satisfaction of OFM that the agency meets the nine criteria established for participation in the self-managed program. Agencies are evaluated annually with regard to these criteria and if deficiencies are identified, a work plan is established. There are currently seventeen state agencies that either meet, or are working toward meeting, the requirements for delegated fleet management authority. These agencies either have a certified fleet manager, or their fleet manager is working toward certification. In addition, OFM has observed that these agencies submit required reports in a timely and accurate manner, operate FleetOhio in an effective manner, and properly manage the fleet fuel card program for their agency.

Managed Agency Fleet

Agencies in the Managed Agency Fleet Program have chosen this program as a more cost effective alternative to managing a small agency fleet in-house. Agencies with small fleets often do not have the resources to ensure that all facets of fleet management are properly conducted. These agency fleets will be managed by an OFM fleet manager in conjunction with a fleet liaison from each managed agency. Should an agency currently managed by OFM seek to be granted delegated fleet management authority, OFM will ensure that the agency is aware of the requirements that must be met in order to receive such a delegation of authority. Additionally, OFM will create a work plan for the agency and grant a partial delegation of fleet management authority while the agency works to meet the requirements for delegated authority.

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 11. 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. Note that cost per mile is below the reimbursement rate, producing savings versus mileage reimbursement.

	FY09	FY10	FY11	% Change
Utilization Percent	72%	68%	58%	- 10%
Miles Driven	545,219	534,358	454,176	- 15%
Cost per Mile	\$0.46	\$0.45	\$0.44	- 2%
Number of Vehicles	20	21	20	- 3%

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 152 AFVs to its fleet in FY11, which represents a 3 percent increase over the FY10 AFV count. A total of 44 percent of the state fleet is now capable of using alternative fuels such as ethanol and biodiesel.

Alternative Fueled Vehicles	FY08	FY09	FY10	FY11	# Change	% Change
Vehicles Capable of Alternative Fueling	4,519	4,923	5,241	5,393	152	3%
Vehicles Total	11,863	11,812	12,073	12,164	91	1%
Vehicles Capable of Alternative Fueling as a Percentage of the State Fleet	38%	42%	43%	44%		

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 16,000 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 2011 was \$90 per vehicle.

FY 2010 & 2011 Vehicle Liability Year End Results			
Claims Data	FY10	FY11	Change from FY10 to FY11
Number of Claims Processed	1,598	1,537	- 61
Total Claim Payments	\$913,345	\$1,467,103	\$553,758
Subrogation Recovery	\$524,754	\$669,413	\$144,659

** Data provided by the Office of Risk Management*

University Certification

Ohio Revised Code Section 125.832(P) requires that state institutions of higher education annually report to DAS by Sept. 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, OFM 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.