

The image shows the Missouri State Capitol building, a grand neoclassical structure with a prominent dome and a portico supported by columns. In the foreground, there is a vibrant garden of tulips in shades of yellow and red. The sky is blue with scattered white clouds.

State of Missouri
Office of Administration

State Fleet Management
2008 Annual Report

Kelvin L. Simmons
Commissioner of Administration

State Fleet Management Program

Annual Report

2008

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The Honorable Jeremiah (Jay) W. Nixon and
Members of the General Assembly

I am pleased to submit the Fleet Management Report for the calendar year ended December 31, 2008.

Section 37.450 RSMo. requires the State Fleet Manager to produce an annual report outlining the status of the state vehicle fleet and detailing recommendations for improvements and changes necessary for more efficient management of the fleet. This report includes details of progress made in 2008, the current state of the vehicle fleet and fleet management goals for 2009.

I believe you will find this report useful and informative. I thank you for your support as we continue our efforts to improve the overall efficiency of the state vehicle fleet. This report is available in its entirety on the State Fleet Management website at <http://www.oa.mo.gov/gs/fm/index.htm>.

Sincerely,

Kelvin L. Simmons

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Program Overview

State Fleet Management is assigned to the Office of Administration, Division of General Services. The State Fleet Manager coordinates all aspects of the program and performs the following functions:

- Coordinates statewide fleet management activities
- Develops policy and standard vehicle practices
- Monitors agency compliance with the State Vehicle Policy (SP-4)
- Administers the State Fleet Information System
- Pre-approves passenger vehicle purchases
- Operates a consolidated carpool serving agencies in the Jefferson City area
- Reports the status of the state vehicle fleet annually to the Governor and General Assembly
- Recommends fleet replacement options to policymakers
- Establishes the state fleet mileage reimbursement rate with the approval of the Commissioner of Administration
- Administers fleet related contracts
- Serves as a resource to state agencies on fleet management issues

Missouri state agencies independently manage their vehicles in accordance with state statutes and the State Vehicle Policy. The Office of Administration develops policies with the input of agency fleet managers. The Fleet Management Advisory Committee (FleetMAC) is comprised of representatives from state agencies who provide valuable input into decisions affecting fleet management within state government. Agency fleet managers serve as a single point of contact between the State Fleet Manager and their respective agency on all fleet related issues. A list of agency fleet managers is available on the following page.

Agency Fleet Managers

Agriculture	Alan Clements
Attorney General's Office	Arlene Boessen
Auditor's Office	Mark Henley
Conservation	James Gerling
Corrections	Mandie Morriss
Economic Development	Rhonda Meyer
Elementary & Secondary Education	Rich Villmer
Governor's Office	Pattie Parris
Health & Senior Services	Kevin Kolb
Higher Education	Janelle Jaegers
Insurance	Shirley Gerling
Labor & Industrial Relations	Doug Stephan
Mental Health	Mike Haake
Missouri Lottery	Rick Petty
Missouri State Highway Patrol	Larry Rains
Natural Resources	Stan Perkins
Office of Administration	Cynthia Dixon
Public Safety	Rhonda Fogelbach
Revenue	Brenda Davis
Secretary of State	Valerie Heet
Social Services	Gina Jacobs
State Courts Administrator	Donna Melcher
State Tax Commission	Stacey Jacobs
Transportation	Jeannie Wilson
Treasurer's Office	Nancy Tennison

Executive Summary

The State Fleet Management Program is charged with the responsibility to set policy, track utilization and assist state agencies in the management of the state's vehicular fleet. State agencies determine when vehicles should be used to conduct state business in the furtherance of their mission. Fleet Management strives to ensure this vehicular travel is conducted in the most efficient manner possible.

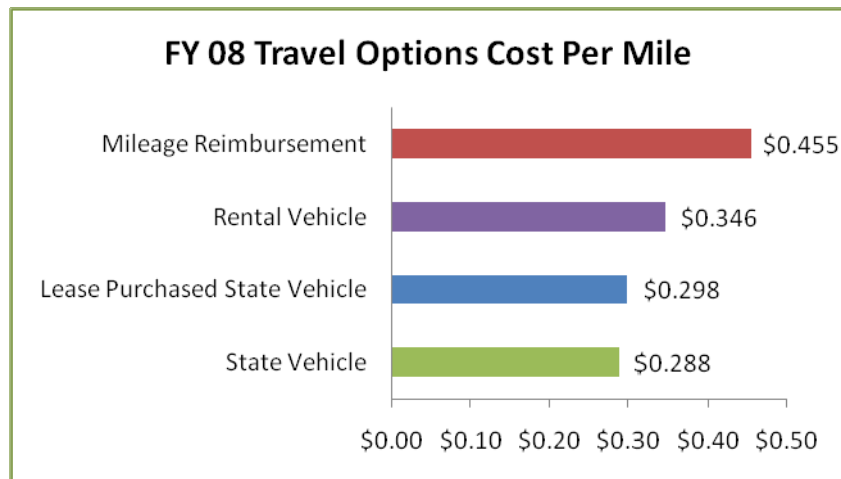
State employees travel nearly 188 million miles on state business each year. Travel is conducted by state vehicles, rental vehicles or personally owned vehicles with employees receiving mileage reimbursement. The State Fleet Management Program coordinates a multi-pronged effort aimed at reducing the state's vehicular travel related expenses by redirecting business miles to the lowest cost option – which is almost always the use of a state vehicle.

In most cases, mileage reimbursement is the most costly travel option on a per mile basis. State agencies were projected to spend in excess of \$19.8 million for mileage reimbursement alone in FY

08. Instead, due to a concerted effort to transfer business miles to lower cost options such as state and rental vehicles, mileage reimbursement expenditures have declined for the past three years despite significant annual increases in mileage reimbursement rates.

Nevertheless, state

employees were still reimbursed for almost 25 million business miles in FY 08 at a cost of over \$11.3 million. The Department of Social Service alone accounted for 43% of the statewide expenditures for mileage reimbursement.



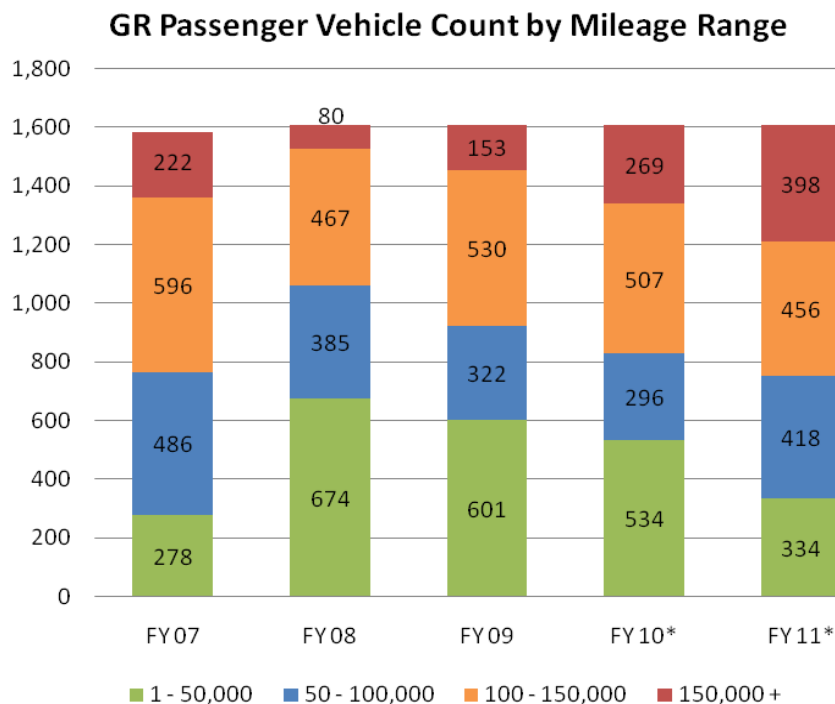
The State Fleet Management program will continue to promote low cost travel options such as state and rental vehicles. Expanding the award winning Smart Lease Vehicle Program will be critical in our efforts to accomplish additional savings. In the past two years, this program has already generated \$923,000 in annual ongoing savings by transferring 4.5 million business miles from mileage reimbursement to lower cost, lease-purchased state vehicles.

Executive Summary (continued)

The State of Missouri was nationally recognized this past year for its efforts in the advancement of alternative fuels. A 2008 survey published by *Automotive Fleet Magazine* ranked Missouri as #12 on a list of the top 100 alternative fuel fleets in the nation. Additionally, MoDOT was recognized for its efforts in the advancement of alternative fuels with the 2008 Honda Environmental Leadership Award.

After several years of limited General Revenue funding, the State Fleet Management Program garnered support and secured a FY 08 GR appropriation to acquire 324 alternative fuel vehicles. Vehicles were assigned to state agencies replacing high mileage vehicles with average odometer readings of 163,000 miles.

The condition of the General Revenue passenger vehicle fleet continues to be an ongoing concern. Without sufficient annual funding to replace aging vehicles, the condition of the fleet will deteriorate to a point where agencies are forced to utilize more costly travel options. Without adequate investment, the General Revenue passenger vehicle fleet by FY 11 will have lost all the gains made through the FY 08 vehicle replacement appropriation. As illustrated by the following chart, at the end of FY 11, over 42% of the GR passenger vehicle fleet will exceed the 120,000 mile minimum replacement criteria and more than 25% of the vehicles will exceed 150,000 miles.



Executive Summary (continued)

The State Vehicle Policy was strengthened on May 15, 2008 with new requirements that will increase the efficiency of the state fleet. A complete listing of new requirements is shown on page 15. The most substantive changes included the ban on reportable commuting, increase of the minimum vehicle replacement criteria from 105,000 to 120,000 miles and additional requirements for agencies to review the utilization of their fleet vehicles.

The OA Carpool, managed by the State Fleet Management Program, continues to improve pool operations in Jefferson City. In July 2008, the pool expanded to two locations and added 14 vehicles from the Department of Mental Health Central Office in Jefferson City. This consolidation increased efficiencies by making vehicles available to all state employees. A new web-based carpool scheduling system, CARS, will be implemented in the spring of 2009. This system will streamline the administrative functions related to OA Carpool operations and provide additional functionality to carpool users.

The State Fleet Management Program monitors state fleet data through the State Fleet Information System. The highlights of the FY 08 date include:

- Fuel costs rose dramatically, increasing by 25% over FY 07
- 21.8% of the fuel purchased in FY 08 was an alternative fuel, mostly E-85 and biodiesel
- Agencies exceeded the statutory requirements for the purchase of alternative fuel vehicles with over 90% of new eligible vehicle purchases meeting this requirement
- State employees increased utilization of lower cost state and rental vehicles
- Mileage reimbursement expenditures declined for the third straight year
- State pool vehicles averaged 16,553 miles in FY 08, which is well in excess of the 15,000 mile minimum requirement set forth in the State Vehicle Policy and one of the highest standards in the nation compared to other state fleets

Over the past six years, the State Fleet Management Program has established a solid track record of capturing, monitoring and reporting vehicle data, which is the critical foundation behind any fleet management program. Sound programmatic data has led to numerous cost containment and efficiency initiatives and, as a result, the program has been acknowledged with two Governor's Awards for Quality and Productivity since its inception. The State Fleet Management Program will continue to be vigilant in its efforts to effectively manage the state fleet and monitor vehicular travel expenditures. The program will continue to make recommendations based on fleet utilization data that will further improve the efficiency of the state fleet and generate savings for the State of Missouri.

2008 Accomplishments

The key accomplishments for the State Fleet Management Program in 2008 are listed below. Further discussion of each accomplishment is included in the following pages.

- Replaced 324 high mileage General Revenue funded passenger vehicles
- Decreased mileage reimbursement expenditures the third straight year
- Expanded the Smart Lease Vehicle Program to generate additional savings
- Increased rental contract utilization and savings to an all time high
- Consolidated the Department of Mental Health Central Office pool into the Office of Administration pool increasing efficiencies and utilization of pool vehicles in Jefferson City
- Adopted changes to the State Vehicle Policy (SP-4) to further increase the efficiency of the state vehicle fleet

2008 Accomplishments

Replaced 324 High Mileage General Revenue Funded Passenger Vehicles with Alternative Fuel Vehicles

After years of limited General Revenue funding to replace state vehicles, the condition of the fleet had deteriorated to a point where over 20% of the fleet had odometer readings in excess of 150,000 miles. Many vehicles were unsafe and limited to local use only. Agencies were sometimes forced to utilize higher cost travel alternatives such as employee mileage reimbursement or rental vehicles to meet their daily business needs.

The State Fleet Management Program garnered support and secured funding to replace these high mileage vehicles using the state's Master Lease contract which is described below.

With a five year commitment of \$1.2 million per year, the Office of Administration acquired 324 alternative fuel vehicles and then assigned them to state agencies. The vehicles replaced from this appropriation had average odometer readings of 163,000 miles and traveled an average of 19,000 miles annually.

Vehicles purchased from this replacement appropriation were titled and licensed to OA, which gives OA the ability to reassign vehicles if an agency is not in compliance with the State Vehicle Policy. These vehicles were financed at an average rate of 2.5% for a five year term ending in FY 12. The state will retain ownership of the vehicles at the end of the lease term. Since interest rates came in lower than anticipated, the leases should be paid off during FY 12 barring any additional budget reductions.

The State Fleet Management Program will review the utilization of vehicles assigned to agencies through this appropriation to ensure compliance with the State Vehicle Policy utilization standards.

Master Lease Financing

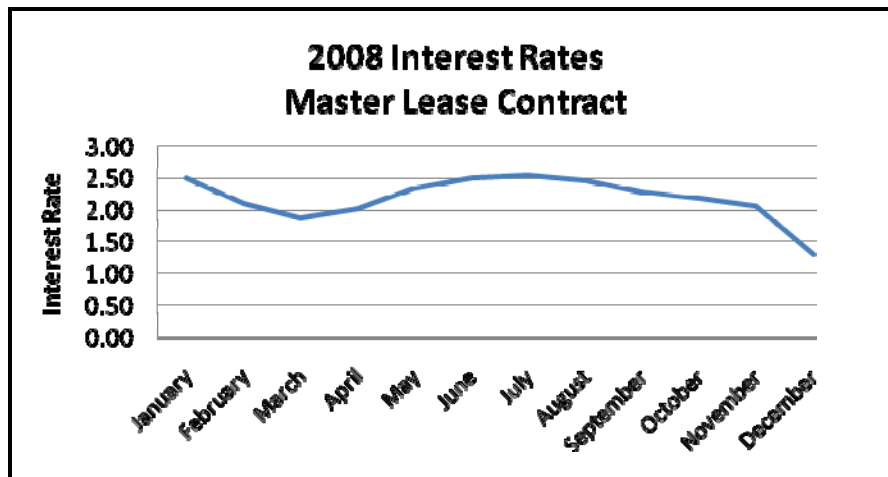
In 2005, the State Fleet Management Program researched best practices of other states and found that several AAA bond rated states and other public entities utilize tax-exempt financing as a cost effective financing strategy. At the request of the Division of General Services, OA Purchasing awarded the Master Lease contract in August 2006.

Benefits of Master Lease Financing

- Not considered debt
- Low tax-exempt rates, inclusive of all costs
- Vehicles and equipment are the property of the state and remain after the final payment is made
- Flexible terms, 2 – 10 years

2008 Accomplishments

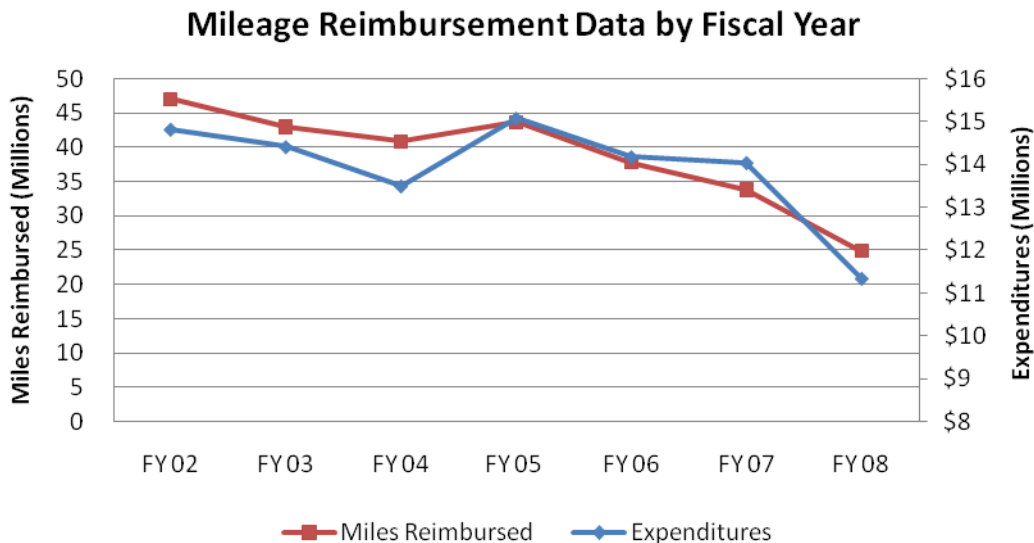
Master Lease financing allows the state to fund essential vehicle and equipment purchases by taking advantage of its purchasing power and tax exempt status to obtain interest rates far below commercial rates. Although subject to annual appropriation, master lease financing is not considered debt and the equipment remains the property of the state at the end of the lease term. This financing method adds less than \$.01 per mile in interest cost over the life of the vehicle and is substantially less costly than other options such as short-term rentals or mileage reimbursement. The graph below illustrates our effectual contracted interest rate for each month during calendar year 2008. The contract rates are established by the length of the term. Five year rates are calculated at 76.4% of the Constant Maturity Treasury Rate published at <http://www.treas.gov/offices/domestic-finance/debt-management/interest-rates/yield.shtml>.



2008 Accomplishments

Mileage Reimbursement Expenditures Decline for the Third Straight Year

The State of Missouri expended over \$15 million in employee mileage reimbursement in FY 05. Without efforts to utilize lower cost travel options, expenditures in FY 08 would have exceeded \$19.8 million. Instead, FY 08 expenditures for employee mileage reimbursement dropped for the third straight year to just over \$11.3 million. Despite a 32% increase in the reimbursement rate between FY 05 and FY 08, total expenditures actually dropped 25%, and the number of miles reimbursed dropped 43% over the four year time period. Information comparing the IRS mileage reimbursement rates to the State of Missouri's dual reimbursement rate structure is provided on the following page. The chart below illustrates the decline in expenditures and the number of miles reimbursed.



These reductions were due to a multi-faceted effort over a several year period to transfer as many employee business miles as possible away from mileage reimbursement, which is the highest cost travel option, to lower cost state owned and rental vehicles. Specifically, the State Fleet Management Program:

- Created the Trip Optimizer, a web-based, cost estimating tool to assist employees in finding the lowest cost travel option for each trip
- Issued the State Vehicular Travel Policy (SP-12) requiring employees to utilize the lowest cost travel option
- Established the reduced fleet mileage reimbursement rate
- Promoted the use of the rental services contract to reduce employees mileage reimbursement

2008 Accomplishments

- Developed and implemented the Smart Lease Vehicle Program which redirects business miles from high cost mileage reimbursement to lower cost lease purchased state vehicles

Mileage Reimbursement Rates

With the adoption of the State Vehicular Travel Policy (SP-12), the state transitioned to a dual mileage reimbursement rate structure consisting of a standard rate and a reduced fleet rate. The fleet rate represents the state's cost to own and operate a mid-size sedan and is used to reimburse employees for business travel using their personally owned vehicles when they choose to not use an available state vehicle. The higher 'standard rate' is typically set at three cents below the IRS rate. The 'fleet rate' is a reduced rate for employee travel using a personal vehicle when a state vehicle is available. In FY 08 the standard mileage reimbursement rate was \$.455 per mile and the fleet rate was \$.25 per mile. Each year the State Fleet Management Program calculates the fleet rate and submits a recommendation to the Commissioner of Administration.

The table below illustrates mileage reimbursement rates for FY 05 – FY 10 and compares the State of Missouri's dual rate structure to the IRS reimbursement rate.

Mileage Reimbursement Rates (cents per mile)						
	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10
IRS	37.5	40.5	44.5	48.5	50.5	55.0
State of Missouri						
Standard	34.5	37.5	41.5	45.5	47.5	52.0
Fleet	N/A	N/A	23.0	25.0	28.0	TBD

2008 Accomplishments

Expanded the Smart Lease Vehicle Program to Generate Additional Savings

The Smart Lease Vehicle Program (SLVP), winner of the 2007 Governor's Award for Quality and Productivity, continues to generate savings in agency travel budgets. To date, the program has generated ongoing projected annual savings of almost \$923,000 by redirecting over 4.5 million employee business miles annually from high cost mileage reimbursement to lower cost state vehicles. In FY 08, the SLVP reduced the cost of business travel from \$.455 per mile to approximately \$.298 per mile, a 35% decrease in expenditures.

State Fleet Management began implementation of the Smart Lease Vehicle Program in 2006 to generate immediate cost savings in agency operating budgets by transferring business miles for certain employees from mileage reimbursement to a lower cost, lease-purchased vehicle. Agencies save money by directing existing operating core

appropriations to pay the capital lease and operating costs of a state vehicle rather than paying mileage reimbursement. As an additional benefit, agencies own and retain the vehicle at the end of the repayment period, generating additional savings.

Smart Lease Vehicle Program

- Recipient of 2007 Governor's Award for Quality and Productivity in the efficiency category
- Generates ongoing annual savings of more than \$923,000
- Savings of 15 cents per mile
- Redirects 4.5 million annual business miles to lower cost state vehicles
- Agencies use existing operating budgets to pay for lease-purchased state vehicles instead of employee mileage reimbursement
- Agencies own vehicles after lease term

Even with the success of the SLVP, there is still work to be done. In FY 08, state agencies reimbursed employees for almost 25 million miles at a cost of over \$11.3 million for employee mileage reimbursement. The Department of Social Services expended \$4.8 million alone, which accounted for 43% of all employee mileage reimbursement expenditures in FY 08. Given the number of employees within DSS, they have substantially fewer vehicles than agencies of similar size. The Children's Division accounts for roughly 80% of all reimbursement for the department. The State Fleet Management Program will work closely with DSS to explore opportunities to expand the SLVP and utilize lower cost state vehicles.

2008 Accomplishments

Rental Vehicle Use Increases, Mileage Reimbursement Expenditures Decrease

The rental services contract with Enterprise Rent-a-Car plays an important role in state agencies' efforts to reduce travel expenditures. In most circumstances, a rental vehicle is less costly than employee mileage reimbursement. The use of rental vehicles has increased substantially, offsetting the cost of business miles that would otherwise have been reimbursed at a more costly mileage reimbursement rate.

Short-term rentals are typically a lower cost option to mileage reimbursement when state vehicles are unavailable. Agencies are able to determine whether to utilize the rental contract based on results from the Trip Optimizer, a web-based cost estimating tool that calculates the lowest cost travel option. The state rental contract offers unlimited in-state miles, making the contract more advantageous to state agencies when employees take long distance trips that are short in duration. The following table illustrates rental contract utilization and estimated savings per mile compared to the standard mileage reimbursement rate.

Rental contract saved agencies 12 cents per mile in FY 08.

Fiscal Year	Trips	Rental Days	Miles Driven	Average Rental Cost Per Mile	Standard Mileage Reimbursement Rate	Savings Per Mile	Total Estimated Savings
2004	1,386	3,077	481,722	\$.310	\$.33	\$.020	\$9,654
2005	2,972	6,612	1,042,712	\$.324	\$.345	\$.021	\$21,491
2006	4,574	9,803	1,588,935	\$.328	\$.375	\$.047	\$74,924
2007	8,013	17,979	2,640,526	\$.349	\$.415	\$.066	\$174,599
2008	10,040	25,726	4,190,264	\$.336	\$.455	\$.119	\$498,902
Total Contract Savings to Date							\$779,570

2008 Accomplishments

Office of Administration Carpool Operations

The State Fleet Management Program operates a pool of 49 vehicles in Jefferson City at two locations. These pool vehicles are available for use by any state agency. Vehicles are conveniently located at two locations, one of which is open 24 hours per day, 7 days per week including state holidays.

Accomplishments for the Office of Administration carpool include:

- Increased utilization of the pool by 6% from an average of 22,878 miles per vehicle in FY 07 to 24,301 miles per vehicle in FY 08
- Continued design and implementation of new web-based carpool scheduling system (CARS) to be available in March 2009
- Consolidated the Department of Mental Health Central Office pool into the Office of Administration pool, increasing efficiencies and utilization of pool vehicles in Jefferson City

In July 2008, the Department of Mental Health Central Office pool was consolidated into the OA carpool. The vehicles remain at the DMH location for the convenience of department employees. Other agency users of the OA carpool now have access to the vehicles at DMH, which increases efficiency of the overall pool and provides low cost travel options for state agencies.

2008 Accomplishments

State Vehicle Policy (SP-4) Enhanced to Further Increase the Efficiency of the State Vehicle Fleet

Section 37.450 RSMo. requires the Commissioner of Administration to establish policies governing the acquisition, assignment, use, replacement and maintenance of state-owned vehicles. The State Vehicle Policy was originally issued in 2002 with the inception of the State Fleet Management Program. It was revised in 2004 and again on May 15, 2008. Listed below are some of the key 2008 revisions.

- Agencies are required to purchase the most economical, fuel efficient vehicles appropriate to the mission. The purchase of SUVs, four wheel drive pickups and full-size sedans now require additional justification
- Increased minimum replacement criteria from 105,000 miles to 120,000 miles
- Enhanced vehicle assignment policies to further define guidelines for the three vehicle assignment classifications (individual, pool, function)
 - Encourages agencies to consolidate vehicles into pools to maximize utilization of vehicles
 - Provides allowable circumstances whereby agencies can assign vehicles to individuals driving less than 15,000 miles annually, subject to the approval of the State Fleet Manager
 - Requires quarterly review of assignments to individuals and pools to ensure compliance with the 15,000 mile annual requirement
 - Requires annual review of function specific vehicles driven less than 5,000 miles annually
- Removed the provision that allowed reportable commuting where use of a state vehicle is taxable wages for the employee as set forth by the IRS
- Enhanced fueling policies
 - Prohibits full service fueling where price per gallon exceeds the price of self service gasoline
 - Prohibits purchase of premium blends of gasoline unless approved by the agency
 - Requires purchase of alternative fuels for alternative fuel vehicles, provides exceptions in certain circumstances
- Instituted new driver's license requirements for state employees operating state vehicles
 - Requires agencies to ensure operators of state vehicles possess a valid driver's license appropriate to the class of vehicle to be operated
 - Creates guidelines for employees to report a driver's license suspension or revocation

Awards and Recognition

Missouri State Fleet Ranked 12th in the Nation among Top 100 Alternative Fuel Fleets, Increases Number of Flex-fuel Vehicles by 41%

A 2008 survey published by *Automotive Fleet Magazine* ranked the State of Missouri as #12 on a list of the top 100 alternative fuel fleets in the nation. Missouri's ranking was among the top private and public sector fleets, and the State of Missouri ranked 4th among other state government fleets behind Texas, California, and Illinois. The magazine's review included more than 800 fleets.



In December 2007 there were 1,717 E85 flex-fuel vehicles in the state fleet. At the end of FY 08 there were 2,425 flex-fuel vehicles, 29 hybrid-electric vehicles and 2,560 vehicles from MoDOT that operate on biodiesel fuel.

OA replaced 324 high mileage vehicles with flex-fuel vehicles. Effective January 1, 2008, Section 37.455 RSMo. requires the Commissioner of Administration to ensure that no less than 70% of new purchases for the state vehicle fleet are alternative fuel vehicles.

For FY 08, all agencies recording their vehicle data in the State Fleet Information System exceeded the 70% requirement.

Top 100 Alternative Fuel Fleets *Automotive Fleet Magazine* Fall 2008

1. GSA
2. U.S. Postal Service
3. U.S. Department of the Army
4. U.S. Department of the Air Force
5. U.S. Department of the Navy
6. State of Texas
7. State of California
8. Merck
9. Schwan's
10. State of Illinois
11. U.S. Marine Corps
- 12. State of Missouri**
13. U.S. Department of Agriculture
14. City of New York
15. State Farm Mutual Auto Insurance Company
16. U.S. Department of Energy
17. State of New York
18. GE Healthcare
19. Xerox
20. Johnson & Johnson Services, Inc.

Awards and Recognition

MoDOT Wins 2008 Honda Environmental Leadership Award

At the National Conference of State Fleet Administrators in October 2008, the Missouri Department of Transportation was awarded the 2008 Honda Environmental Leadership Award for their progressive efforts in promoted the use of alternative fuels in the MoDOT fleet. The MoDOT team was honored for the following accomplishments:

- MoDOT was featured in an article published by the Department of Energy as a leader in the implementation of biodiesel
- More than 45% of the diesel fuel purchased by MoDOT in FY 07 was B20. MoDOT solicited the assistance of researchers at the University of Missouri – Rolla to publish a best practices paper on implementing biodiesel
- Expanded E85 bulk fueling sites from two to seven in the past three years



Pictured above in the front row from left to right is Elizabeth Munger, representing America Honda Motors presenting the award to MoDOT Fleet Manager, Jeannie Wilson. Second Row from left to right are MoDOT employees: Bradley Leonard, Beth Ring, Cindy Beebe and Koelle Barbour.

2009 Program Goals

In 2009, the State Fleet Management Program has established the following goals to further improve efficiencies in the state fleet.

- Expand the Smart Lease Vehicle Program to generate additional mileage reimbursement savings
- Implement the CARS system, a web-based carpool scheduling system for the Office of Administration carpool
- Rebid the fuel card contract
- Conduct a review of vehicles driven less than 5,000 miles
- Conduct a review of individuals driving less than 15,000 miles that are permanently assigned to a state vehicle

Condition of the State Vehicle Fleet

Over 187 million miles are driven annually state business. Therefore, it is critical to control overall expenditures by ensuring state employees utilize the lowest cost travel option, which is most often state vehicles. The state fleet should be replaced in a regular, timely fashion to ensure that state employees have reliable and safe vehicles to conduct state business.

The State Fleet Information System contains data for approximately 4,157 licensed state vehicles owned and operated by all agencies, excluding the Missouri State Highway Patrol and the Departments of Conservation and Transportation. Vehicle acquisition data, including the original funding source, is captured to help facilitate replacement planning. Data has been identified by funding source (general revenue or other) and by two main vehicle categories (passenger and medium/heavy duty). The current and projected condition of both the passenger and medium/heavy duty fleet are presented in the following pages. The table below illustrates the number of vehicles by funding source and vehicle category in the State Fleet Information System.

Vehicle Count by Fund			
Vehicle Category	GR	Other	All Funds
Passenger	1,605	1,525	3,130
Medium - Heavy Duty	542	485	1,027
Total	2,147	2,010	4,157

Passenger Vehicles

The passenger fleet is comprised of sedans, light duty trucks, station wagons, SUVs and passenger vans which are subject to a 120,000 mile minimum replacement criterion established by the State Vehicle Policy (SP-4). Passenger vehicles have a gross vehicle weight rating of less than 8,500 lbs. Agencies must seek preapproval from the State Fleet Manager to purchase passenger vehicles with the exception of those operated by POST certified law enforcement officers.

Excluding the Missouri Department of Transportation, Conservation and the Missouri State Highway Patrol, the state fleet consists of approximately 3,130 passenger type vehicles. Through a one time purchase program approved by the General Assembly, 324 of the highest mileage GR vehicles were replaced in FY 08.

Condition of the State Vehicle Fleet

GR Passenger Fleet Condition

The average age and odometer readings of passenger vehicles by funding source are illustrated to the right and reflective of the actual or projected condition of the fleet at the end of each fiscal year. Odometer readings are projected based on the vehicle being driven the same number of miles as in FY 08.

PASSENGER VEHICLES Average Odometer and Age by Funding Source						
Fiscal Year	Odometer			Age (in years)		
	GR	Other	All Funds	GR	Other	All Funds
FY 08	66,384	63,941	65,439	5.6	4.5	5.2
FY 09	79,105	79,929	79,424	6.6	5.5	6.2
FY 10	91,946	95,930	93,487	7.6	6.5	7.2
FY 11	104,786	111,932	107,550	7.6	7.5	8.2

Medium/Heavy Duty Vehicles

Vehicles are considered as medium/heavy duty are not subject to the same minimum replacement criteria as passenger vehicles. It is difficult for the State Fleet Management Program to estimate the condition or replacement needs of the medium/heavy duty fleet as their normal replacement cycles vary widely and are primarily dependent upon the function of the vehicle. Data on medium/heavy duty vehicles is included in this document to educate policy makers of the likely replacement needs for medium/heavy duty vehicles; however, State Fleet Management must defer replacement recommendations for these vehicles to state agencies. The table on the right illustrates the estimated condition of the non-passenger vehicle fleet for FY 08 – FY 11.

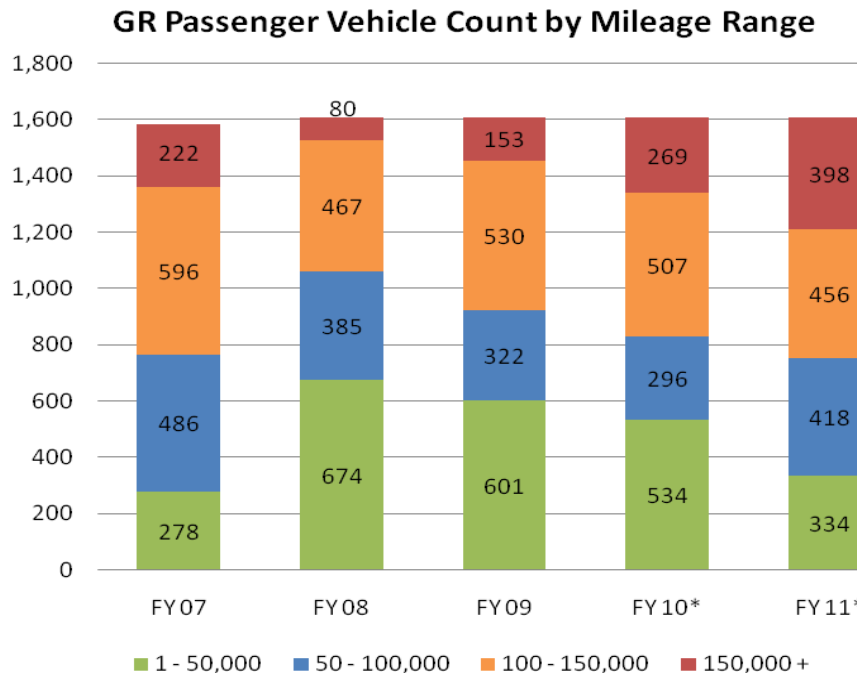
NON - PASSENGER VEHICLES Average Odometer and Age by Funding Source						
Fiscal Year	Odometer			Age (in years)		
	GR	Other	All Funds	GR	Other	All Funds
FY 08	73,155	70,293	71,962	15.1	9.8	13.1
FY 09	78,997	75,586	77,576	16.1	10.8	14.1
FY 10	84,839	80,879	83,189	17.1	11.8	15.1
FY 11	90,681	86,172	88,803	18.1	12.8	16.1

General Revenue Fund Fleet Replacement Needs

The following table and chart illustrate the number of general revenue passenger vehicles by mileage range for each fiscal year. Approximately 396 vehicles will exceed 125,000 miles by the end of FY 09 and over 545 will exceed 125,000 miles by the end of FY 10. General Revenue vehicle funding was not approved in the FY 09 budget.

GR Passenger Vehicles by Mileage Range					
Mileage Range	FY 07	FY 08	FY 09	FY 10	FY 11
1 -24,999	177	548	446	186	99
24,000 - 49,999	101	126	155	348	235
50,000 - 74,999	178	147	134	134	263
75,000 - 99,999	308	238	188	162	155
100,000 - 124,999	338	319	287	231	201
125,000 - 149,999	258	148	243	276	255
Over 150,000	222	80	153	269	398
% Over 120,000*	34%	14%	27%	35%	42%

*120,000 miles is the minimum replacement point set forth in the State Vehicle Policy



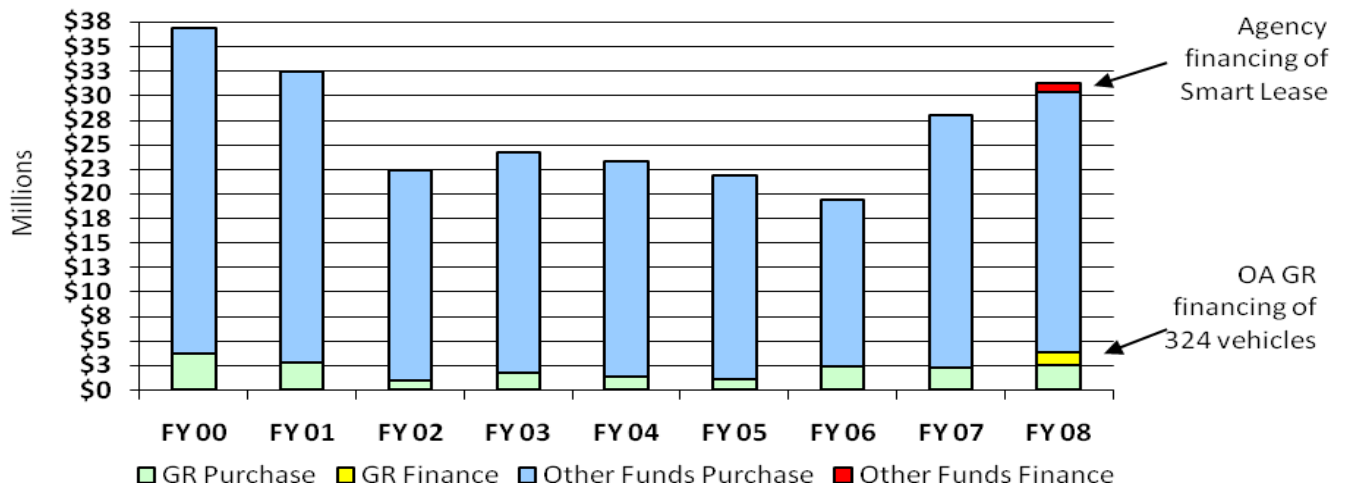
*Assumes no additional GR funding.

State Fleet Data

Vehicle Purchase Data

Ideally, the state should replace 12% of the fleet each year (8 year replacement cycle) to avoid large fluctuations in upfront capital requirement for fleet replacement. The General Revenue investment in the passenger vehicle fleet alone should be at least \$3 million annually to maintain an ideal replacement cycle. However, over the past five years General Revenue funding has averaged only \$1.76 million for all vehicle types. The following chart illustrates total vehicle expenditures compared to GR vehicle expenditures between fiscal years 2000 – 2007.

**Vehicle Expenditures (FY 00 - FY 08)
Passenger and Non Passenger Vehicles**



Vehicle Purchases by Fund*

Fund Number	Description	FY 07	FY 07 % of Total	FY 08	FY 08 % of Total
0609	Conservation	\$1,904,583	74%	\$3,058,777	81%
0320	MoDOT – State Road	\$7,946,235			
0644	MoDOT – State Hwys & Trans	\$5,319,747			
0695	Highway Patrol	\$5,572,080			
0101	General Revenue	\$2,274,893	8%	\$2,492,948	9%
Other	All Other Funds	\$5,009,886	18%	\$3,108,587	10%
	ALL FUNDS	\$28,027,423		\$29,019,799	

*Does not include master lease financing of vehicles.

State Fleet Data Vehicle Purchase Data

Vehicle Purchases by Agency (All Funds)

Agency Name	FY 06 Expenditures	FY 07 Expenditures	FY 08 Expenditures
Public Safety	\$8,405,027	\$12,308,818	\$10,994,003
Transportation	\$3,421,210	\$7,946,235	\$10,168,309
Conservation	\$3,415,963	\$1,904,583	\$3,058,777
Natural Resources	\$809,111	\$1,463,381	\$1,558,371
Corrections	\$1,254,424	\$948,982	\$884,751
Agriculture	\$200,759	\$482,641	\$686,150
Revenue	\$189,536	\$505,447	\$401,118
Health & Senior Services	\$133,810	\$90,633	\$268,572
Labor & Industrial Relations	\$0	\$136,009	\$194,388
Office of Administration	\$122,100	\$143,521	\$186,996
Elem & Sec Education	\$458,350	\$151,164	\$153,113
Social Services	\$493,416	\$1,352,997	\$119,284
Mental Health	\$114,942	\$237,067	\$107,535
DIFP	\$0	\$0	\$100,758
Economic Development	\$54,961	\$116,039	\$86,644
Judiciary	\$122,960	\$74,113	\$30,880
Attorney General	\$75,768	\$31,623	\$20,150
Secretary of State	\$39,450	\$86,288	\$0
Higher Education	\$0	\$47,883	\$0
Lt. Governor	\$6,000	\$0	\$0
TOTAL	\$19,317,789	\$28,027,423	\$29,019,799

State Fleet Data

Vehicle Lease-Purchase Data

Master lease financing of vehicles began in FY 08 as a low cost method to purchase replacement vehicles. Master lease financing has also facilitated the Smart Lease Vehicle Program that generated over \$900,000 in annual travel savings. FY 08 was the first fiscal year that agencies made expenditures to the state's master lease contractor, Banc of America, LLC, for lease purchase payments. Over \$2.2 million in lease payments were made in FY 08, with \$1.2 million paid out of the General Revenue OA vehicle replacement appropriation for the replacement of 324 high mileage vehicles.

The table below illustrates the principal portion of lease payments made in FY 08 by fund and agency. Much of the agency expenditures reflect their lease obligations and prepayments for vehicles acquired through the Smart Lease Vehicle Program.

FY 08 Master Lease Vehicle Expenditures			
Agency	Funding Source		Total
	General Revenue	Other	
OA	\$1,200,000	\$18,316	\$1,218,316
DESE	\$10,074	\$31,725	\$41,799
Health	\$12,070	\$35,295	\$47,365
Corrections	\$51,806	\$0	\$51,806
Social Services	\$0	\$850,884	\$850,884
Total	\$1,273,950	\$936,220	\$2,210,170

State Fleet Data

Licensed Vehicles per Agency

At the end of FY 08 the state owned approximately 11,083 licensed motor vehicles. This data does not include vehicles owned by other entities within the Judiciary and vehicles from the state colleges and universities. The largest owners of state vehicles are the Departments of Transportation, Public Safety and Conservation. Combined, these three agencies own and operate about 66% of the state's licensed motor vehicles. The table on the right details the number of reported vehicles by agency as of June 30, 2008.

Licensed Vehicles per Agency	
Agency	# Vehicles
Transportation	4,538
Public Safety	1,605
Conservation	1,241
Corrections	863
Natural Resources	723
Mental Health	640
Social Services	442
Agriculture	263
Elementary & Secondary Education	159
Office of Administration	148
Health & Senior Services	100
Lottery	65
Insurance, Financial Institutions & Professional Registration	65
Revenue	45
Economic Development	37
Labor & Industrial Relations	33
Attorney General	33
OSCA	28
State Tax Commission	21
Secretary of State	13
Higher Education	12
Auditor	2
Legislature	3
Treasurer	2
Governor's Office	1
Lt. Governor's Office	1
TOTAL	11,083

State Fleet Data

Vehicles per 100 Employees

One measure of the state fleet's efficiency is the number of licensed vehicles per 100 employees. In FY 07 there were 17.99 vehicles per 100 employees, which was a slight change from 18.56 in FY 06. The table below represents the number of licensed vehicles in FY 08 for every 100 employees by agency.

Licensed Vehicles Per 100 Employees	
Agency	Vehicles Per 100 Employees
Transportation	70
Agriculture	65
Conservation	61
Highway Patrol	60
Natural Resources	32
Lt Governor's Office	20
Higher Education	17
Judiciary	12
DIFP	12
Revenue	9
Public Safety (not including MSHP)	8
Corrections	8
Elementary & Secondary Education	8
Office of Administration	8
Attorney General's Office	7
Mental Health	7
Health	5
Social Services	5
Secretary of State	4
Economic Development	4
State Treasurer	4
Labor & Industrial Relations	4
Governor's Office	3
State Auditor	2
Legislature	.5
	19

State Fleet Data

Total Business Miles

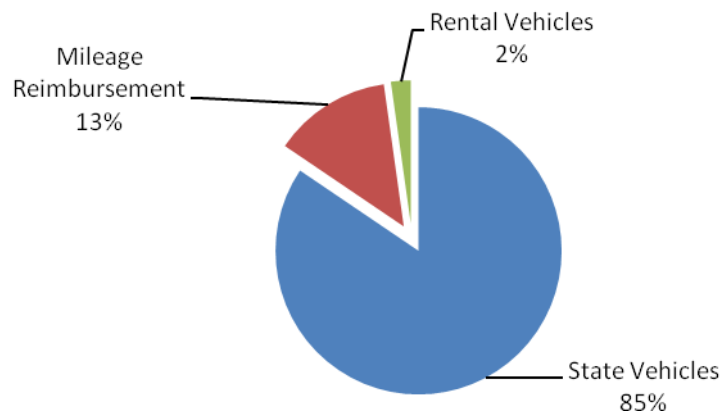
The total miles driven measurement reflects the total business miles traveled on official state business in licensed vehicles. This includes business miles collected from the following data sources:

- State Fleet Information System
- Self-reported data from MoDOT, Conservation, and Highway Patrol
- Estimated miles reimbursed for personally owned vehicles¹
- Rental vehicle miles reported by Enterprise Rent-a-Car

The table below illustrates a continued transition of business miles away from mileage reimbursement. The number of miles reimbursed has declined for the third straight year as agencies aggressively manage business travel by utilizing less costly state and rental vehicles.

Business Miles Driven by Fiscal Year				
Travel Option	FY 05	FY 06	FY 07	FY 08
State Vehicles	149,627,062	151,025,722	151,256,475	158,400,815
Mileage Reimbursement	43,698,576	37,798,195	33,829,498	24,898,686
Rental Vehicles	1,042,712	1,588,601	2,636,705	4,190,264
TOTAL	194,368,350	190,412,518	187,722,679	187,489,765

FY 08 Business Miles by Travel Option



¹ Calculated by taking total instate and outstate mileage reimbursement expenditures for state employees only divided by the standard mileage reimbursement rate issued by OA Accounting.

State Fleet Data

Total Business Miles by Agency

Business Miles Driven by Agency				
Agency	FY 05	FY 06	FY 07	FY 08
Transportation	61,865,676	61,716,108	62,117,923	64,586,072
Public Safety	30,156,350	30,284,555	30,814,702	31,733,738
Social Services	20,133,006	18,970,131	18,799,686	18,107,006
Conservation	17,012,064	18,956,090	17,180,565	16,832,591
Corrections	15,017,671	14,236,396	13,949,428	13,854,433
Natural Resources	8,429,928	8,256,842	8,308,308	8,335,336
Mental Health	7,790,864	7,000,648	7,192,101	7,116,828
Health & Senior Services	6,055,027	6,241,055	5,768,339	5,587,915
Agriculture	3,876,752	3,754,651	3,739,701	3,765,329
Elementary & Secondary Education	3,376,781	3,180,017	2,842,482	2,951,926
Office of Administration	1,297,643	1,547,090	2,021,495	2,898,012
Revenue	3,643,188	3,078,401	2,900,579	2,362,233
Public Defender	2,387,191	2,336,730	2,277,035	2,044,908
Insurance	416,423	372,618	1,271,730	1,944,369
OSCA	2,102,981	1,919,552	1,693,287	1,405,791
Attorney General	1,209,811	1,440,789	1,385,347	1,315,039
Economic Development	4,461,067	4,229,595	2,558,915	892,812
Labor & Industrial Relations	1,268,639	1,058,266	978,896	731,632
State Auditor	463,249	376,362	366,035	455,807
Secretary of State	304,799	281,130	320,678	287,910
Higher Education	179,293	154,749	138,762	132,591
Legislature	1,829,205	930,427	998,611	61,035
Governor	15,211	23,406	31,163	43,671
Lt. Governor	21,175	48,354	47,662	34,663
State Treasurer	11,643	18,555	19,249	8,115
TOTAL	194,368,350	190,412,518	187,722,679	187,489,765

State Fleet Data

State Vehicle Use

State vehicles are utilized for a variety of functions. Each agency has outlined the purpose of its fleet in their fleet descriptions located at the end of the report. The State Fleet Information System classifies vehicles according to their assignment (pool, function, or individual) and purpose (client transportation, employee transportation, special purpose or task specific).² The tables on this page illustrate the various classifications of vehicle assignments along with the associated miles driven per assignment.

Primary Assignment	% of Vehicles	Average Miles Driven	% of Miles Driven
Pool	24.6%	16,553	32.0%
Function	60.5%	10,278	47.5%
Individual	14.9%	18,019	20.5%

Primary Purpose	% of Vehicles	Average Miles Driven	% of Miles Driven
Client Transportation	12.2%	11,155	10.4%
Employee Transportation	32.3%	17,586	43.4%
Special Purpose	26.9%	12,153	25.0%
Task Specific	28.6%	9,731	21.2%

Examples of state vehicle use are listed below:

- Law Enforcement
- Caseworkers
- Child Abuse and Neglect Investigations
- Mental Health Client Transportation
- Emergency Response
- Facility Support
- Road and Maintenance Construction
- Meat and Grain Inspections
- Mail Delivery
- Nursing Home Inspections
- Employee Transportation
- Parks Maintenance
- Inmate Transportation
- Environmental Investigations and Enforcement

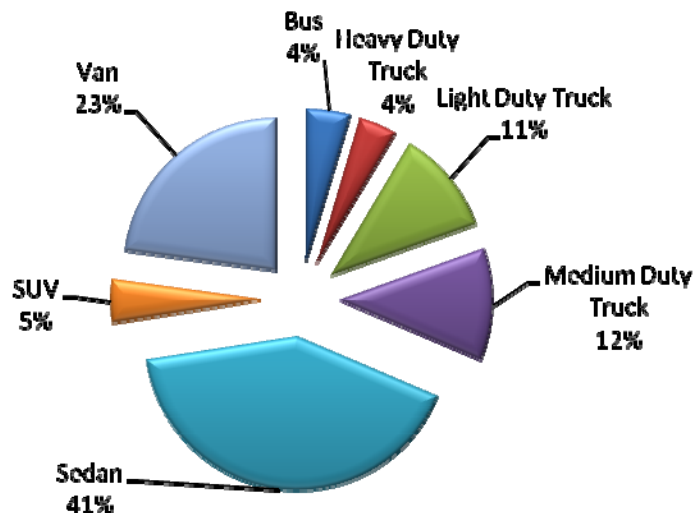
² Data from the Departments of Transportation, Conservation and the Missouri State Highway Patrol are excluded from this analysis.

State Fleet Data

State Fleet Composition

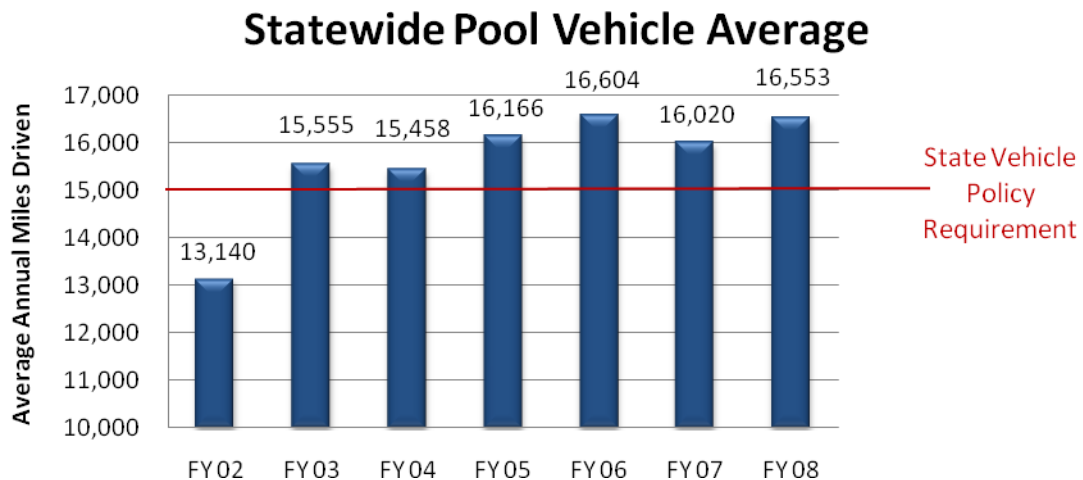
The chart below illustrates the breakdown of licensed vehicles in the state fleet. The data excludes the Departments of Transportation, Conservation and the Missouri State Highway Patrol.

FY 08 State Vehicles by Category



State Fleet Data Pool Vehicle Utilization

The State Vehicle Policy requires an average of 15,000 annual miles for vehicles assigned to pools. Approximately 25% of the vehicles in the state fleet are assigned to a pool as general use vehicles available for multiple individuals. State Fleet Management continues to encourage the use of pool vehicles to maximize the utilization of state vehicles. The following chart reflects the continued increase in the state vehicle pool average since the inception of the State Fleet Management Program in 2002. Individual agency average pool utilization for FY 08 is illustrated in the table at the bottom of the page.



FY 08 Average Pool Utilization by Agency			
Agriculture	16,772	Mental Health	16,299
Attorney General	21,767	Natural Resources	16,129
Conservation	16,737	Office of Administration	19,349
Corrections	15,299	OSCA	9,707
Economic Development	15,200	Public Safety (except MSHP)	20,384
Elementary & Secondary Ed	17,391	Revenue	16,196
Health	23,260	Secretary of State	10,548
Higher Education	10,887	Social Services	19,205
Highway Patrol	20,216	State Auditor	8,328
Insurance	15,200	State Treasurer	3,269
Labor & Industrial Relations	12,799	Transportation	13,535
STATE AVERAGE			16,553

State Fleet Data Cost Per Mile

The primary measure in evaluating fleet costs is the total cost per mile. Tracking the cost to own and operate state vehicles is essential to making informed decisions regarding the state fleet. The weighted average cost to own and operate a non-specially equipped vehicle mid or full size sedan in the state fleet was approximately \$.2876 per mile in FY 08, which is the lowest cost of all vehicle travel options.

The State of Missouri can keep state vehicle costs low through several cost containment strategies. Vehicles are purchased through state contracts at significant discounts from sticker prices due to fleet incentives from the auto manufacturers. State agencies can reduce operating costs of state vehicles by utilizing state maintenance facilities and contracts such as the state tire contract. With a labor rate half the rate of other local vendors, the Office of Administration's Vehicle Maintenance Facility in Jefferson City saves state agencies hundreds of thousands of dollars each year. Additionally, to keep costs low, the State of Missouri provides liability coverage for motor vehicle accidents through the State Legal Expense Fund and administers motor vehicle claims internally.

The weighted average cost per mile is calculated based on the number of mid size sedans vs. full size sedans in the fleet and illustrated below.

Cost Per Mile			
Cost Component	Mid Size	Full Size	Weighted Average
Depreciation	\$0.0874	\$0.0896	\$0.0884
Insurance/Fleet Fee	\$0.0163	\$0.0163	\$0.0163
Administration	\$0.0200	\$0.0200	\$0.0200
Fuel	\$0.1188	\$0.1290	\$0.1233
Maintenance/Repair	\$0.0530	\$0.0224	\$0.0396
Total	\$0.2955	\$0.2773	\$0.2876

State Fleet Data

Fuel Cost Trends

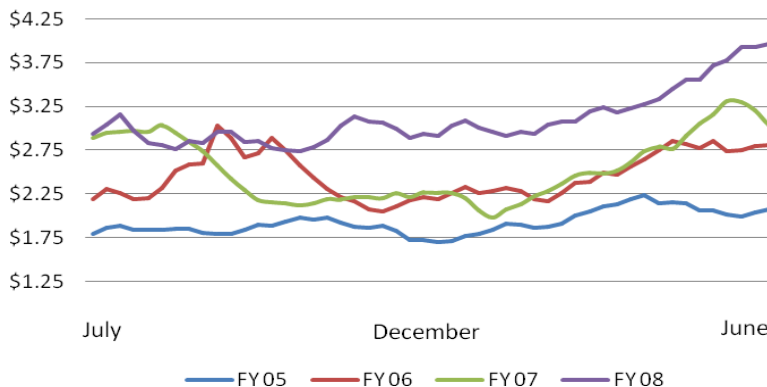
Fuel price volatility is currently one of the most challenging issues in fleet management. As gas prices approached \$4.00 per gallon at the end of FY 08, state agencies reported a 25% increase in fuel expenditures over FY 07. This increase is consistent with data from the federal Energy Information Administration (EIA) which also reported an average price increase of 23% for the Midwestern states during the same time frame.



The average annual price per gallon for regular unleaded gasoline and the annual percentage increase from the EIA are listed below from FY 05 – FY 08. The chart at the bottom of the page illustrates historical trends in the weekly price per gallon over the same time period.

Average Midwest Regional Gas Prices Regular Unleaded Gasoline Source: Energy Information Administration		
Fiscal Year	Price Per Gallon	% Increase
FY 05	\$1.93	
FY 06	\$2.47	32% ³
FY 07	\$2.55	3%
FY 08	\$3.14	23%

**Weekly Fuel Price Per Gallon
by Fiscal Year**

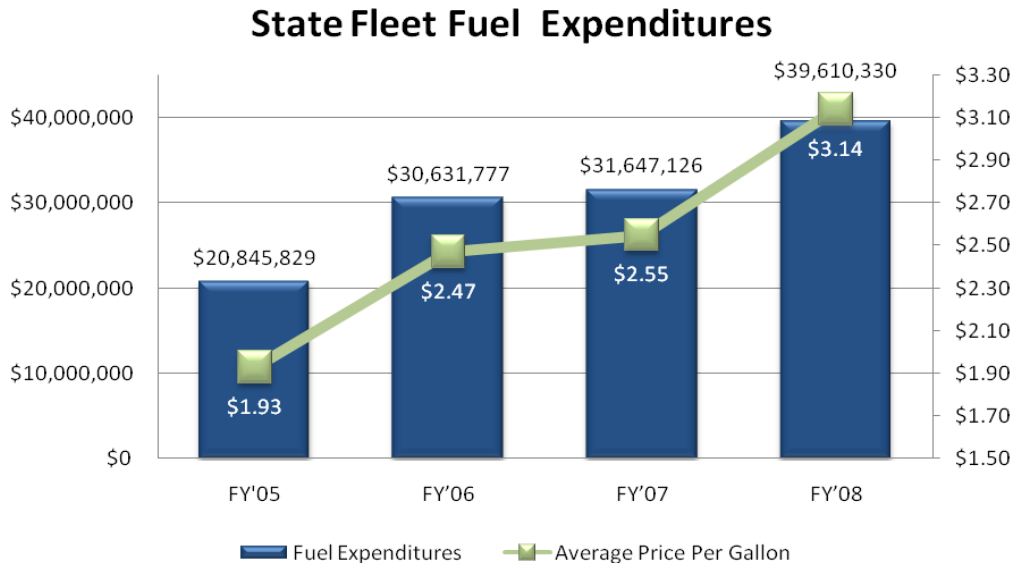


³ FY 06 cost increased after Hurricane Katrina which damaged refineries in the gulf coast region in August 2005.

State Fleet Data

Fuel Expenditures

State agencies have dealt with a substantial increase in the fuel expenditures over the past three fiscal years as illustrated in the chart below.



Fuel expenditures by agency are illustrated below.

Fuel Expenditures by Agency					
Agency	FY 05	FY 06	FY 07	FY 08	% Change FY 07 – FY 08
Transportation	\$10,720,177	\$17,732,979	\$18,218,600	\$22,297,562	22%
Conservation	\$2,795,442	\$3,303,207	\$3,190,938	\$3,934,074	23%
Highway Patrol	\$2,369,487	\$3,167,637	\$3,506,012	\$4,607,206	31%
All Other Agencies	\$4,960,723	\$6,427,954	\$6,731,577	\$8,771,488	30%
Total	\$20,845,829	\$30,631,777	\$31,647,126	\$39,610,330	25%

State Fleet Data Fuel Gallons

The quantity of fuel utilized for state vehicles has increased by 3% in FY 08 as agencies made concerted efforts to direct more business miles to state vehicles. Overall state agencies increased the number of business miles driven in state vehicles by 4.2%.

E-85 is a fuel comprised of 85% ethanol and 15% regular gasoline. Agencies increased the use of E-85 by 82% in FY 08 as the private sector made E-85 available at more retail fueling stations and state agencies replaced older vehicles with flex fuel vehicles. E-85 is now available at 91 retail fueling stations throughout Missouri. Biodiesel fuel use is largely attributed to the Department of Transportation which has been recognized nationally for their efforts in the use of biodiesel. Overall, 21.8% of the fuel purchased for the state fleet is alternative fuels.

Overall, 21.8% of the fuel purchased for the state fleet is alternative fuels.

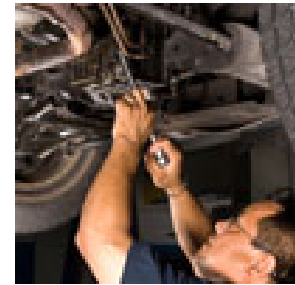
Gallons of Fuel Used In FY 08				
Fuel Type	FY 06	FY 07	FY 08	% Change Over Prior Year
Gasoline	7,335,358	7,220,780	7,426,225	3%
Diesel	3,560,145	4,119,608	4,725,106	15%
Biodiesel	2,850,629	2,932,577	2,375,178	-19%
E-85	109,758	149,145	271,816	82%
Other ⁴	237,035	48,153	29,133	-39%
Propane	7,912	5,507	4,195	-24%
Total	13,913,284	14,428,091	14,831,653	3%

⁴ 'Other' fuel represents fuel reported by MoDOT due to miscoding as well as propane or compressed natural gas.

State Fleet Data

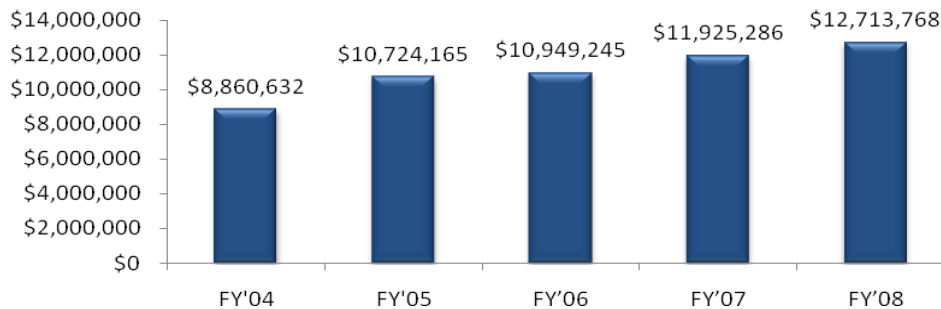
Maintenance and Repair Expenditures

Fleet industry experts state that the cost of non-warranty fleet maintenance increased approximately 5% in 2008 due to increased labor costs, parts prices, and stricter warranty compliance requirements⁵. Vehicles are becoming increasingly complex as the electronic content of vehicles has grown rapidly in recent years. Failures to electronic components outside of warranty are expensive to repair. The price of parts has also increased dramatically as steel, aluminum, and oil prices have risen.



Due to the aging state fleet, state agencies reported a 7% increase in the cost of maintenance in FY 08. Maintenance and repair expenditures are expected to continue to rise due to limited funding for vehicle replacements. Expenditures for *licensed vehicles only* are illustrated in the chart and table below.

Maintenance & Repair Expenditures by Fiscal Year



Maintenance & Repair Expenditures by Agency					
Agency	FY 05	FY 06	FY 07	FY 08	% Change Over Prior Year
Transportation	\$6,870,283	\$6,823,935	\$7,256,667	\$8,145,945	12%
Conservation	\$940,365	\$1,005,008	\$1,003,946	\$1,095,751	9%
Highway Patrol	\$499,498	\$535,149	\$597,315	\$674,517	113%
All Other Agencies	\$2,414,019	\$2,585,153	\$3,067,357	\$2,797,556	-9%
Total	\$10,724,165	\$10,949,245	\$11,925,286	\$12,713,768	7%

⁵ 'Vehicle Quality is Up, But So is Cost Per Repair, Business Fleet Magazine, October 24, 2008.

State Fleet Data Fleet Driver Data

A key component of any fleet safety program is assurance that employees operating employer provided vehicles have valid driver's licenses. Many private fleet safety companies offer services to validate licenses against state departments of revenue for a fee per license check. The State Fleet Management Program collaborated with the Department of Revenue to perform this function at no cost to the state.

A new State Driver's License module was added to the State Fleet Information System in 2006 to ensure that individuals identified as drivers of state vehicles have a valid driver's license. This new functionality allows state agencies to add employees as drivers. The system then compares employees in the fleet system during a nightly interface with the Department of Revenue's Missouri Driver's License System. If the status of an employee's driver's license changes, an email is sent to the designated agency contact person displaying the relevant information so appropriate action can be taken.



In 2008, the State Fleet Information System was upgraded to automatically add state employees to the system. This change will save state agencies a substantial amount of time and will ensure that agencies are notified if the status of an employee's license changes.

A report to track the volume of emails sent to agencies concerning a change in driver's licenses was developed and implemented in February 2007. There were 6,188 emails distributed to agencies reporting a change in license status during FY 08. Emails are sent if the driver's status, restrictions or endorsements change. Many of the license status changes are due to employees allowing their license to expire.

Agency Fleet Compliance Fleet Management Statute

Section 37.450 RSMo authorizes the Commissioner of Administration to issue policies governing the acquisition, assignment, use, replacement and maintenance of state-owned vehicles. The State Vehicle Policy (SP-4) promulgates these policies. State Fleet Management monitors agency compliance with the Fleet Management Statute and the State Vehicle Policy. A report of agency compliance follows:

Reporting of State Vehicle Data

As required under Section 37.450 RSMo,⁶ the State Fleet Information System was implemented on July 1, 2003. Agencies are required to submit vehicle data in a format and frequency requested by the State Fleet Manager. The following agencies have not yet provided the requested data for FY 03 - FY 08.

- Department of Transportation
- Department of Conservation
- Missouri State Highway Patrol

Without detailed vehicle data, State Fleet Management is unable to confirm agency compliance with minimum utilization standards outlined in the State Vehicle Policy (SP-4) for the Departments of Transportation, Conservation and the Missouri State Highway Patrol.

State Vehicle Fleet Fee

The fleet management statute⁷ requires each state agency to pay a state vehicle fleet fee, as determined by the Office of Administration, for each vehicle it owns. Fee assessments are issued in July based on the number of active vehicles recorded in the State Fleet Information System as of June 30th each year.

⁶ Section 37.450 RSMo. (3) The Fleet Manager shall institute and supervise a state fleet vehicle tracking system in which the cost of owning and operating each state vehicle is documented by the agency owning the vehicle. All state agencies shall report the purchase and the sale of any vehicle to the fleet manager and provide any additional information requested by the Fleet Manager in the format, manner and frequency determined by the Office of Administration....

⁷ Section 37.450 RSMo. (7) Each agency shall pay a state vehicle fleet fee, as determined by the Office of Administration for each vehicle it owns for the purpose of funding the state fleet vehicle tracking system and for other administrative expenses incurred in management of the state vehicle fleet. Any agency that owns at least one thousand vehicles shall receive a credit against the state vehicle fleet fee for the internal fleet management services performed by such agency, provided such agency furnishes all information required by the Fleet Manager.

Agency Fleet Compliance Fleet Management Statute

The purpose of the fleet fee is to fund the Fleet Information System and other administrative expenses incurred in management of the state fleet. Since the Office of Administration developed the State Fleet Information System in-house, agencies are not billed for system development or ongoing system support costs as part of the fee. Administrative costs including the State Fleet Manager's salary, associated fringe benefit expenses and minor expense and equipment are included in the fee calculation. The FY 08 rate for the state fleet fee was \$21.00 per licensed active vehicle.

Vehicle counts as of June 30, 2008 were used to calculate each agency's total fee. Since the Departments of Transportation, Conservation and the Missouri State Highway Patrol have fleets in excess of 1,000 vehicles; their fleet fee invoice was reduced to \$11.00 per vehicle as allowed by statute.

The Department of Transportation expressed its refusal to pay the fleet fee because they believe a full credit of the fee should apply, and they refuse to authorize agency funds to pay for services which they believe are redundant to those provided by their own agency.

The Department of Conservation has not paid the fleet fee and questioned the benefit the department would receive from State Fleet Management.

With the inception of the State Fleet Information System, the State Fleet Management Program is equipped to analyze agency fleet data and determine agency compliance with policy standards. Also, agency compliance is verified prior to any new or used vehicle purchases as part of the vehicle pre-approval process.

State Colleges and Universities

In July 2003, discussions with the Department of Higher Education led to the determination that state colleges and universities were responsible for following the State Vehicle Policy, but they would be exempt from the vehicle pre-approval process. Although State Fleet Management distributed the State Vehicle Policy to state colleges and universities, the ability to monitor compliance is limited due to lack of resources as well as a lack of data since none of the colleges and universities have agreed to utilize the State Fleet Information System.

Agency Fleet Compliance State Vehicle Policy

Agency Non-Compliance Issues

The following are areas in which agencies are currently not compliant with the State Vehicle Policy:

The policy requires an average annual minimum utilization of 15,000 miles for pool vehicles. Listed below are the agencies with averages below the minimum requirement:

- Transportation
- Higher Education
- Labor & Industrial Relations

The Department of Transportation has previously communicated their intent not to adhere to the following statewide fleet management policies:

- Track individual trip information
- Obtain preapproval of passenger vehicles
- Obtain approval to expand the size of their fleet

The Department of Conservation has previously communicated their intent not to adhere to the following statewide fleet management policies:

- Track individual trip information
- Obtain preapproval of passenger vehicles

Agency Fleet Purpose Descriptions

Since the State of Missouri fleets operate in a decentralized fashion. The following fleet profiles were submitted by state agencies to present an overview of how their fleet is utilized.

Attorney General

- Provide a pool of vehicles for attorneys to travel to court appearances throughout the state and for use on official business
- Mail delivery

Secretary of State

- Operate a carpool used by employees of the office in the routine duties of their positions, which includes but is not limited to securities investigations, consulting with libraries throughout the state, making management visits to out-state offices, and performing various work activities with local governmental entities
- Delivery and retrieval of records
- Mail pickup and delivery

State Auditor

- Transportation of employees
- One vehicle designated for local courier

State Treasurer

- Operate a carpool used by employees of the office in their routine duties, which include unclaimed property and linked deposit audits, unclaimed property and linked deposit booths, present and attend seminars throughout the State of Missouri
- Mail pickup and delivery

Agriculture

- Weights and Measures Division: Fuel and scale inspections, etc.
- Grain Inspection and Warehousing Division: Grain inspections and audits, etc.
- Plant Industry Division: Nursery inspection, gypsy moth and boll weevil control, etc.
- Market Information and Outreach Division: Market reporting and scholarship awards, etc.
- Animal Health Division: Meat inspection, food safety, brucellosis inspections, animal identification, etc.
- Agriculture Business Development Division: Travel relating to program activity grants and loans, etc.
- State Milk Board: Travel related to the inspection of milk
- Missouri State Fair: Travel related to the promotion of the Missouri State Fair

Agency Fleet Purpose Descriptions

Conservation

- The Department of Conservation (MDC) provides highway, construction, farm, marine and other equipment, which are necessary for its operations and intended for official use
- MDC vehicles and equipment are tools for staff to deliver programs and services that positively affect Missouri's forest, fish, and wildlife resources

Corrections

- Inmate transportation
- Institutional security (perimeter patrol/emergency response)
- Operate pool vehicles used by employees
- Special use vehicles for delivery of commodities (food, etc.) and materials (Missouri Vocational Enterprise products, road aggregate material, etc.)
- Institutional support and maintenance of buildings

Economic Development

- Pickup and delivery of supplies, inventory and mail
- Support and maintenance of remote site and local buildings
- Investigations and inspections (Public Service Commission)
- Operate a carpool used by employees of the department/division of workforce development.

Elementary & Secondary Education

- Support and maintain state-owned buildings
- Operate a carpool used by employees
- Support administrative functions (mailroom, telecommunications, laundry)
- Investigations and license revocations
- Transport students and staff
- Transport staff to provide technical assistance to school districts

Health & Senior Services

- Nursing home inspections
- Hospital inspections
- Restaurant inspections
- Daycare facility inspections
- In home visits of seniors
- Sewage treatment inspections
- Facility air quality inspections
- Elder abuse investigations

Agency Fleet Purpose Descriptions

Higher Education

- Operate pool vehicles used by employees
- Transport equipment, staff and board members to various meetings throughout the state
- Visits to public and private campuses
- Daily inter-city mail and delivery route

Insurance

- Operate a carpool to be used by department employees for regulatory functions in which each division maintains their own pool
- Pickup and delivery of supplies, inventory and mail
- Investigations and inspections

Labor & Industrial Relations

- Perform tax audits
- Perform mine safety inspections
- Support and maintain state owned buildings
- Maintain statewide information systems
- Adjudication
- Fraud and non-compliance investigations
- Support administrative functions

Mental Health

- Transportation for clients served by the Department of Mental Health (DMH)
- Maintenance of buildings and grounds at DMH facilities
- Delivery of materials and supplies at DMH facilities
- Transportation for DMH employees to conduct state business
- Support DMH programs and activities

Agency Fleet Purpose Descriptions

Natural Resources

- Compliance assistance, monitoring, sampling, permit site visits, and other travel associated with landfills, hazardous waste, public drinking water, water quality, air quality, soil conservation and water conservation
- Enforcement of environmental regulations and when necessary investigation of possible violations
- Provide a pool of vehicles in Jefferson City for statewide travel to administer department programs, attend public hearings, perform inspections, and interact with the public
- Provide an Emergency Environmental Response capability for responding to hazardous material incidents, methamphetamine abatement, and meth lab cleanup efforts
- Operation, maintenance, administration, construction and security of over 80 state parks and historic sites
- Provide assistance, education and guidance in the use and protection of Missouri's geologic, water and land resources
- Insuring the safety of dams and determining land boundaries
- Demonstrate technologically advanced vehicles with potential for increased energy efficiency and/or reducing dependence on foreign oil

Office of Administration

- Support and maintain state owned buildings
- Operate a carpool used by OA employees, elected officials and numerous other state agencies
- Inspect state construction sites and leased/owned facilities throughout the State of Missouri
- Pickup and delivery of mail and printing products

Office of the State Courts Administrator

- Support the operations of state courts
- Support statewide court automation
- Support judicial and clerk training programs
- Local use; e.g., mail, I.T. operations between four facilities, etc.

Agency Fleet Purpose Descriptions

Public Safety

- *Office of the Director*
 - Support of the Department of Defense Equipment Program, Narcotics Control Program and Office of Homeland Security
- *State Emergency Management Agency (SEMA)*
 - Respond to emergency situations
 - Training for city and county Emergency Management Directors
 - Preparedness and planning for city and county Emergency Management Directors
- *Alcohol and Tobacco Control*
 - Enforcement of Liquor Control Laws
 - Licensing of liquor establishments
 - Enforcement of alcohol and tobacco underage sales laws
 - Collection of over \$30 million in excise taxes
 - Training of servers and alcohol beverage licensees
- *Missouri Veteran's Commission (MVC)*
 - Provide transportation for residents
 - Support and maintain residents and veteran's homes
 - Support Veterans Cemetery operations
 - Provide transportation for Veterans Service program
 - Operate a carpool for employees
- *Missouri Capitol Police (MCP):*
 - Police patrol
 - Response to calls for police service
 - Traffic enforcement and parking enforcement
 - Security escorts
- *Missouri Water Patrol (MWP)*
 - Deliver law enforcement personnel with appropriate technical equipment to all areas of the state to achieve mission as defined by RSMo. Chapter 306
 - Emergency response such as floods, earthquakes, Homeland Security details and other similar missions
 - Operate a small pool of additional specialized vehicles that support the MSWP mission such as, Homeland Security, dive response vehicles, blood alcohol content testing vans, evidence vehicles and radio telecommunications vehicles
- *Division of Fire Safety (DFS)*
 - Emergency response to fires, bomb threats and/or explosions
 - Mutual aid and Homeland Security response.

Agency Fleet Purpose Descriptions

- Inspections of daycare and group homes, boilers, pressure vessels, elevators, escalators and amusement rides
- Provide pool vehicles for staff conducting state mandated and assigned duties.
- *Adjutant General's Office*
 - Support of Missouri National Guard missions
 - Support facility maintenance requirements
 - Mail deliveries

Revenue

- Transportation of agency staff while conducting state business

Social Services

- Direct services to the public (rehabilitation services for the blind)
- Support and maintain direct services to youth and families (youth homes, case management and aftercare services, child abuse/neglect investigations/interventions)
- Investigations of child fatalities, Medicaid and IM (welfare) fraud
- Emergency Management duties and responsibilities associated with Mass Care through-out the state
- Operate a carpool used by employees of the Department of Social Services
- Mail pickup and delivery
- Transfer of equipment/supplies from one location to another.

Transportation

Comprised of passenger vehicles, utility trucks, aerial units, dump trucks, sweepers and various types of off-road construction equipment to construct and maintain the state's highway system.

Missouri Lottery

- Promote the Missouri Lottery by traveling to meet with retailers and sponsoring promotional events
- Sales routes
- Maintenance and delivery of Lottery materials
- Support regional offices located in Kansas City, St. Louis, Springfield and Jefferson City

Agency Fleet Purpose Descriptions

State Tax Commission

- Provide a pool of vehicles in Jefferson City for transportation of agency staff for statewide travel
- Travel to counties to perform appraisals for ratio studies
- Travel to assist county assessors