



# OFFICE OF MANAGEMENT & BUDGET

## Performance Management Review

### State Fleet Operations – July 2023

## Introduction and Scope

This report provides an overview of Rhode Island's fleet of state-owned vehicles and discusses the policies, procedures, and roles associated with vehicle acquisition, operations and maintenance, disposition (scrap or surplus), commuting privileges, and mileage reimbursement. The objective of this report is to evaluate the existing state of Rhode Island's fleet of state-owned vehicles and propose suggestions for improvement. Each section concludes with findings and recommendations.

## Background and Overview

As of December 31, 2022, Rhode Island state government owned a fleet of nearly 2,400 vehicles with an average age of 10.4 years (see Figure 1). This inventory includes light-duty passenger vehicles (cars, small trucks, SUVs), public safety vehicles (State Police cruisers, transport vans, undercover units, etc.), heavy-duty industrial units (snowplows, dump trucks, flat beds, etc.), and various types of trailers.

The Department of Administration (“DOA”) is authorized under Rhode Island General Laws (“RIGL”) [§ 42-11-2 \(13\)](#) “to control and supervise the acquisition, operation, maintenance, repair, and replacement of state-owned motor vehicles by state agencies.” The Director of Administration is authorized to promulgate rules and regulations necessary to manage these oversight responsibilities. These responsibilities have been delegated to DOA’s Office of

**Figure 1: Vehicle Fleet by Agency as of 12/31/2022**

Agency	Vehicle Count	Average Age
Attorney Gen.	13	7 yrs.
BHDDH	74	18 yrs.
CCRI	28	11 yrs.
CRMC	12	10 yrs.
DBR	62	9 yrs.
DCYF	60	13 yrs.
DEM	298	11 yrs.
DHS	20	11 yrs.
DLT	13	16 yrs.
DOA	63	14 yrs.
DOC	132	13 yrs.
DOH	15	7 yrs.
DOR	25	9 yrs.
DOT	767	10 yrs.
Elections	4	6 yrs.
EMA	18	10 yrs.
Gen. Assembly	4	8 yrs.
Gov's Office	2	11 yrs.
Lt. Gov Office	1	2 yrs.
Nat'l Guard	6	4 yrs.
OPC	1	8 yrs.
Pub. Safety	440	7 yrs.
PUC	8	7 yrs.
RIC	42	10 yrs.
RIDE	12	14 yrs.
SOS Office	1	3 yrs.
URI	251	12 yrs.
<b>Grand Total</b>	<b>2,372</b>	<b>10.4 yrs.</b>

State Fleet (“State Fleet”), as described in the [State Fleet Operations Policy](#).

In addition to its responsibilities relating to state-owned vehicles, State Fleet monitors data relating to approximately 90 leased vehicles, off-road equipment (e.g., woodchippers, tractors, ditch diggers, etc.), and a collection of other fueling and maintenance accounts. It also established and manages the state-owned fuel depot system, the fuel payment card system, and the vehicle self-insurance program, including the third-party administrator for claims management. Policies and procedures related to these office functions are beyond the scope of this report.

State Fleet is housed within DOA’s Division of Capital Asset Management & Maintenance (DCAMM). State Fleet comprises seven Full-Time Equivalent (FTE) positions. The FY 2023 budget for State Fleet is \$12.8 million, which covers the office’s salaries/benefits and the fuel, maintenance, and insurance costs for all state-owned vehicles. The budget for State Fleet is funded by the actual cost of fuel and repairs for each vehicle, plus an overhead fee. State Fleet does not rely on general revenue for funding, and its expenditures are influenced by the price of fuel and fluctuations in maintenance and repair costs. These costs are reimbursed by the agency that requests the services.

Each state agency is responsible for designating an administrative point of contact responsible for approving vehicle requisition, accuracy of billing, and ensuring compliance with State Fleet policies. These individuals serve as the primary contact for their agency’s fleet. Outside of the responsibilities described in the State Fleet Operations Policy, the job title and relevant responsibilities of these individuals are dependent on their agency’s fleet size. For instance, in an agency with a relatively small fleet, the Fleet Administrator may be the agency’s Chief Financial Officer (CFO), whereas agencies with larger fleets (RIDOT, State Police, etc.) may have a team of individuals whose day-to-day work focuses on the department’s vehicles.

Each agency must also designate at least one fleet maintenance coordinator. This individual may or may not be the same as the agency’s primary point of contact.

State Fleet may perform other duties outside its normal scope of work to assist or advise agencies that are trying to procure or manage their own fleet operations. Any additional responsibilities and projects outside its normal scope are undertaken at the direction of the DCAMM Director and/or the DOA Director.

## Vehicle Acquisition

While state law provides DOA broad authority to control and supervise agencies' vehicle acquisition, under current practice, individual agencies are primarily responsible for managing their own vehicle acquisition processes. While agencies have most of the responsibility relating to vehicle procurement, State Fleet is occasionally asked to assist and instruct agencies that have a limited understanding of the vehicle acquisition process.

State Fleet's responsibilities related to vehicle acquisition are limited in practice to:

1. Verifying that an agency is either acquiring a vehicle to replace an existing vehicle or received approval from DOA to expand its fleet.
2. Ensuring that vehicle solicitations and procurements adhere to the requirements set forth in Executive Order 23-06, which instructs DCAMM to ensure that a minimum of 25 percent of light-duty state fleet are Zero Emission Vehicle (ZEV) or Plug-In Hybrid Electric Vehicle (PHEV) vehicles by 2030. The DCAMM Director has the authority to grant waivers from the ZEV/PHEV requirements if there are no ZEVs/PHEVs available in the vehicle class being sought and/or a ZEV/PHEV is "not practical for [the vehicle's] intended use."

When an agency determines that it needs a new vehicle and has sufficient available funds, it first must identify the vehicle it is intended to replace or complete a "request to increase fleet" form and submit to State Fleet. Approval is based solely on the completeness of the form.

Once approval is obtained, agencies are responsible for initiating a procurement for their own vehicles through a "mini-bid" process. There are presently five active Master Price Agreements (MPAs) for acquisition of new vehicles that cover passenger vehicles, heavy-duty vehicles, police vehicles, zero emission vehicles, and low/medium speed and utility vehicles. As of July 2023, there were twelve unique vendors/dealerships available across the five MPAs (some vendors appear on more than one MPA).

Agencies acquiring vehicles must develop a specific scope of work and obtain at least three quotes from the MPA vendors list. The vendor quotes submitted in response must contain detailed information about the quantity, make, model, vintage, color, engine-type, base price, and trim level of the vehicles being offered. Agencies are required to select the vendor with the lowest quoted price unless special approval is provided by the State Purchasing

Agent. Once the vendor is selected and approved, the Division of Purchases generates a Purchase Order for the vehicles.

Occasionally, agencies cannot obtain three quotes because the MPA does not have three vendors able to provide a vehicle with the specified criteria. In those instances, agency staff document the quotes received and continue with the lowest (or only bid) received.

According to internal Division of Purchases policy, when a vehicle requisition is greater than \$150,000, a Request for Quotes (RFQ) is necessary. RFQs are also used when a vehicle with special/unusual criteria is being sought. While agencies can opt to use the RFQ process for any vehicle procurement, the RFQ process takes considerably longer than purchasing via an MPA. It is uncommon for an agency to choose to do an RFQ when it is not necessary. This generally limits the dealers that supply vehicles to the state to those that are on the MPAs.

At the point of vehicle delivery, State Fleet personnel is responsible for inspecting vehicles to ensure they meet the specifications stipulated in the requisition. Additionally, according to the State Fleet Operations Policy “[...] agencies must [...] [e]nsure that new vehicles delivered directly to the agency are inspected and conform to bid specifications. New vehicles not conforming to bid specifications should not be accepted by the State agency at time of delivery.”

Once a newly acquired vehicle has been inspected and confirmed to meet requisition criteria, State Fleet (or State Police fleet management) will work with the DMV to register and insure the vehicle. All state-owned vehicles must be registered in accordance with RIGL [§ 31-3-11.1](#). State Fleet and the State Police are the only agencies authorized to apply directly to the Division of Motor Vehicles (DMV) for registration plates.

Once a vehicle is registered, insured, and has been assigned a gas/WEX card, State Fleet releases the vehicle to the appropriate agency.

## Findings and Recommendations - Vehicle Acquisition

1. State Fleet should require a more complete justification be provided for vehicle acquisitions and waiver requests. Presently, State Fleet only oversees compliance and completeness of certain specific requirements relating to fleet vehicle acquisition. Agencies are not required to justify the business need underlying the vehicle requests, and the DOA Director is asked to approve vehicle acquisitions, ZEV/PHEV waivers, etc. with minimal insight into how the new vehicle will be used.

2. Vehicle acquisition MPAs should be opened for recruitment on a more regular basis. State Fleet indicates that agencies acquire most new vehicles through the MPA process and often struggle to obtain multiple suitable bids in response to their solicitations. As of July 2023, there were only twelve unique vendors across five vehicle MPAs, which have been closed to new vendors since 2019. To foster a more competitive environment for vehicle acquisitions, a concerted effort should be made to announce the MPA is open through outreach to industry groups, such as the Rhode Island Automobile Dealers Association. Purchases staff indicate that they have begun the process of opening and expanding the MPA for additional vendors.
3. Except in explicitly justified circumstances, agencies should be limited to specifying the type of vehicle they wish to acquire (vehicle type, size, weight, passenger capacity, etc.) for bid solicitations. Agencies currently possess wide discretion over what specifications to require when acquiring a vehicle, down to the specific make/model/trim. This level of specificity limits competitive bidding responses, particularly given current market-driven limitations on vehicle acquisition. State Fleet should identify and implement best practices for acquisition to maximize the potential benefit for the State of Rhode Island.

## Operations and Maintenance

Each agency is responsible for the general use of the vehicles they own. As outlined in the State Fleet Operations Policy, agency responsibilities include:

- Maintaining a record of up-to-date licenses for all authorized operators;
- Ensuring all vehicles are properly inspected, serviced at proper intervals, and kept in safe operating condition;
- Notifying State Fleet of any necessary repairs within 24 hours of detection;
- Immediately reporting accidents to State Fleet; and
- Reporting vehicle mileage and licensed users to State Fleet annually.

The owning agency is responsible for allocating and controlling vehicle usage, though commuting privileges in a state vehicle must be approved by the Director of Administration, as permitted by RIGL [§ 42-11.3-4](#).

While the owning agency is responsible for initiating maintenance and repairs, State Fleet facilitates any necessary repair work. When an agency determines that a vehicle repair is necessary, the agency's fleet coordinator must request a work order from State Fleet before any maintenance or repairs are performed. The agency fleet coordinator is responsible for

ensuring that work is completed properly and then sending any invoice for work performed to State Fleet for payment. Owning agencies have the discretion to initiate repairs as long as the repair costs remain within the limits set in the relevant MPA. Repairs under those limits do not need any secondary approval from the Division of Purchases. State Fleet estimates that they receive approximately 500 repair requests per week.

Currently, State Fleet staff manually generate all maintenance and repair-related work orders at the request of the agency fleet coordinators. Fleet Operations Staff manually validate that the repair or request is reasonable and allowable under the applicable MPAs and manually reconcile the invoice with the original request.

State Fleet deployed software in June 2023 to automate a significant portion of the work order generation process, streamlining the review, approval, and payment of repair and maintenance requests. This software will allow State Fleet to have better control over the entire vehicle inventory and more up-to-date information about the status and condition of all vehicles and equipment in the state fleet. The new system will collect mileage reports every time a vehicle is refueled at a state-owned fueling station and allow State Fleet Operations to generate usage, condition, and cost reports at any time. The current reporting system is compiled manually based on submissions from each agency and reported annually.

State-owned vehicles have an average age of 10.4 years and an average odometer reading of 85,372 miles. However, a wide disparity exists among agencies. For instance, the average age of DBR's 62 fleet vehicles is 9 years and the average odometer reading is 62,503 miles. However, BHDDH's 74 fleet vehicles have an average age of 18 years with an average odometer reading of 226,537 miles.

The current structure of the repair-related MPAs give agencies wide latitude to initiate repairs. Some circumstances may deserve some additional scrutiny. For example, seven light-duty vehicles reported five or more oil changes despite a mileage report of under 10,000 miles in one year. There were also 42 vehicles older than 10 years that reported repair expenses of over \$10,000 in one year.

## Findings and Recommendations - Operations and Maintenance

4. State Fleet should develop unified minimum standards and best practices to optimize vehicle maintenance schedules, minimize cost, extend vehicle life, and protect driver safety. State agencies currently exhibit inconsistent maintenance practices, including a wide disparity in the average age and mileage of fleet vehicles.

Impromptu inspections of two agencies' fleets revealed significant maintenance and safety issues. State Fleet data also suggest there are instances where vehicles appear to receive excessive maintenance (e.g., inordinate numbers of oil changes, tire replacements, etc., based on annual reported mileage). State Fleet should perform more regular analysis and require agencies to provide explanation for any unusual patterns or red flags. Agencies with unique fleet characteristics (size, types of usage, etc.) should publish addendums to supplement the statewide maintenance policy, for purposes of transparency and consistency.

5. Given that vehicle mileage is a key factor in determining suitability for certain types of maintenance and disposition, State Fleet should consider requiring agencies to submit additional evidence of fleet vehicles' odometer. State Fleet relies on individual agencies to submit data about vehicle usage (i.e., annual mileage or driver names), which is often inaccurate and/or incomplete. According to the data, 27 (non-hybrid/PHEV/ZEV) vehicles achieved greater than 100 mpg. These are just two examples of data inconsistencies. There are significant data integrity issues that should be addressed to allow for the fleet to be properly and professionally managed. State Fleet staff have indicated that their new Fleet Management System will collect mileage from service activities on a more regular basis and for those vehicles with little to no mileage reported, staff can double-check with agencies, conduct spot checks, and/or require documentation that supports mileage data reporting (e.g., photograph of odometer).

## Disposition (Scrap or Surplus)

When a state-owned vehicle has repair costs that exceed the fair market value, or no longer meets agency needs, it is transferred to State Fleet for reallocation or disposal. State Fleet staff indicate that they encourage agencies to surplus their vehicles once they reach 10 years or 150,000 miles, because that is when, by their estimation, the cost of necessary maintenance typically exceeds the vehicle's value. However, State Fleet acknowledges there are currently no written standards or best practices for determining when a vehicle should be removed from service.

Currently, RIGL [§ 37-2-54](#) stipulates that unless the chief purchasing officer decides otherwise, all property (vehicles or otherwise) owned by the state shall be sold by invitations of sealed bids or by public auction. It further requires that the selling price, "[...]shall not be less than the appraised value[.]"

Since mid-2019, State Fleet has used the auction website “GovDeals” ([www.govdeals.com](http://www.govdeals.com)) for vehicle surplus. Under current practice, once a determination is made to dispose of a state-owned vehicle, the vehicle is transferred to the State Fleet lot in Scituate. After State Fleet determines that a sufficient volume of out-of-service vehicles is ready for surplus, an external vendor is invited to the lot to perform vehicle appraisals. Following appraisals, a representative from GovDeals visits the lot to photograph and create individual listings for each vehicle. While State Fleet has the option of taking the photographs and creating the listings themselves, GovDeals does not charge a fee for this service.

Surplus vehicle listings on GovDeals operate through a three-tiered auction structure. First (Tier 1), vehicles are offered first-come, first-served to other state agencies, who can generally receive other agencies’ surplus vehicles at no cost. When new vehicle listings are created, State Fleet notifies its agency points of contact of the availability via email, where they are provided seven days to claim a vehicle. Since the state started using GovDeals, approximately 30 vehicles have been transferred between agencies using this system. No comparable agency-to-agency transfer data is available from prior to the GovDeals rollout, as it was a largely informal and paper-based process.

According to DCAMM’s policy, if no Tier 1 entity (state agency) claims a vehicle, Tier 2 offers vehicles to municipalities, school districts, and non-profit health and education organizations. State Fleet maintains a list of relevant Tier 2 contacts that are notified when a vehicle becomes available. The starting bid and reserve price are set by State Fleet at the appraised value (as instructed by RIGL [§ 37-2-54](#)) and the highest bidder is selected as the winner. These listings are posted for 7 days.

If there is no interest from Tier 1 or Tier 2 entities, the GovDeals listing is moved to Tier 3, which is a public auction. The reserve price remains at the appraised value and the highest bidder is declared the auction winner. These listings are posted for a minimum of 14 days. GovDeals receives charges the winning bidder a 12 percent fee to facilitate the auction.

Like with the current tier system, prior to implementing GovDeals, Rhode Island municipal governments had the first opportunity to bid on individual surplus vehicles before they were offered to the public. Unlike the current system, the reserve price and minimum bid started at \$500 each individual vehicle, regardless of appraised value (conflicting with RIGL [§ 37-2-54](#)).



Between March 2016 through March 2019, the state sold a total of 75 vehicles to municipalities. Between March 2019 and May 2023, only 10 vehicles have been purchased by municipalities/Tier 2 entities. The average Tier 2 sale price has increased substantially since the introduction of GovDeals (see Figure 2), likely from the enforcement of RIGL [§ 37-2-54](#), requiring that the state not sell surplus items for less than their appraised value.

**Figure 2: Tier 2 Auctions, Pre- and Post-GovDeals**

Auction Type	Vehicle Count	Avg. No. of Bids Per Auction	Total Proceeds	Avg. Sale Price Per Vehicle
Silent Auctions	75	1	\$50,210	\$669
GovDeals	15	1	\$20,730	\$1,382

Under the pre-GovDeals process, vehicles not sold to Tier 2 eligible-entities were bundled together into vehicle “lots” and made available to the public through one-day silent auctions. Prospective buyers were not able to bid on individual vehicles; instead, they could only bid on the entire lot of vehicles. The average lot size for these auctions was approximately 44 vehicles. As a result, only entities with the ability to quickly transport a large volume of vehicle were able to participate in these auctions. Auction winners tended to be scrap/junk yards.

Since GovDeals went live, the per-vehicle sale price average has increased by more than 970 percent, from \$145 to \$1,419 (see Figure 3). This is believed to be a result of allowing for bidding on individual vehicles, which increased auction competition. The average number of bids per silent auction was just 1, which increased to an average of 14 bids per GovDeals listing.

**Figure 3: Tier 3 Auctions, Pre- and Post-GovDeals**

Auction Type	Vehicle Count	Avg. No. of Bids Per Auction	Total Proceeds	Avg. Sale Price Per Vehicle
Silent Auctions	399	1	\$57,963	\$145
GovDeals	181	14	\$256,839	\$1,419

## Findings and Recommendations – Disposition

6. State Fleet must develop minimum standards and best practices for determining when a vehicle should be excised from the fleet, therefore reducing unnecessary and excessive maintenance costs and improving safety conditions for drivers and passengers. Ideally, this effort should be part of developing a broader fleet replacement plan. Agency-by-agency disparities in age and mileage of fleet vehicles reflects lack of clear protocols for determining when a vehicle is suitable for disposition. State Fleet indicates that some select agencies regularly repair old, high-mileage vehicles at a cost that exceeds the value of the vehicles. Fleet data indicates there were instances in which vehicles that received substantial repairs transferred to surplus for auction, within the same calendar year.
7. Each agency should have a backup point of contact to ensure no lapse in communication occurs. State Fleet currently operates a three-tiered auction structure for disposing of surplus vehicles. The Tier 1 (state agencies) and Tier 2 (local governments and non-profits) contact lists contain a significant number of individuals who no longer hold a relevant position (individuals who retired from state service, no longer hold public office, etc.) while 12 (mostly smaller) state agencies have no point of contact identified. Having contact lists as complete and expansive as possible will make auctions fairer and more competitive and should update their lists accordingly.
8. State Fleet should include a larger number of individuals in Tier 1 notification, including finance staff and OMB budget analysts, who may be aware of agency fleet needs. Notice of Tier 2 eligibility (municipality, school districts, eligible non-profits) should be posted on State Fleet’s website to raise awareness. State Fleet should reach out to entities such as Department of Revenue’s Office of Municipal Finance and the Rhode Island League of Cities and Towns for a more complete list of city/town officials that would be appropriate to be included on the Tier 2 vehicle notification emails.
9. While moving surplus auctions to GovDeals has greatly increased proceeds to the State, listings could be improved by including expanded and consistent information. For instance, proactively including details of high interest to prospective bidders, such as a vehicle’s odometer. Additionally, State Fleet may consider lot “office hours,” rather than relying on prospective bidders to contact the office to schedule an appointment. State Fleet should implement measures to increase the consistency and transparency of listings to ensure the fairest possible auctions.

## Commuting Privileges

“Commuting” as it relates to State Fleet is defined in RIGL [§ 42-11.3-1](#) as “driving a motor vehicle owned by a governmental body to and from the workplace and the employee’s residence.” No vehicle may be used for commuting except upon written approval of the employee’s appointing authority and the Director of Administration. Requests are made annually, and all prior approvals expire on December 31 of each year.

According to data supplied by State Fleet, 565 employees were believed to be commuters in 2022, approximately half of whom were identified as law enforcement/public safety officials.

Under RIGL [§ 42-11.3-4](#), there are six circumstances under which an employee can be required to commute using a government-owned vehicle:

- Law enforcement officers;
- Employees who are on emergency response status, as long as the need for these employees to respond to emergencies in an assigned vehicle is clearly established and clearly beneficial to the state;
- Employees assigned vehicles that serve as the employee’s primary office; these employees must work outside their work location for at least eighty percent (80%) of the work week;
- When it is determined that it is clearly more beneficial for the state if the employee goes directly from his or her residence to a temporary or seasonal work site;
- Employees who are required to use the vehicle either before or after regular working hours; and
- Specially equipped vehicles assigned to employees who are required to work with the vehicle after their regular working hours.

However, a review of commuter data suggests that an employee could be provided commuting privileges for any reason, at the discretion of the agency director and the Director of Administration. The law only specifies the instances where the state can require an employee to use a state vehicle.

Per state law, employees who use a government-owned vehicle for commuting without authorization of the DOA Director are liable to reimburse the state for the mileage they incur while commuting. State Fleet reports that there have been no known instances of

employees using government-owned vehicles for commuting without authorization and subsequently incurring mileage reimbursement to the state.

Under IRS regulations, unless it is a public safety vehicle, the imputed value of personal use of an employer-provided vehicle must be included in an employee's gross pay and is taxable for income and Social Security purposes. Separate from the annual commuting request forms sent out by State Fleet, Accounts and Control sends an annual reminder to all CFOs to have any commuting employees fill out and submit form A-51 (Annual Statement of Personal Usage for State Vehicles), so their taxable fringe benefit can be properly calculated and added to employees' W-2 forms. Form submissions are not presently cross-referenced with the State Fleet commuting request form, which is signed by the DOA Director. According to data shared by Accounts and Control, there may be inconsistencies in regularity and accuracy in form submission.

## Findings and Recommendations – Commuting Privileges

10. State Fleet should require a more detailed justification during the annual certification process and keep more complete records of who commutes, the rationale, and information about that individual collected from the commuting request form (license number, job title, supervisor name, etc.) Agencies requesting commuter privileges from the DOA Director generally provide minimal justification for the request.
11. State Fleet and Accounts and Control should reconcile their reports or consider running one unified commuter control process. The count of state vehicle commuters provided to the DOA Director does not match the list of commuters who submit an A-51 maintained by Accounts and Control for tax reporting. This indicates that some commuters are either not requesting permission or correctly filing the tax form.
12. State Fleet should reconcile license data from all relevant employees (commuters and non-commuting fleet users alike) with data from the DMV to ensure that all drivers have the valid licenses as they claim. State Fleet Operations Policy requires that up-to-date driver's licenses are maintained by fleet vehicle users. While commuters must attest that they are legally permitted to operate a motor vehicle, no verification is performed. Additionally, individuals that are assigned specific fleet vehicles but do not use them for commuting provide no such attestation.

## Personal Vehicle Mileage Reimbursement

State personnel may be allowed reimbursement for the use of his or her personally owned or leased automobile for official state business at the Internal Revenue Service’s standard mileage rate when it is deemed economical and/or advantageous to the state. As of January 1, 2023, this rate was 65.5 cents per mile.

Since 2016, state employees wishing to claim mileage reimbursement must enter their travel log at [www.Travel.RI.gov](http://www.Travel.RI.gov). This system requires the user to enter the origin and destination of all their personal vehicle work travel, and it automatically calculates the distance/mileage eligible for reimbursement. This system replaces a largely paper-based process and has been deemed a more accurate and efficient system by Accounts and Controls. In the three years between when the mileage portal was implemented and the end of 2019 (pre-pandemic), annual mileage reimbursements reduced approximately 13 percent, which equated to approximately \$275,000/year.

For context, OMB reviewed the average operating costs of state vehicles to determine whether it is more cost-effective for employees to use state vehicles or pursue mileage reimbursement. Analysis of 2022 State Fleet light-duty vehicle data shows an overall average cost per mile of approximately \$0.81, not including the vehicle purchase price (see Figure 4. Given that average costs include substantial fixed costs (insurance, registration fees, etc.) that are applied to all vehicles regardless of miles traveled, vehicles with greater annual mileage tend to have lower average costs per mile. The threshold at which point, on average, fleet vehicles’ per-mile costs go below the current I.R.S. mileage rate is approximately 7,500. Note that these are the per-mile costs of existing light duty vehicles and does not account for the vehicle’s original purchase price.

**Figure 4: Light Duty Vehicle Cost Per Mile, CY 2022**

<b>Annual Miles Driven</b>	<b>Avg. Cost per Mile</b>
<b>&lt;2,500</b>	\$2.02
<b>2,500-4,999</b>	\$1.08
<b>5,000-7,499</b>	\$0.74
<b>7,500-9,999</b>	\$0.60
<b>&gt;10,000</b>	\$0.61
<b>Overall Average</b>	\$0.81

A review of CY 2022 data indicates that approximately 40 individuals were reimbursed for driving over 7,500 miles in their personal vehicles. In 2022, the highest individual mileage reimbursement reached nearly 25,000 miles (approximately \$15,000), averaging about 500 miles per week.

The most common job titles for individuals receiving relatively high amounts of mileage reimbursement include Social Caseworkers (DCYF), Engineering Technicians (DOT), Court

Reporters (Judiciary), and Customer Service Representatives (DMV/DOR). Of the top 50 mileage reimbursement claimants, 75 percent hold one of these four job titles.

Additionally, there were 137 individuals with commuting privileges (24 percent) who reported driving fewer than 7,500 miles annually – 13 of them reported driving fewer than 10 miles. There may be other policy-driven reasons why driving a government-owned vehicle may be necessary other than cost, but those justifications are currently not well established.

## Findings and Recommendations – Personal Vehicle Mileage Reimbursement

13. State Fleet and Agencies should use the 7,500 mile per year threshold to inform and reassess when employees should drive currently owned fleet vehicles in order to perform their jobs. There are other policy-driven reasons why a state-owned vehicle may be necessary, so cost may not be the only determinant factor; however, there are individuals claiming mileage reimbursement who drive well over that threshold, and individuals with commuting privileges who drive well under that threshold, and those cases should be reviewed for accuracy and necessity.

## Findings and Recommendations – System-wide

14. State Fleet should update written policies and procedures to reflect their practices. The specific responsibilities of various involved parties (Office of State Fleet, Division of Purchases, agency points of contact, and fleet maintenance coordinators) are not clearly defined in policy, including State Fleet’s authority over other agencies’ operations. Standard operating procedures and best practices are not as well documented as they could be. Although some processes, such as vehicle disposition and EV adoption rate, have improved in recent years, the absence of clear guidance or standards places additional burden on State Fleet staff, as they need to regularly answer process questions and assist agencies with ad hoc requests.
15. When State Fleet is asked to provide assistance beyond purely informational support, and the scope and depth of this ad hoc assistance should be documented in writing by the DOA or DCAMM Director. State Fleet staff will occasionally be asked to assist agencies in some form or another with their vehicle-related needs, particularly those lacking a sophisticated understanding of the acquisition process.

## Other Potential Areas of Inquiry

- **Vehicle Leasing:** The state currently leases nearly 90 vehicles. Future analysis should be conducted to determine if vehicle leasing is in the financial interest of the state.
- **Fueling Station Operations:** The State Fleet oversees state-owned fueling facilities. Conducting a thorough review of policies, practices, and data related to these fueling facilities could identify opportunities for improvement.
- **Internally Performed Vehicle Maintenance:** Some vehicle maintenance is performed in-house by state employees. However, roles, responsibilities, and inventory controls for internal vehicle maintenance are not well established. It is necessary to define clear guidelines and controls for internal vehicle maintenance.
- **Examination of MPAs:** Conduct a thorough examination of the Maintenance and Repair Programs of Activities relating to vehicle maintenance and repair. This analysis will help identify areas that require attention and potential improvements.