



2022 STATE OF MICHIGAN FLEET PLAN

Required by Section 813(3) of Act 166
Public Acts of 2020

Prepared for
Senate Appropriations Subcommittee on
General Government
House Appropriations Subcommittee on
General Government
Senate Fiscal Agency
House Fiscal Agency

Department of Technology, Management & Budget
Office of Support Services, Vehicle and Travel Services
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EXECUTIVE SUMMARY

Section 813(3) of Public Act 156 of 2020 requires the Department of Technology, Management & Budget (DTMB) to submit a fleet plan to the legislature within 60 days of the end of the fiscal year.

This report summarizes information at the statewide level, including a fleet inventory as of September 30, 2021, and actions taken to maximize the value of state fleet operations. The Department of Technology, Management & Budget will continue to work with the legislature to meet the mutual goals of efficiently managing the statewide fleet and controlling expenditures.

Additional information regarding fleet operations is available from the Department. Please contact Sherri Irwin, Director, Fleet Operations with specific information requests.

OVERVIEW

Section 813(3) of Public Act 166 of 2020 requires the Department of Technology, Management & Budget (DTMB) to submit a fleet plan to the legislature:

(3) Pursuant to the MDTMB's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the MDTMB shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce travel expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the MDTMB shall provide a report to the senate and house of representatives standing committees on appropriations, the chairpersons of the relevant appropriations subcommittees, the senate and house fiscal agencies, and the state budget director detailing the current plan and changes made to the plan during the fiscal year. The plan shall also be posted on the department website.

Under sections 213 and 215 of the Management and Budget Act (P.A. 431 of 1984 as amended), DTMB is authorized to issue directives relative to all motor vehicles except for those motor vehicles under the jurisdiction of the Michigan Department of Transportation (MDOT). DTMB provides these centralized services to state agencies through its organizational unit, Vehicle and Travel Services (VTS). MDOT leases some passenger vehicles and work trucks through VTS; however, it maintains its own agency-owned fleet and garage operations. Information on MDOT's garage operations is not included due to MDOT's separate legislative authorization for these services.

This report summarizes information at the statewide level. The Department of Technology, Management & Budget will continue to work with the legislature to meet the mutual goals of efficiently managing the statewide fleet and controlling expenditures.

FLEET INVENTORY

FLEET DEFINITIONS

P.A. 431 of 1984 defines the fleet in Section 213(1)(b): "motor vehicle" means a passenger vehicle, van, minibus, truck, tractor, or other motorized vehicle.

Appendix A provides a summary of the leased and agency-owned vehicles and equipment reported as of September 30, 2021. Vehicles are leased through the State's leasing vendor or purchased with state funds. Vehicles are also leased to colleges and universities at their request. Two hundred seventeen (217) vehicles leased by five universities are included in the total fleet inventory.

Data has been organized by national fleet classifications defined by the National Association of Fleet Administrators (NAFA). These classifications include on-road and off-road vehicles, non-self-propelled equipment, and heavy equipment. Using the broadest definition of “motorized vehicles,” the total state fleet includes 13,124 vehicles and units of equipment broken down to 9,063 leased vehicles (managed by VTS) and 4,061 agency-owned vehicles and heavy equipment.

Vehicles are classified as follows:

On road vehicles	8,758
Off road vehicles	262
Non-self-propelled equipment	<u>43</u>
Leased Total	9,063
Agency-Owned Total	<u>4,061</u>
Grand Total	13,124

FLEET MANAGEMENT

Between September 30, 2020, and September 30, 2021, the leased fleet decreased by 42 vehicles.

The effect of remote work by state employees due to the COVID-19 pandemic continues to be evident in decreased travel during FY2021. Personal mileage reimbursement, fuel consumption, and miles traveled all decreased over FY2020.

INFORMATION SHARING WITH DEPARTMENTS

To assist departments in managing their fleet needs, DTMB VTS meets quarterly with each department’s fleet coordinator and provides a detailed report which includes high and low mileage vehicles, vehicle order status, motor pool usage, accidents, personal mileage reimbursement, and maintenance reports. Using this data, VTS and the department’s fleet coordinator can identify mileage patterns and vehicle usage to help determine if vehicles are fully utilized. The review also focuses on excessive maintenance costs and personal mileage reimbursement that could be reduced by use of a fleet vehicle.

MOTOR POOL OPERATIONS

DTMB VTS maintains central motor pools to meet the needs of state employees requiring vehicles for short-term trips of 14 days or less. These are in Detroit, Escanaba, Flint, Grand Rapids, Lansing, the State Secondary Complex and Traverse City. DTMB VTS motor pool size and usage are monitored monthly to ensure efficient utilization.

Two hundred thirteen (213) vehicles are maintained in the VTS motor pools. A total of 89 vehicles were removed from the Detroit, Downtown Lansing, and State Secondary Complex motor pools during FY2021 due to decreased utilization. Data on motor pool usage is provided below:

Motor Pool Location	Number of Trips (FY2021)	Miles Driven (FY2021)
Detroit	603	74,501
Downtown Lansing	1,198	328,965
Escanaba	488	71,165
Flint	4,507	411,927
Grand Rapids	531	60,494
State Secondary Complex	319	81,193
Traverse City	1,205	100,470

Departments are encouraged to establish motor pools to facilitate sharing of assigned vehicles within their own departments.

PERSONAL VEHICLE USAGE

When in the best interest of the state, an employee may use a personal vehicle as an alternative to a state-owned vehicle. The employee reimbursement for premium mileage is the IRS standard mileage rate in effect during the fiscal year. In FY21, the rate was \$0.560 per mile. The average per mile cost of a midsize state vehicle is used to set the standard mileage reimbursement rate. The FY21 standard mileage reimbursement rate was \$0.36 per mile.

The FY2021 cost of personal mileage reimbursement for executive branch agencies was \$1,962,784, representing 4,573,675 miles traveled and a \$1,723,491 decrease from FY2020. Premium mileage reimbursements decreased 45.6% while standard mileage reimbursements decreased by 47.6%. Vehicle consultants regularly provide data to the departments identifying when it may be more economical to assign a state vehicle to an employee than to pay reimbursement.

ESTABLISHMENT OF VEHICLE TYPE TO MATCH JOB REQUIREMENT

A key to reducing costs is the alignment of the type of vehicle needed with the actual job performed. Departments are asked not to identify specific desired makes and models but to define the functional need to be met by an assigned vehicle. An in-depth analysis of job specifications is completed which allows vehicle assignment based on these defined functional needs rather than vehicle models. DTMB VTS and the agency identify the most cost-effective solution.

TOTAL COST OF VEHICLE OWNERSHIP

Vehicle selections are made based on manufacturers' ordering cycles, availability of appropriate models from manufacturers, and total cost of ownership. The total cost of ownership over the life of the vehicle is calculated based on the vehicle acquisition cost, maintenance costs, expected mileage and fuel costs, and projected resale value.

DRIVER ACCOUNTABILITY

DTMB VTS conveys its expectations related to vehicle use through driver agreements, email communications, the motor pool reservation website, published policies, and the department vehicle coordinators. Driver agreements outline the responsibilities of

drivers who use state vehicles and equipment and are required to be signed by each driver and maintained in their personnel file.

ALTERNATIVES TO TRAVEL

DTMB VTS continues to work with departments to identify and encourage alternatives to travel for meetings and training. DTMB conferencing and collaboration tools allow employees to work together in real time without face-to-face interactions, reducing travel costs. Current statewide conferencing and collaboration tools include Microsoft Teams, other audio and video conferencing platforms, and streaming media.

FUEL

ALTERNATIVE FUEL

The State currently has 5,412 flex fuel vehicles, capable of operating on either unleaded gasoline or E85 (85% ethanol, 15% gasoline). This is a decrease of 273 E85 vehicles from 2020 due to elimination of that option by the manufacturers. In FY2021, the State purchased 14,034 gallons of E85 for the leased fleet as compared to 20,982 gallons in FY2020. Total usage may be understated because of inaccurate reporting by retail fuel sites and limited product availability statewide. Efforts to promote awareness of E85 continue, although pricing has not been competitive. According to the U.S. Department of Energy, 243 commercial fueling sites in Michigan currently sell E85.

In FY2021, approximately 5,884 gallons of B20 (20% biodiesel, 80% diesel) fuel were purchased for use in the state fleet from the bulk fueling location at VTS's State Secondary Complex compared to 9,515 gallons in FY2020. Data is unavailable for purchases at retail outlets due to merchant reporting inconsistencies.

Federal Energy Policy Act legislation requires that 75% of the State's non-law enforcement, light duty vehicle fleet is comprised of flex fuel vehicles and that alternative fuels are utilized when they are reasonably available and reasonably priced. Credits for use of biodiesel may be combined with vehicle purchases to meet federal requirements. The State has complied with federal requirements in FY2021 and anticipates it will meet these targets again in FY2022.

FUEL CONSUMPTION

In FY2021, the State's leased fleet utilized 5,974,723 gallons of fuel, traveling 91,257,007 miles. That represents a 5% reduction in gallons of fuel and a 10% decrease in miles travelled over FY2020.

FUEL TAXES

By utilizing a fuel card provider, the State can purchase fuel exempt from federal excise taxes and state taxes. In FY2021, the State saved a total of \$3,122,346 on its purchases: \$1,093,558 in federal taxes, \$481,270 in state sales taxes, and \$1,547,518 in state excise taxes.

FLEET GARAGE OPERATIONS

DTMB VTS maintains one fleet garage at the State's Secondary Complex in Dimondale. The garage is staffed by 23 full-time employees and is supplemented, when needed, by temporary employees. This report does not include information related to the MDOT garages as that information is maintained by MDOT.

GARAGE SERVICES

The VTS garage is authorized by the Detroit automotive manufacturers as a new car prep center. In addition, the garage provides full maintenance and repair services except for engine and transmission overhauls and body repairs. VTS mechanics are ASE- (Automotive Service Excellence) or state-certified. The garage maintains a parts department, including tires, push bars, lights and other specialized equipment needed by the Michigan State Police and Department of Natural Resources law enforcement vehicles. Many of these parts are not readily available at retail service centers, and the state is able to purchase parts at a sizeable discount from retail. Additional services provided by the VTS garage include new car vehicle prep, maintenance of MSP precision driving unit vehicles, and management of vehicle resale and disposal functions.

In FY2021, the garage provided the following services:

Type of Service	Count of Jobs
Preventive Maintenance	1,620
Tires	3,052
Brakes	1,284
Body and Glass	1,404
Miscellaneous Repairs	4,097
Assignments/Terminations/Disposals	11,705
Parts Repair/Parts Distribution	38
Towing Service and Transport	276
TOTAL	23,476

GARAGE EXPENDITURES

In FY2021, VTS garage expenditures were \$3.9 million.

ADDITIONAL INFORMATION

Additional information is available by contacting:

Sherri Irwin
Director, Fleet Operations
Office of Support Services
517-636-5600

APPENDIX A

LEASED AND AGENCY – OWNED COMBINED INVENTORY SUMMARY SEPTEMBER 30, 2021

Vehicle Class	Group	Total
On Road	Automobile	3,238
	BUS	19
	Cycles	26
	Light Vehicles	10
	Pickups	1,849
	Sport Utility	2,031
	Straight Trucks	279
	Truck Tractors	25
	Van	1,281
On Road Total		8,758
Off Road	Grounds	17
	Light Vehicles	189
	Material Handling	27
	Public Works	8
	Tracked	7
	Wheeled	14
Off Road Total		262
Non-Self Propelled	Semi-Trailer	2
	Trailer	41
Non-Self-Propelled Total		43
Leased Total		9,063
Agency-Owned Total		4,061
Grand Total		13,124

STATE LEASED FLEET BY DEPARTMENT

Agency	Group	Total
Agriculture & Rural Development	Automobile - Coupes, Sedans	133
	Pickup - Compact - 1 Ton	48
	Straight Trucks - Service, Delivery, Tow	2
	SUV - Compact - 1 Ton	51
	Trailer	1
	Van Compact - 1 Ton	20
Agriculture & Rural Development Total		255
Attorney General	Automobile - Coupes, Sedans	24
	SUV - Compact - 1 Ton	30
	Van Compact - 1 Ton	2
Attorney General Total		56
Auditor General	Automobile - Coupes, Sedans	2
Auditor General Total		2
Civil Rights	Automobile - Coupes, Sedans	5
Civil Rights Total		5
Civil Service	Automobile - Coupes, Sedans	1
Civil Service Total		1
Corrections	ATVs, Elec Carts, Snowmobile	173
	Automobile - Coupes, Sedans	124
	Bus	12
	Equipment	1
	Forklifts, Man Lifts	12
	GEM Electric Vehicle	7
	Heavy Duty Trucks, Semi Tractors	12
	Loaders\Graders\Backhoes	4
	Pickup - Compact - 1 Ton	157
	Straight Trucks - Service, Delivery, Tow	76
	SUV - Compact - 1 Ton	42
	Tractors - Utility & Riding Mowers	3
	Trailer	20
	Van Compact - 1 Ton	317
Corrections Total		960
DTMB-Detroit Motor Pool	Automobile - Coupes, Sedans	13
	SUV - Compact - 1 Ton	12
	Van Compact - 1 Ton	2
DTMB-Detroit Motor Pool Total		27
DTMB-Escanaba Pool	Automobile - Coupes, Sedans	6
	SUV - Compact - 1 Ton	1
	Van Compact - 1 Ton	3
DTMB-Escanaba Pool Total		10

Agency	Group	Total
DTMB-Flint Motor Pool	Automobile - Coupes, Sedans	65
	SUV - Compact - 1 Ton	3
	Van Compact - 1 Ton	6
DTMB-Flint Motor Pool Total		74
DTMB-Grand Rapids Motor Pool	Automobile - Coupes, Sedans	16
	SUV - Compact - 1 Ton	2
	Van Compact - 1 Ton	2
DTMB-Grand Rapids Motor Pool Total		20
DTMB-Lansing Downtown Pool	Automobile - Coupes, Sedans	26
	SUV - Compact - 1 Ton	9
	Van Compact - 1 Ton	8
DTMB-Lansing Downtown Pool Total		43
DTMB-Lansing Secondary Pool	Automobile - Coupes, Sedans	14
	SUV - Compact - 1 Ton	3
	Van Compact - 1 Ton	2
DTMB-Lansing Secondary Pool Total		19
DTMB-Traverse City Motor Pool	Automobile - Coupes, Sedans	15
	SUV - Compact - 1 Ton	3
	Van Compact - 1 Ton	2
DTMB-Traverse City Motor Pool Total		20
Eastern Michigan University	Pickup - Compact - 1 Ton	13
	Straight Trucks - Service, Delivery, Tow	6
	SUV - Compact - 1 Ton	1
	Van Compact - 1 Ton	27
Eastern Michigan University Total		47
Education	Automobile - Coupes, Sedans	29
	Pickup - Compact - 1 Ton	1
	SUV - Compact - 1 Ton	2
	Van - Compact - 1 Ton	5
Education Total		37
Environment, Great Lakes, and Energy	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	33
	Dozers, Excavators	2
	Loaders\Graders\Backhoes	1
	Pickup - Compact - 1 Ton	57
	Straight Trucks - Service, Delivery, Tow	9
	SUV - Compact - 1 Ton	49
	Trailer	4
	Van Compact - 1 Ton	27
Environment, Great Lakes, and Energy Total		183

Agency	Group	Total
Executive Office	Automobile - Coupes, Sedans	2
	SUV - Compact - 1 Ton	1
Executive Office Total		3
Health & Human Services	ATVs, Elec Carts, Snowmobile	4
	Automobile - Coupes, Sedans	1,121
	Bus	2
	Forklifts, Man Lifts	3
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	28
	Straight Trucks - Service, Delivery, Tow	8
	SUV - Compact - 1 Ton	197
	Tractors - Utility & Riding Mowers	9
	Van Compact - 1 Ton	198
Health & Human Services Total		1,572
House of Representatives	Van Compact - 1 Ton	1
House of Representatives Total		1
Insurance & Financial Service	Automobile - Coupes, Sedans	33
	SUV - Compact - 1 Ton	1
	Van Compact - 1 Ton	1
Insurance & Financial Service Total		35
Labor and Economic Opportunity	Automobile - Coupes, Sedans	175
	Pickup - Compact - 1 Ton	11
	Straight Trucks - Service, Delivery, Tow	1
	SUV - Compact - 1 Ton	64
	Van Compact - 1 Ton	58
Labor and Economic Opportunity Total		309
Lake Superior State University	Automobile - Coupes, Sedans	8
	Van Compact - 1 Ton	5
Lake Superior State University Total		13
Legislative Service Bureau	Straight Trucks - Service, Delivery, Tow	1
	Van Compact - 1 Ton	1
Legislative Service Bureau Total		2
Licensing & Regulatory Affairs	Automobile - Coupes, Sedans	294
	Pickup - Compact - 1 Ton	30
	Straight Trucks - Service, Delivery, Tow	1
	SUV - Compact - 1 Ton	100
	Van Compact - 1 Ton	15
Licensing & Regulatory Affairs Total		440

Agency	Group	Total
Lottery	Automobile - Coupes, Sedans	17
	SUV - Compact - 1 Ton	15
	Van Compact - 1 Ton	64
Lottery Total		96
MI Econ Development Corp	Automobile - Coupes, Sedans	6
	SUV - Compact - 1 Ton	6
	Van Compact - 1 Ton	1
MI Econ Development Corp Total		13
MI Gaming Control Board	Automobile - Coupes, Sedans	13
	SUV - Compact - 1 Ton	7
	Van Compact - 1 Ton	2
MI Gaming Control Board Total		22
Michigan Land Bank	SUV - Compact - 1 Ton	1
Michigan Land Bank Total		1
Michigan State Housing Development Authority	Automobile - Coupes, Sedans	5
	Pickup - Compact - 1 Ton	4
	Van Compact - 1 Ton	1
Michigan State Housing Development Authority Total		10
Military & Veterans Affairs	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	4
	Bus	3
	Dozers, Excavators	1
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	84
	Straight Trucks - Service, Delivery, Tow	5
	SUV - Compact - 1 Ton	8
	Van Compact - 1 Ton	37
Military & Veterans Affairs Total		145
Natural Resources	ATVs, Elec Carts, Snowmobile	5
	Augers, Trenchers	8
	Automobile - Coupes, Sedans	19
	GEM Electric Vehicle	2
	Heavy Duty Trucks, Semi Tractors	8
	Loaders\Graders\Backhoes	1
	Pickup - Compact - 1 Ton	831
	Straight Trucks - Service, Delivery, Tow	105
	SUV - Compact - 1 Ton	102
	Tractors - Utility & Riding Mowers	5
	Trailer	8
	Van Compact - 1 Ton	34
Natural Resources Total		1,128

Agency	Group	Total
Northern Michigan University	Automobile - Coupes, Sedans	8
	SUV - Compact - 1 Ton	4
	Northern Michigan University Total	12
Saginaw Valley State University	Automobile - Coupes, Sedans	7
	Pickup - Compact - 1 Ton	11
	Straight Trucks - Service, Delivery, Tow	2
	Van Compact - 1 Ton	40
Saginaw Valley State University Total	60	
Senate	Van Compact - 1 Ton	2
Senate Total	2	
State	Automobile - Coupes, Sedans	43
	Pickup - Compact - 1 Ton	2
	Straight Trucks - Service, Delivery, Tow	4
	SUV - Compact - 1 Ton	13
	Trailer	1
	Van Compact - 1 Ton	14
State Total	77	
State Capitol Historic Site	Pickup - Compact - 1 Ton	1
State Capitol Historic Site Total	1	
State Police	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	816
	Bus	2
	Motorcycles	26
	Pickup - Compact - 1 Ton	91
	Straight Trucks - Service, Delivery, Tow	33
	SUV - Compact - 1 Ton	1,211
	Van Compact - 1 Ton	145
State Police Total	2,325	
Technology, Management & Budget	ATVs, Elec Carts, Snowmobile	3
	Automobile - Coupes, Sedans	29
	Dozers, Excavators	4
	Fork Lifts, Man Lifts	10
	GEM Electric Vehicle	1
	Heavy Duty Trucks, Semi Tractors	5
	Loaders\Graders\Backhoes	4
	Pickup - Compact - 1 Ton	67
	Semi-Trailer	2
	Straight Trucks - Service, Delivery, Tow	16
	SUV - Compact - 1 Ton	71
	Trailer	7
	Van Compact - 1 Ton	75
Technology, Management & Budget Total	294	

Agency	Group	Total
Transportation	Automobile - Coupes, Sedans	127
	Forklifts, Man Lifts	2
	Pickup - Compact - 1 Ton	393
	Straight Trucks - Service, Delivery, Tow	1
	Van Compact - 1 Ton	104
Transportation Total		627
Treasury	Automobile - Coupes, Sedans	4
	SUV - Compact - 1 Ton	17
	Van Compact - 1 Ton	10
Treasury Total		31
Wayne State University	Automobile - Coupes, Sedans	1
	Pickup - Compact - 1 Ton	20
	Straight Trucks - Service, Delivery, Tow	9
	SUV - Compact - 1 Ton	5
	Van Compact - 1 Ton	50
Wayne State University Total		85
Grand Total		9,063