



2024 STATE OF MICHIGAN FLEET PLAN

Required by Section 813(3) of Act No. 119
Public Acts of 2023

Prepared for
Senate Appropriations Subcommittee on
General Government
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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 119 of 2023 requires the Department of Technology, Management & Budget (DTMB) to submit a fleet plan to the legislature within 90 days of the end of the fiscal year.

This report summarizes information at the statewide level, including a fleet inventory as of September 30, 2023, 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 Vehicle & Travel Services at VTScustomerservice@michigan.gov with specific information requests.

OVERVIEW

Section 813(3) of Public Act 119 of 2023 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 submit an annual report regarding the operation of the motor vehicle fleet. The report shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, the number of vehicles 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 report must include a description of fleet garage operations, the goods sold, and services provided by the fleet garage, 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. By 90 days after the close of the fiscal year, the MDTMB shall submit the report detailing the operation of the fleet during the fiscal year.

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, 2023. 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 fourteen (214) vehicles leased by five state 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 14,482 vehicles and units of equipment: 9,067 leased vehicles (managed by VTS) and 5,415 agency-owned vehicles and heavy equipment.

Vehicles are classified as follows:

On road vehicles	8,739
Off road vehicles	279
Non-self-propelled equipment	<u>49</u>
Leased Total	9,067
Agency-Owned Total	<u>5,415</u>
Grand Total	14,482

FLEET MANAGEMENT

Between September 30, 2022, and September 30, 2023, the leased fleet increased by 23 vehicles.

The vehicle acquisition process has improved over the last year but continues to be challenging. Order cancellations by the manufacturers, short ordering windows, and limits on number of vehicles that can be ordered have been problematic. Supply chain and vehicle availability issues persist. VTS continues to work closely and creatively with its fleet management vendor to obtain appropriate vehicles.

Personal mileage reimbursement, fuel consumption, and miles traveled again increased over FY2022. This reflects business travel returning to more normal (pre-Covid) operations. However, remote work continues to be an option in many departments on at least a part-time basis, and alternative ways of providing services continue to be used.

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 located in Detroit, Escanaba, Flint, Grand Rapids, Lansing, the State Secondary Complex and Traverse

City. DTMB VTS motor pool size and usage are monitored monthly and adjusted as needed to ensure efficient utilization.

Two hundred twelve (212) vehicles are maintained in the VTS motor pools. Data on motor pool usage is provided below:

Motor Pool Location	Number of Trips (FY2023)	Miles Driven (FY2023)
Detroit	1,183	275,216
Downtown Lansing	3,792	1,041,059
Escanaba	1,073	145,636
Flint	11,195	628,512
Grand Rapids	1,198	218,970
Secondary Complex	1,284	349,238
Traverse City	1,747	163,180

Departments are encouraged to establish motor pools to facilitate sharing of assigned vehicles within their own departments. VTS offers the use of a software reservation system to assist in this effort.

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 FY23, the per mile rate(s) were \$0.625 from October 2022 to December 2022 and \$0.655 from January 2023 to September 2023. The average per mile cost of a midsize state vehicle is used to set the standard mileage reimbursement rate. The FY23 standard mileage reimbursement rate was \$0.44 per mile.

The FY2023 cost of personal mileage reimbursement for executive branch agencies was \$4,710,382, representing 9,831,227 miles traveled and a \$1,953,960 increase from FY2022. Premium mileage reimbursements increased 27.6% while standard mileage reimbursements increased 32%. 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 4,493 flex fuel vehicles, capable of operating on either unleaded gasoline or E85 (85% ethanol, 15% gasoline). This is a decrease of 439 E85 vehicles from 2022 due to elimination of that option by the manufacturers. In FY2023, the State purchased 13,106 gallons of E85 for the leased fleet as compared to 13,689 gallons in FY2022. Total usage may be understated because of inaccurate reporting by retail fuel sites and limited product availability statewide. Pricing has not been competitive, and the availability of E85 has decreased in the state. According to the U.S. Department of Energy, 239 commercial fueling sites in Michigan currently sell E85.

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 FY2023 and anticipates it will meet these targets again in FY2024.

FUEL CONSUMPTION

In FY2023, the State's leased fleet utilized 6,361,671 gallons of fuel, traveling 109,280,234 miles. That represents a 3% increase in gallons of fuel and a 7% increase in miles travelled over FY2022.

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 vehicle prep, maintenance of MSP precision driving unit vehicles, and management of vehicle resale and disposal functions.

In FY2023, the garage provided the following services:

Type of Service	Count of Jobs
Preventive Maintenance	2,119
Tires	3,904
Brakes	1,920
Body and Glass	1,818
Miscellaneous Repairs	5,039
Assignments/Terminations/Disposals	14,134
Parts Repair/Parts Distribution	40
Towing Service and Transport	315
TOTAL	29,289

GARAGE EXPENDITURES

In FY2023, VTS garage expenditures were \$4,805,021, a 13.3% increase over FY2022, primarily due to cost increases in shop supplies, tires and parts.

ADDITIONAL INFORMATION

Additional information is available by contacting:

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Office of Support Services
vtscustomerservice@michigan.gov

APPENDIX A

LEASED AND AGENCY – OWNED COMBINED INVENTORY SUMMARY SEPTEMBER 30, 2023

Vehicle Class	Group	Total
On Road	Automobile	2,860
	BUS	18
	Cycles	9
	Pickups	1,906
	Sport Utility	2,393
	Straight Trucks	247
	Truck Tractors	21
	Van	1,285
On Road Total		8,739
Off Road	Grounds	13
	Light Vehicles	208
	Material Handling	30
	Public Works	7
	Tracked	7
	Wheeled	14
Off Road Total		279
Non-Self Propelled	Semi-Trailer	5
	Trailer	44
Non-Self-Propelled Total		49
Leased Total		9,067
Agency-Owned Total		5,415
Grand Total		14,482

STATE LEASED FLEET BY DEPARTMENT

Agency	Group	Total
Agriculture and Rural Development	Automobile - Coupes, Sedans	117
	Pickup - Compact - 1 Ton	48
	Straight Trucks - Service, Delivery, Tow Trucks	1
	SUV - Compact - 1 Ton	77
	Trailer	1
	Van - Compact - 1 Ton	19
Agriculture and Rural Development Total		263
Attorney General	Automobile - Coupes, Sedans	26
	SUV - Compact - 1 Ton	38
	Van - Compact - 1 Ton	3
Attorney General Total		67
Auditor General	Automobile - Coupes, Sedans	2
Auditor General Total		2
Civil Rights	Automobile - Coupes, Sedans	2
Civil Rights Total		2
Corrections	ATVs, Elec Carts, Snowmobile	185
	Automobile - Coupes, Sedans	109
	Bus	10
	Forklifts, Man Lifts	13
	Heavy Duty Trucks, Semi Tractors	11
	Loaders\Graders\Backhoes	3
	Pickup - Compact - 1 Ton	155
	Semi-Trailer	3
	Straight Trucks - Service, Delivery, Tow Trucks	70
	SUV - Compact - 1 Ton	37
	Tractors - Utility & Riding Mowers	2
	Trailer	17
	Van - Compact - 1 Ton	330
Corrections Total		945
DTMB-Detroit Motor Pool	Automobile - Coupes, Sedans	9
	SUV - Compact - 1 Ton	7
	Van - Compact - 1 Ton	1
DTMB-Detroit Motor Pool Total		17
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	59
	SUV - Compact - 1 Ton	6
	Van - Compact - 1 Ton	6
DTMB-Flint Motor Pool Total		71
DTMB-Grand Rapids Motor Pool	Automobile - Coupes, Sedans	14
	SUV - Compact - 1 Ton	2
	Van - Compact - 1 Ton	2
DTMB-Grand Rapids Motor Pool Total		18
DTMB-Lansing Downtown Pool	Automobile - Coupes, Sedans	36
	SUV - Compact - 1 Ton	11
	Van - Compact - 1 Ton	8
DTMB-Lansing Downtown Pool Total		55
DTMB-Lansing Secondary Pool	Automobile - Coupes, Sedans	16
	SUV - Compact - 1 Ton	3
	Van - Compact - 1 Ton	2
DTMB-Lansing Secondary Pool Total		21
DTMB-Traverse City Motor Pool	Automobile - Coupes, Sedans	14
	SUV - Compact - 1 Ton	4
	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 Trucks	6
	SUV - Compact - 1 Ton	1
	Van - Compact - 1 Ton	26
Eastern Michigan University Total		46
Education	Automobile - Coupes, Sedans	25
	Pickup - Compact - 1 Ton	1
	SUV - Compact - 1 Ton	5
	Van - Compact - 1 Ton	5
Education Total		36
Environment, Great Lakes, and Energy	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	31
	Dozers, Excavators	2
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	55
	Straight Trucks - Service, Delivery, Tow Trucks	9
	SUV - Compact - 1 Ton	49
	Trailer	4
	Van - Compact - 1 Ton	26
Environment, Great Lakes, and Energy Total		179

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	1,032
	Bus	3
	Forklifts, Man Lifts	3
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	28
	Straight Trucks - Service, Delivery, Tow Trucks	8
	SUV - Compact - 1 Ton	285
	Tractors - Utility & Riding Mowers	8
Van - Compact - 1 Ton	194	
Health & Human Services Total		1,567
House of Representatives & House Fiscal Agy.	Van - Compact - 1 Ton	1
House of Representatives & House Fiscal Agy. 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	166
	Pickup - Compact - 1 Ton	12
	Straight Trucks - Service, Delivery, Tow Trucks	1
	SUV - Compact - 1 Ton	85
	Van Compact - 1 Ton	51
Labor and Economic Opportunity Total		315
Lake Superior State University	Automobile - Coupes, Sedans	8
	Van - Compact - 1 Ton	5
Lake Superior State University Total		13
Legislative Service Bureau	Pickup - Compact - 1 Ton	1
	Van - Compact - 1 Ton	1
Legislative Service Bureau Total		2
Licensing and Regulatory Affairs	Automobile - Coupes, Sedans	272
	Pickup - Compact - 1 Ton	30
	Straight Trucks - Service, Delivery, Tow Trucks	1
	SUV - Compact - 1 Ton	126
	Van - Compact - 1 Ton	15
Licensing and Regulatory Affairs Total		444

Agency	Group	Total
Lottery	Automobile - Coupes, Sedans	15
	SUV - Compact - 1 Ton	18
	Van - Compact - 1 Ton	68
Lottery Total		101
MI Econ Development Corp	Automobile - Coupes, Sedans	4
	SUV - Compact - 1 Ton	8
	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
MI Veterans Facility Authority	Bus	3
	Pickup - Compact - 1 Ton	4
	Straight Trucks - Service, Delivery, Tow Trucks	2
	SUV - Compact - 1 Ton	3
	Van - Compact - 1 Ton	7
MI Veterans Facility Authority Total		19
Michigan Land Bank	SUV - Compact - 1 Ton	1
Michigan Land Bank Total		1
Michigan State Housing Development Authority	Automobile - Coupes, Sedans	4
	Pickup - Compact - 1 Ton	4
	Van - Compact - 1 Ton	1
Michigan State Housing Development Authority Total		9
Military Affairs	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	4
	Dozers, Excavators	1
	Loaders\Graders\Backhoes	2
	Pickup - Compact - 1 Ton	88
	Straight Trucks - Service, Delivery, Tow Trucks	5
	SUV - Compact - 1 Ton	9
Van - Compact - 1 Ton	31	
Military Affairs Total		141
Natural Resources	ATVs, Elec Carts, Snowmobile	11
	Augers, Trenchers	7
	Automobile - Coupes, Sedans	14
	Heavy Duty Trucks, Semi Tractors	5
	Loaders\Graders\Backhoes	1
	Pickup - Compact - 1 Ton	829
	Straight Trucks - Service, Delivery, Tow Trucks	83

Agency	Group	Total
Natural Resources	SUV - Compact - 1 Ton	113
	Tractors - Utility & Riding Mowers	3
	Trailer	7
	Van - Compact - 1 Ton	33
Natural Resources Total		1,106
Northern Michigan University	Automobile - Coupes, Sedans	8
	SUV - Compact - 1 Ton	6
Northern Michigan University Total		14
Saginaw Valley State University	Automobile - Coupes, Sedans	7
	Pickup - Compact - 1 Ton	11
	Straight Trucks - Service, Delivery, Tow Trucks	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	41
	Pickup - Compact - 1 Ton	2
	Straight Trucks - Service, Delivery, Tow Trucks	3
	SUV - Compact - 1 Ton	11
	Trailer	1
	Van - Compact - 1 Ton	21
State Total		79
State Police	ATVs, Elec Carts, Snowmobile	1
	Automobile - Coupes, Sedans	632
	Bus	2
	Motorcycles	9
	Pickup - Compact - 1 Ton	93
	Straight Trucks - Service, Delivery, Tow Trucks	33
	SUV - Compact - 1 Ton	1,382
	Van - Compact - 1 Ton	143
State Police Total		2,295
Technology, Management & Budget	ATVs, Elec Carts, Snowmobile	5
	Automobile - Coupes, Sedans	17
	Dozers, Excavators	4
	Forklifts, Man Lifts	12
	Heavy Duty Trucks, Semi Tractors	5
	Loaders\Graders\Backhoes	4
	Pickup - Compact - 1 Ton	75
	Semi-Trailer	2
	Straight Trucks - Service, Delivery, Tow Trucks	16

Agency	Group	Total
Technology, Management & Budget	SUV - Compact - 1 Ton	70
	Trailer	14
	Van - Compact - 1 Ton	72
Technology, Management & Budget Total		296
Transportation	Automobile - Coupes, Sedans	119
	Forklifts, Man Lifts	2
	Pickup - Compact - 1 Ton	437
	SUV - Compact - 1 Ton	5
	Van - Compact - 1 Ton	107
Transportation Total		670
Treasury	Automobile - Coupes, Sedans	2
	SUV - Compact - 1 Ton	16
	Van - Compact - 1 Ton	8
Treasury Total		26
Wayne State University	Automobile - Coupes, Sedans	1
	Pickup - Compact - 1 Ton	20
	Straight Trucks - Service, Delivery, Tow Trucks	7
	SUV - Compact - 1 Ton	5
	Van - Compact - 1 Ton	48
Wayne State University Total		81
Grand Total		9,067