



Agenda of the Motor Vehicle Review Committee

Thursday, March 26, 2009
Utah State Capitol Complex
State Capitol, Room 250
Salt Lake City, Utah
9:00 AM

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Motor Vehicle Review Committee



December 10, 2008

MINUTES

Motor Vehicle Review Committee Members in attendance:

Sal Petilos, Chair
Jim Egbert for Dennis Carver
Roxie Huntsman
Scott Harding
Kirk Middaugh
Steve McCarthy
Paul Mash for Kent Beers
David Rees

Fleet Operations and Guests in attendance:

Margaret Chambers	Division of Fleet and Surplus Services
Sam Lee	Division of Fleet and Surplus Services
Amanda Ronan	Division of Fleet and Surplus Services
Gala Dumas	Division of Fleet and Surplus Services
Jeff Done	Division of Fleet and Surplus Services
Shawn Hess	Division of Fleet and Surplus Services
Scott Bingham	Division of Fleet and Surplus Services
Brian Fay	Division of Fleet and Surplus Services
Mike Kilcrease	Department of Workforce Services
Jake Jacobsen	Division of Facilities and Construction Mgmt
Tiffany Harms	Tax Commission
Kimberly Willette	Governors Office of Planning and Budget
Erik Berge	Enterprise Rent a Car

On Wednesday, December 10, the Motor Vehicle Review Committee held their regularly scheduled meeting in room 415 of the State Capitol, Salt Lake City, Utah. Chair Petilos called the meeting to order at 10:01 a.m.

1. Approval of Minutes for September 10, 2008

Chair Petilos asked if there were any corrections that needed to be made to the minutes.

MOTION: Roxie Huntsman moved to approve the minutes from September 10, 2008. Paul Mash seconded the motion.

The motion passed unanimously.

2. Underutilized Vehicles

Sam Lee explained there are now 184 vehicles which are still in the "low use" category that have not been changed to a low use category. Dave Rees asked if there were any vehicles which were actually turned in or were all of the vehicles changed to a low use category. Sam Lee responded the Agencies have changed them to a low use category.

Sam Lee went over the utilization codes from the State of Colorado as a model for a low use vehicle concept. Paul Mash asked where Colorado came up with the model. Margaret Chambers stated they came up with it from their data. We would need to come up with our own meter usage guidelines for the State of Utah.

Dave Rees stated he liked the model because it goes by the function of the vehicle instead of just a standard utilization for all.

Steve McCarthy stated the model does not take into account rural versus city vehicles. A vehicle which is primary driven in the city is not going to go as many miles as one which is located in a rural area.

Sam Lee went over Fleet Operations recommendations to the committee.

Paul Mash asked what happened to the vehicles which were turned in as low use. Sam Lee stated if they were under forty thousand miles, they would most likely be used as totaled vehicle replacements. The others would most likely be surplus.

Margaret Chambers asked that the committee recommend that Fleet Operations come back with a model for the State of Utah after looking at our specific usage.

MOTION: Paul Mash moved to have Fleet Operations create a model by job type and by rural versus urban. Present the model the March MVRC meeting. Motion seconded by David Rees.

The motion passed unanimously.

3. Expansion Vehicle Process

Margaret Chambers explained the history of requesting an expansion vehicle. She then explained the right sizing of the vehicle was a key component that was missed in the expansion vehicle request process. The Governors Office of Planning and Budget asked Administrative Services to put the expansion vehicles they requested through the right size model used for the replacement process.

Dave Rees stated the University of Utah goes through a similar process with the Vice Presidents of the University for the expansion process.

MOTION: Dave Rees moved to amend Administrative Rule R27-4-5 to include underutilization review and vehicle right-sizing justification for expansion vehicles. Second by Steve McCarthy.

The motion passed unanimously.

4. Replacement Mileage Standard

Sam Lee explained there is not any action required for this agenda item. He just wanted to inform the committee of the changes to the replacement mileage.

Dave Rees stated that most of the manufactures warranties expire at 100,000 miles and may incur catastrophic failures. Sam Lee stated when you look at the data the catastrophic failures are not occurring. Most of the classes have a significant cost savings.

Margaret Chambers stated the Utah Policy Partnership suggested that DFO look at longer vehicle life cycles.

Scott Harding stated maintenance is the key factor which expands the vehicle life. If a vehicle is maintained properly during its life it will last. The higher mileage failures he sees are because the vehicle was not maintained properly.

Kirk Middaugh stated he is concerned with the 105,000 replacement because currently a vehicle is supposed to be replaced at 90,000 but by the time they receive the replacement, the old vehicle is now at 111,000 which is 20,000 over the mileage replacement.

Margaret Chambers stated this is currently being looked at as a budget issue.

MOTION: Dave Rees moved to adjourn. Second by Roxie Huntsman.

The motion passed unanimously

Meeting adjourned 11:13 am.



Motor Vehicle Review Committee

State of Utah

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Governor

Kimberly Hood
Executive Director
Department of Administrative Services

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Salt Lake City, Utah 84114
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MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: March 26, 2009
Subject: **Vehicle Utilization**

BACKGROUND:

Over the past two years DFO has worked with leasing agencies to identify all low use vehicles according to a standard set at 625 miles per month. While this approach has been useful in some ways to help DFO and agencies determine the appropriate number of vehicles needed by an agency, a new utilization model was proposed at the last Motor Vehicle Review Committee (MVRC) that takes a more holistic approach to vehicle utilization.

This revised utilization approach seeks first to identify the use of all vehicles and then determines acceptable vehicle counts based on average monthly mileages and use of the vehicle. This approach allows DFO and agency fleet managers to gain a more complete understanding of not only average vehicle mileages by class but also paints a picture of the count of vehicles within an agency with similar vehicle use patterns.

The goal of this new utilization model will be to further right-size the state fleet by reducing vehicle counts through pooling of vehicles within agency locations (or across agencies) where like vehicles are used and consolidation of the state fleet creates good cost and management efficiencies.

PROGRESS TO DATE:

During the last three months fleet staff has taken the utilization model based on information from the State of Colorado (presented at the last MVRC meeting) and created a draft of vehicle utilization categories that fit the State of Utah Fleet. This agenda item is intended to provide an update on the progress to date. See the attached table for a current snapshot of vehicle categories.

Attachment

High Level Code	Mid-Level Code	Equipment Count	Lowest Monthly Use in FY08	Highest Monthly Use in FY08	Average Mileage in FY08	Median Mileage in FY08
CampusSecurity	Security	36	175	1195	588	594
CourierServices	Mail Delivery	15	105	592	302	231
CourierServices	Product Delivery	8	0	888	226	200
FacilityMaintenance	Maintenance Jobs	241	1	1497	317	266
FacilityMaintenance	Summer Maintenance / Winter Snow Removal	45	0	1856	500	503
FacilityMaintenance	Grounds	22	0	428	146	133
FacilityMaintenance	Custodial	12	34	878	325	235
FacilityMaintenance	Winter Snow Removal	9	1	522	163	74
FacilityMaintenance	Unlicensed Utility Cart	2	0	30	15	15
FacilityMaintenance	Used for Carpentry	1	84	84	84	84
FieldResearch	Field Research	91	0	1783	491	470
OffRoad	Mountain use	5	0	636	219	57
ReserveVehicle	Back up Vehicle	13	6	714	229	39
ReserveVehicle	Old Vehicle used as back up	7	5	445	136	27
Shuttle	Meetings and Trainings	117	0	1746	444	450
Shuttle	Local Errands	60	0	1271	251	196
Shuttle	Transports Clients	33	55	1935	565	527
Shuttle	In Motor Pool	20	195	1206	580	548
Shuttle	Shuttle	20	49	763	363	322
Shuttle	Transports Inmantas	19	118	1074	526	456
Shuttle	Airport Transportation	9	2	1587	291	70
Shuttle	Transports Juveniles	5	228	1268	628	519
Shuttle	School Bus	4	88	898	557	482
Shuttle	Winter Events Shuttle	3	1110	1420	1279	1308
Shuttle	Work Crew Van	3	85	576	387	501
Shuttle	Transports Foreign Dignataries	1	340	340	340	340
Shuttle	For Yearly Retreats	1	127	127	127	127
SpecialtyVehicle	Emergency Response Vehicle	51	0	1679	390	248
SpecialtyVehicle	Heavy Duty/Construction Equipment	49	0	902	182	75
SpecialtyVehicle	Police/Investigational Use	21	0	908	276	185
SpecialtyVehicle	ADA Equipped	7	14	639	234	158
SpecialtyVehicle	Executive Use	7	282	1169	602	525
SpecialtyVehicle	Propane Vehicle	2	4	5	4	4
SpecialtyVehicle	Electric Vehicle	2	13	123	68	13
SpecialtyVehicle	Mobile Kitchen	1	25	25	25	25
SpecialtyVehicle	Runs on cooking oil	1	616	616	616	616
SpecialtyVehicle	Media and News Vehicle	1	352	352	352	352
SpecialtyVehicle	Mobile Dental Lab	1	75	75	75	75
Training	Police Training	34	0	654	105	52
Training	Driver Training	14	0	1117	225	20
Training	Mechanics Training	3	0	18	6	0



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MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: March 26, 2009
Subject: **Expansion Vehicle Rule**

See the changes in rule R27-4 below that detail new requirements for agencies on expansion vehicles. The changes require all expansion vehicles to go through the right size justification process established for standard replacement vehicles.

R27. Administrative Services, Fleet Operations.

R27-4. Vehicle Replacement and Expansion of State Fleet.

R27-4-1. Authority.

(1) This rule is established pursuant to Subsections 63A-9-401(1)(a), 63A-9-401(1)(d)(v), 63A-9-401(1)(d)(ix), 63A-9-401(1)(d)(x), 63A-9-401(1)(d)(xi) 63A-9-401(1)(d)(xii), 63A-9-401(4)(ii), and 63A-9-401(6) which require the Division of Fleet Operations (DFO) to: coordinate all purchases of state vehicles; make rules establishing requirements for the procurement of state vehicles, whether for the replacement or upgrade of current fleet vehicles or fleet expansion; make rules establishing requirements for cost recovery and billing procedures; make rules establishing requirements for the disposal of state vehicles; make rules establishing requirements for the reassignment and reallocation of state vehicles and make rules establishing rate structures for state vehicles.

(a) All agencies exempted from the DFO replacement program shall provide DFO with a complete list of intended vehicle purchases prior to placing the order with the vendor.

(b) DFO shall work with each agency to coordinate vehicle purchases to make sure all applicable mandates, including but not limited to alternative fuel mandates, and safety concerns are met.

(c) DFO shall assist agencies, including agencies exempted from the DFO replacement program, in their efforts to insure that all vehicles in the possession, control, and/or ownership of agencies are entered into the fleet information system.

(2) Pursuant to Subsection 63J-1-306(8)(f)(ii), vehicles acquired by agencies, or monies appropriated to agencies for vehicle purchases, may be transferred to DFO and, when transferred, become part of the Consolidated Fleet Internal Service Fund.

R27-4-2. Fleet Standards.

(1) Prior to the purchase of replacement and legislatively approved expansion vehicles for each fiscal year, the [~~Fleet Vehicle Advisory Committee (FVAC)~~] DFO staff shall, on the basis of input from user agencies, recommend to DFO:

(a) a Standard State Fleet Vehicle (SSFV)

(b) a standard vehicle and the features and miscellaneous equipment to be included in said vehicle for each vehicle class in the fleet.

(2) DFO shall, after reviewing the recommendations made by the ~~[FVAC]~~ DFO staff, determine and establish, for each fiscal year:

(a) a SSFV

(b) the standard replacement vehicle, along with included features and miscellaneous equipment for each vehicle class in the fleet. A standard vehicle and the features and miscellaneous equipment to be included in said vehicle for each vehicle class in the fleet.

(3) DFO shall establish lease rates designed to recover, in addition to overhead and variable costs, the capital cost associated with acquiring a standard replacement vehicle for each vehicle class in the fleet.

(4) DFO shall establish replacement cycles according to vehicle type and expected use. The replacement cycle that applies to a particular vehicle supposes that the vehicle will be in service for a specified period of time and will be driven an optimum number of miles within that time. Whichever of the time or mileage criterion is reached first shall result in the vehicle's replacement.

R27-4-3. Delegation of Division Duties.

(1) Pursuant to the provisions of UCA 63A-9-401(6), the Director of DFO, with the approval of the Executive director of the Department of Administrative Services, may delegate motor vehicle procurement and disposal functions to institutions of higher education by contract or other means authorized by law, provided that:

(a) The funding for the procurement of vehicles that are subject to the agreement comes from funding sources other than state appropriations, or the vehicle is procured through the federal surplus property donation program;

(b) Vehicles procured with funding from sources other than state appropriations, or through the federal surplus property donation program shall be designated "do not replace;" and

(c) In the event that the institution of higher education is unable to designate said vehicles as "do not replace," the institution shall warrant that it shall not use state appropriations to procure their respective replacements without legislative approval.

(2) Agreements made pursuant to Section 63A-9-401(6) shall, at a minimum, contain:

(a) a precise definition of each duty or function that is being allowed to be performed; and

(b) a clear description of the standards to be met in performing each duty or function allowed; and

(c) a provision for periodic administrative audits by either the DFO or the Department of Administrative Services; and

(d) a representation by the institution of higher education that the procurement or disposal of the vehicles that are the subject matter of the agreement shall be coordinated with DFO. The institution of higher education shall, at the request of DFO, provide DFO with a list of all conventional fuel and alternative fuel vehicles it anticipates to procure or dispose of in the coming year. Alternative fuel vehicles shall be purchased by the agency or institution of higher education, when necessary, to insure state compliance with federal AFV mandates; and

(e) a representation by the institution of higher education that the purchase price is less than or equal to the state contract price for the make and model being purchased; and in the event that the state contract price is not applicable, that the provisions of Section 63-56-1 shall be complied with; and

(f) a representation that the agreement is subject to the provisions of UCA 63J-1-306, Internal Service Funds - Governance and review; and

(g) a representation by the institution of higher education that it shall enter into DFO's fleet information system all information that would be otherwise required for vehicles owned, leased, operated or in the possession of the institution of higher education; and

(h) a representation by the institution of higher education that it shall follow state surplus rules, policies and procedures on related parties, conflict of interest, vehicle pricing, retention, sales, and negotiations; and

(i) a date on which the agreement shall terminate if the agreement has not been previously terminated or renewed.

(3) An agreement made pursuant to Section 63A-9-401(7) may be terminated by DFO if the results of administrative audits conducted by either DFO or the Department of Administrative Services reveal a lack of compliance with the terms of the agreement.

R27-4-4. Vehicle Replacement.

(1) All state fleet motor vehicles shall, subject to budgetary constraints, be replaced when the vehicle meets the first of either the mileage or time component of the established replacement cycle criteria.

(2) Prior to the purchase of replacement motor vehicles, DFO shall provide each agency contact with a list identifying all vehicles that are due for replacement, and the ~~[-standard replacement vehicle for the applicable class]~~ Standard State Fleet Vehicle (SSFV) ~~[-that has been established by DFO after reviewing the recommendations of the FVAC DFO staff]~~ that will be purchased to take the place of each vehicle on the list.

(3) All vehicles replacements will default to a SSFV.

(4) Pursuant to Section 63A-9-401(4)(b)(iv), agencies may request a non-SSFV as long as one or more of the following justifications are cited:

- (a) Passenger space
- (b) Type of items carried
- (c) Hauling or towing capacity
- (d) Police pursuit capacity
- (e) Off-road capacity
- (f) 4x4 capacity
- (g) Emergency service (police, fire, rescue services) capacity
- (h) Attached equipment capacity (snow plows, winches, etc.)
- (i) Other justifications as approved by the Director of DFO or the director's designee.

(5) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for the replacement of a motor vehicle with a ~~[non-standard vehicle]~~ SSFV.

(6) Agencies may request that state fleet motor vehicles in their possession or control that have a history of excessive repairs, but have not reached either the mileage or time component of the applicable replacement cycle, be replaced. The request to replace motor vehicles with a history of excessive repairs is subject to budgetary constraints and the approval of the Director of DFO or the director's designee.

(7) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for the replacement of motor vehicles with a history of excessive repairs.

(8) In the event that the replacement vehicle is not delivered to the agency by the vendor, the agency shall have five working days to pick-up the replacement vehicle from DFO, after receiving official notification of its availability. If the vehicles involved are not exchanged within the five-day period, a daily storage fee will be assessed and the agency will be charged the monthly lease fee for both vehicles.

(9) DFO is responsible for insuring that the state motor vehicle fleet complies with United States Department of Energy alternative fuel vehicle (AFV) mandates. DFO may require that a certain number of replacement vehicles, regardless of the requesting agency, be alternate fuel vehicles to insure compliance with said AFV mandates.

R27-4-5. Fleet Expansion.

(1) Any expansion of the state motor vehicle fleet requires legislative approval.

(2) The agency requesting a vehicle that will result in fleet expansion or that a vehicle currently designated "do not replace" be placed on a replacement cycle, shall be required to provide proof of the requisite legislative approval and funding for the procurement of an expansion vehicle or the placement of a "do not replace" vehicle on a replacement cycle, and any additional features and miscellaneous equipment, before DFO is authorized to purchase the expansion vehicle.

(3) For the purposes of this rule, an agency shall be deemed to have the requisite legislative approval under the following circumstances only:

(a) The procurement of expansion vehicles or the placement of a "do not replace" vehicle on a replacement cycle is explicitly authorized by the Appropriations Committee during the general legislative session;

or

(b) The procurement of expansion vehicles or the placement of a "do not replace" vehicle on a replacement cycle is explicitly authorized by a special session of the legislature convened for the express purpose of approving fleet expansion.

(4) For the purposes of this rule, only the following shall constitute acceptable proof of legislative approval of the requested expansion or placement of a "do not replace" vehicle on a replacement cycle:

(a) A letter, signed by the agency's Chief Financial Officer, citing the specific line item in the appropriations bill providing said authorization; or

(b) Written verification from the agency's analyst in the Governor's Office of Planning and Budget (GOPB) indicating that the request for expansion was authorized and funded by the legislature.

(5) Prior to the purchase of an expansion motor vehicle, DFO shall provide each agency contact with the Standard State Fleet Vehicle (SSFV) that will be purchased.

(6) All expansion vehicles will default to a SSFV.

(7) Pursuant to Section 63A-9-401(4)(b)(iv), agencies may request a non-SSFV as long as one or more of the following justifications are cited:

(a) Passenger space

(b) Type of items carried

(c) Hauling or towing capacity

(d) Police pursuit capacity

(e) Off-road capacity

(f) 4x4 capacity

(g) Emergency service (police, fire, rescue services) capacity

(h) Attached equipment capacity (snow plows, winches, etc.)

(i) Other justifications as approved by the Director of DFO or the director's designee.

(6) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for the expansion motor vehicle to be a non-SSFV.

~~(5)~~(7) Upon receipt of proof of legislative approval of an expansion from the requesting agency, DFO shall provide to the State Division of Finance copies of the proof submitted in order for the Division of Finance to initiate the process for the formal transfer of funds necessary to procure the expansion vehicle(s) from the requesting agency to DFO. In no event shall DFO purchase expansion vehicles for requesting agencies until the Division of Finance has completed the process for the formal transfer of funds.

~~(6)~~(8) In the event that the requesting agency receives legislative approval for placing a "do not replace" vehicle on a replacement cycle, the requesting agency shall, in addition to providing DFO with proof of approval and funding, provide the Division of Finance with funds, for transfer to DFO, equal to the amount of depreciation that DFO would have collected for the number of months between the time that the "do not replace" vehicle was put into service and the time that the requesting agency begins paying the applicable monthly lease rate for the replacement cycle chosen. In no event shall DFO purchase a replacement vehicle for the "do not replace" vehicle if the requesting agency fails to provide funds necessary to cover said depreciation costs.

~~(7)~~(9) When the expansion vehicle is procured, the vehicle shall be added to the fleet and a replacement cycle established.

~~(8)~~(10) DFO is responsible for insuring that the state motor vehicle fleet complies with United States Department of Energy alternative fuel vehicle (AFV) mandates. DFO may require that a certain number of expansion vehicles, regardless of the requesting agency, be alternate fuel vehicles to insure in compliance with said AFV mandates.

R27-4-6. Vehicle Feature and Miscellaneous Equipment Upgrade.

(1) Additional feature(s) or miscellaneous equipment to be added to the standard replacement vehicle in a given class, as established by DFO after reviewing the recommendations of the ~~Fleet Vehicle Advisory Committee (FVAC)~~ DFO staff, that results in an increase in vehicle cost shall be deemed a feature and

miscellaneous equipment upgrade. A feature or miscellaneous equipment upgrade occurs when an agency requests:

(a) That a replacement vehicle contains a non-standard feature. For example, when an agency requests that an otherwise standard replacement vehicle have a diesel rather than a gasoline engine, or that a vehicle contain childproof locks.

(b) The installation of additional miscellaneous equipment not installed by the vehicle manufacturer. For example, when an agency requests that light bars or water tanks be installed on an otherwise standard replacement vehicle.

(2) Requests for feature and miscellaneous equipment upgrades shall be made in writing and:

(a) Present reasons why the upgrades are necessary in order to meet the agency's needs, and

(b) Shall be signed by the requesting agency's director, or the appropriate budget or accounting officer.

(3) All requests for vehicle feature and/or miscellaneous equipment upgrades shall be subject to review and approval by the Director of DFO or the director's designee. Vehicle feature and/or miscellaneous equipment upgrades shall be approved when in the judgment of the Director of DFO or the director's designee, the requested feature and/or miscellaneous equipment upgrades are necessary and appropriate for meeting the agency's needs.

(4) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for a feature and/or miscellaneous equipment upgrade.

(5) Agencies obtaining approval for feature and/or miscellaneous equipment upgrades shall, prior to the purchase of the vehicle, pay in full to DFO, a feature and/or miscellaneous equipment upgrade rate designed to recover the total cost associated with providing the additional feature(s) and/or miscellaneous equipment, unless the requesting agency otherwise negotiates an agreement with DFO for payments to be made in installments, and provided that the terms of the installment agreement do not delay the payment of the general fund debt.

(6) In the event that an agreement providing for the payment of a feature and/or miscellaneous equipment upgrade in installments is reached, the agency shall indemnify and make DFO whole for any losses incurred resulting from damage to, loss or return of the vehicle and/or equipment prior to the receipt of all payment installments by DFO.

R27-4-7. Agency Installation of Miscellaneous Equipment.

(1) The director of the Division of Fleet Operations, with the approval of the Executive Director of the Department of Administrative Services, may enter into Memoranda of Understanding allowing customer agencies to install miscellaneous equipment on or in state vehicles if:

(a) the agency or institution has the necessary resources and skills to perform the installations; and

(b) the agency or institution has received approval for said miscellaneous equipment as required by R27-4-6.

(2) Each memorandum of understanding for the installation of miscellaneous equipment shall, at a minimum, contain the following:

(a) a provision that monthly lease fees shall be charged to the agency from the date of the agency's receipt of the replacement vehicle as required under R27-4-9(7)(b); and

(b) a provision that said agency shall indemnify and hold DFO harmless for any claims made by a third party that are related to the installation of miscellaneous equipment in or on state vehicles in the agency's possession and/or control; and

(c) a provision that said agency shall indemnify DFO for any damage to state vehicles resulting from installation or de-installation of miscellaneous equipment; and

(d) a provision that agencies with permission to install miscellaneous equipment shall enter into the DFO fleet information system the following information regarding the miscellaneous equipment procured for installation in or on state vehicles, whether the item is held in inventory, currently installed on a vehicle, or sent to surplus;

(i) item description or nomenclature; and

(ii) manufacturer of item; and

- (iii) item identification information for ordering purposes; and
- (iv) procurement source; and
- (v) purchase price of item; and expected life of item in years; and
- (vi) warranty period; and
- (vii) serial number;
- (viii) initial installation date; and
- (ix) current location of item (warehouse, vehicle number); and
- (x) anticipated replacement date of item; and
- (xi) actual replacement date of item; and
- (xii) date item sent to surplus; and SP-1 number.

(e) a provision requiring the agency or institution with permission to install being permitted to install miscellaneous equipment to obtain insurance from the Division of Risk Management in amounts sufficient to protect itself from damage to, or loss of, miscellaneous equipment installed on state vehicles. Agencies or institutions with permission to install miscellaneous equipment shall hold DFO harmless for any damage to, or loss of miscellaneous equipment installed in state vehicles.

(f) a provision that DFO shall provide training and support services for the fleet information system and charge agencies with permission to install miscellaneous equipment ~~an~~ a Management Information System (MIS) fee to recover these costs.

(g) a date on which the agreement shall terminate if the agreement has not been previously terminated or renewed.

(3) Agreements permitting agencies or institutions to install miscellaneous equipment in or on state vehicles may be terminated if there is a lack of compliance with the terms of the agreement by the state agency or institution.

R27-4-8. Vehicle Class Differential Upgrade.

(1) For the purposes of this rule, requests for vehicles other than the ~~[planned replacement vehicle]~~ SSFV established by DFO after reviewing the recommendations of the ~~[Fleet Vehicle Advisory Committee (FVAC)]~~ DFO staff, that results in an increase in vehicle cost shall be deemed a vehicle class differential upgrade. For example, a vehicle class differential upgrade occurs when, regardless of additional features and/or miscellaneous equipment:

(a) The replacement vehicle requested by the agency, although within the same vehicle class as the vehicle being replaced, is not the standard replacement vehicle established by DFO for that class.

(b) The agency requests that a vehicle be replaced with a more expensive vehicle belonging to another class. For example, when an agency requests to have a standard 1/2 ton truck replaced with a standard 3/4 ton truck, or a compact sedan be replaced with a mid-size sedan.

(2) Requests for vehicle class differential upgrades shall be made in writing and:

(a) Present reasons why the upgrades are necessary in order to meet the agency's needs, and

(b) Shall be signed by the requesting agency's director or the appropriate budget or accounting officer.

(3) All requests for vehicle class differential upgrades shall be subject to review and approval by the Director of DFO or the director's designee. Vehicle class differential upgrades shall be approved only when:

(a) In the judgment of the Director of DFO or the director's designee, the requested vehicle upgrade is necessary and appropriate for meeting the demands of changing operational needs for which the planned replacement vehicle is clearly inadequate or inappropriate;

(b) In the judgment of the Director of DFO or the director's designee, the requested vehicle upgrade is necessary and appropriate for meeting safety, environmental, or health or other special needs for drivers or passengers.

(4) Agencies may petition the Executive Director of the Department of Administrative Services, or the executive director's designee, for a review in the event that the Director of DFO or the director's designee denies a request for a vehicle class differential upgrade.

(5) Agencies obtaining approval for vehicle class differential upgrade(s) at the end of the applicable replacement cycle shall pay to DFO, in full, prior to the purchase of the vehicle, a vehicle class differential upgrade rate designed to recover the difference in cost between the planned replacement vehicle and the actual replacement vehicle when the replacement vehicle is a more expensive vehicle belonging to the same or another class.

(6) Agencies obtaining approval for vehicle class differential upgrade(s) prior to the end of the current vehicle's replacement cycle shall, prior to the purchase of the replacement vehicle, pay to DFO, in full, an amount equal to the difference in cost between the actual replacement vehicle and the planned replacement vehicle plus the amount of depreciation still owed on the vehicle being replaced, less the salvage value of the vehicle being replaced.



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MEMORANDUM

To: Motor Vehicle Review Committee
From: Brian Fay
Date: March 26, 2009
Subject: Energy Update

A presentation will be made by Brian Fay updating committee members on the current energy metrics tracked by Fleet Operations including an overview of the performance dashboards currently being developed within the Department of Administrative Services.



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MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: March 26, 2009
Subject: **Telematics Testing Update**

During the last 18 months the Division of Fleet Operations (DFO) has been testing telematics technology in state vehicles with a product from a company called Networkcar (we currently have 22 devices in state vehicles). The data and experience gathered from this testing time period has been valuable as we consider more widespread implementation of telematics use in the management of the state fleet.

In October 2008 a local company based in West Valley City named Inthinc approached Fleet Operations with a new telematics product that not only offers the standard features available from most telematics vendors but also offers what they refer to as "in cab mentoring." The mentoring technology from Inthinc offers real time feedback to the driver about high risk behavior including: a lack of seat belt use, speeding, hard braking, hard turns, hard dip/bumps, and aggressive acceleration. A telematics device from Inthinc warns the driver about the high risk behavior as it is happening from a device installed in the cab of the vehicle. Drivers can then make an adjustment to the way the vehicle is being driven (slow down, put on the seat belt, etc.). If the driver corrects the behavior within a set time period (to be determined by Fleet) a negative score or event isn't recorded against the operator's driving history. If the driver continues the high risk behavior once the warning voice informs the driver of the problem (and the set time period passes) then a negative score is recorded for the (operator) vehicle.

The Division of Purchasing has approved Fleet Operations for a sole source pilot with Inthinc for up to 50 units. DFO intends to test this technology over the next six months to determine its overall cost and benefits. If the pilot proves successful Fleet intends to issue an RFP this fall to create a contract that would allow for a fleet wide implementation of telematics. This also heavily depends on funding approval for the cost of the hardware and ongoing expenses.

Inthinc has been invited by DFO to make a short presentation about their product and answer questions by committee members.

Pilot Cost Breakdown:

Telematics Hardware = \$649 per unit

Activation Fee = \$20.00

Cell Service = \$29.99 per month

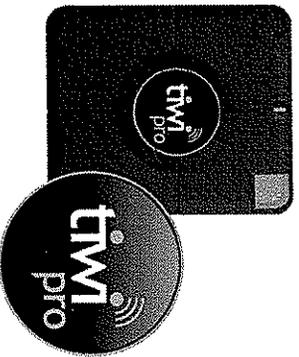
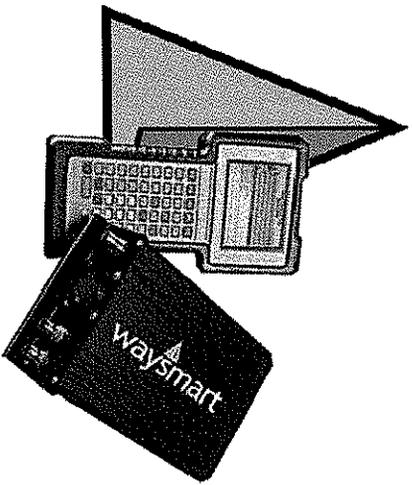
inthing

Driving Safety

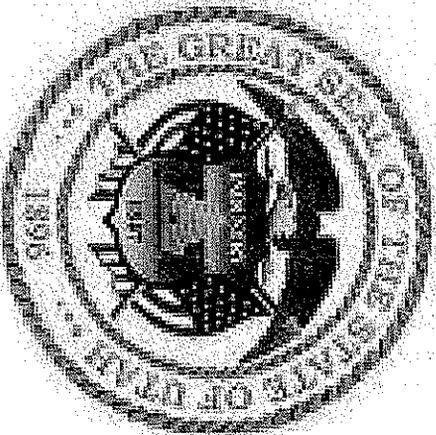
Fleet Management

Asset Protection

Automated Compliance



Presented to:



March 26, 2009

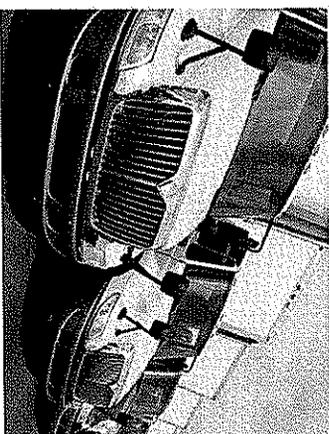
"Delivering technology that mentors drivers to save lives, prevent accidents and create value through efficiency for customers and society."

www.inthing.com

inthinc™ AGENDA

- **WHO** we are...
- **OUR CUSTOMERS**...
- **WHAT** problems we address...
- **HOW** we do it...
- **WHY** it is important to you...
- **Conclusion**...

waysmart™

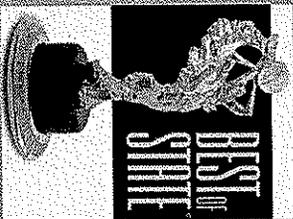


www.inthinc.com

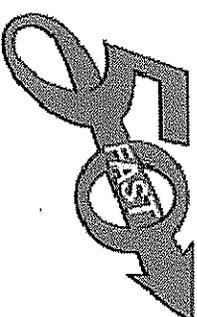
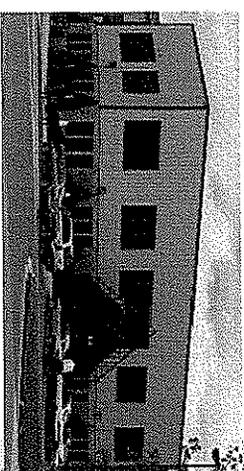
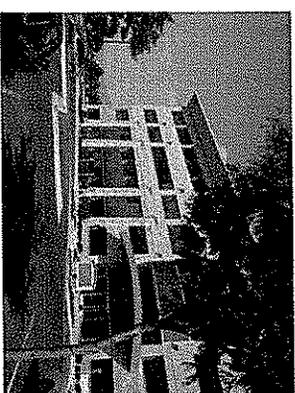
inthinc™ OVERVIEW

Industry Leader in Design and Manufacture of Driver Mentoring Systems (DMS's)

- Headquarters in West Valley City, Utah
- Manufacturing facilities in Logan, Utah
- Workforce of 400+ employees (almost all in Utah)
- \$100+ million in revenue projected FYE December 31, 2009



- Voted **Top 100 Fastest Growing Companies** in the State of Utah seven years running
- Recognized by Utah Business Magazine, receiving the **Fast 50** award as one of Utah's fastest growing companies.
- Received the **Healthy Worksite Award** from the Utah Council for Worksite Health Promotion

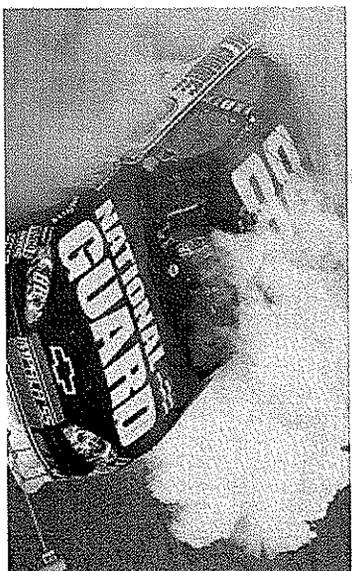


inthin[™] CUSTOMERS



"inthin[™] has proven itself an outstanding performer and an excellent technology partner for NASCAR"

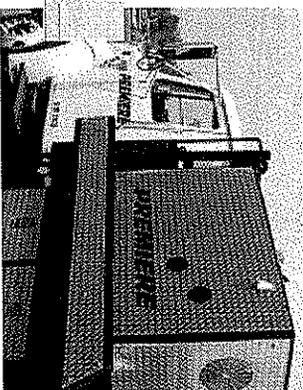
Steve Peterson, NASCAR Technical Director and Safety Expert



"We don't want to figure out fixes after crashes. We want to figure out ways to change people's behavior to prevent them."

James Graham, Corporate Risk Manager, Premiere Inc.

PREMIERE, INC.



M-I SWACO

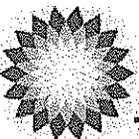
"The in-vehicle mentoring to the driver changes behavior and the results are safer drivers." Ken Bryson, Project Manager, M-I Swaco



Weatherford



BARRICK



bp



ATK
AMT TECHNOLOGIES



Schlumberger

HALLIBURTON

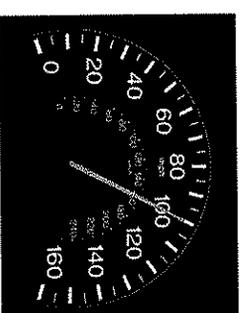
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Leading Causes: Driver Behavior

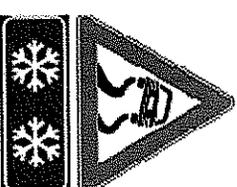
Truck Crash Causation Study

- Driver Behavior is the Leading Cause of Truck Crashes
- Driver is TEN Times More Likely to Cause the Crash (More than Weather, Road Conditions or Vehicle Performance)
- Driver Action / Inaction is the Critical Cause of 88% of Fatal Crashes
- Aggressive Driving, Hard Braking, Hard Turning and Speeding
- Speeding Increases Frequency and Severity of Crashes
- Seat Belt Use Reduces Mortality by 72% © Johns Hopkins University

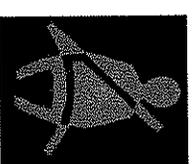
Speeding



Hard Turns



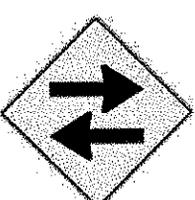
Hard Brake



Seatbelt Use



For copies of the report, visit www.fmcsa.dot.gov
WASHINGTON - Federal Motor Carrier Safety Administration (FMCSA) 02-06



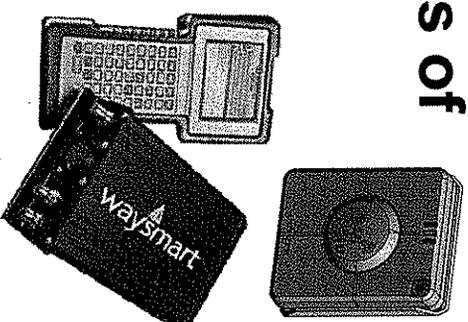
Changing Driver Behavior is Essential to Vehicle Safety

www.inthinc.com

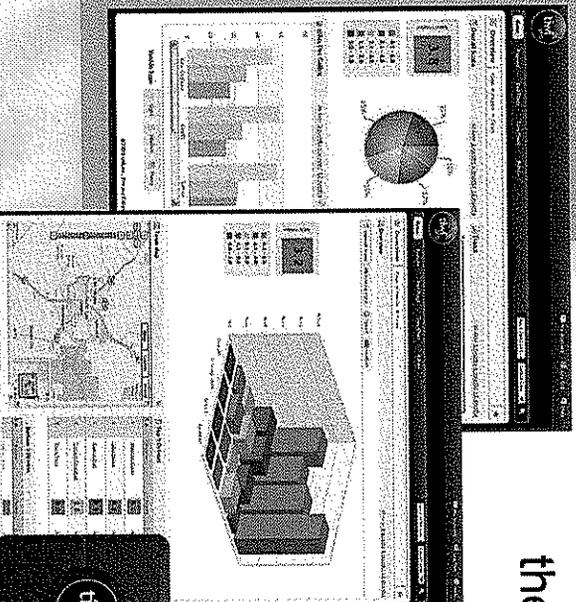
inthinc™ SYSTEMS

What are the Major Components of inthinc's System?

- Hardware which integrates a central processor and memory with GPS, vehicle bus monitoring, two way communication and audio feedback to the driver



- Software which monitors the vehicle bus, GPS location, vehicle operating parameters and delivers feedback to the driver



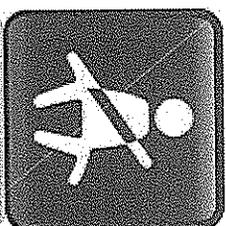
- Internet based user interface which allows the customer to receive customized, user defined, operating reports on vehicle use and to customize operating parameters such as speed and location



inthinc™ FEATURES

Unique Features

- Patent pending system of verbal coaching to the driver for speeding, aggressive driving, seatbelt usage and geographic boundary crossing
- Patent pending technology, known as Speed-by-Street™, which compares the speed of an instrumented vehicle to the posted speed in real-time and reports violations to both the driver and the owner of the vehicle
- Patent pending integration with the vehicle bus to monitor seat belt use, speed, operating parameters such as fuel use, RPM and others



The Solution:

Real-Time, In-Vehicle Mentoring

Speeding

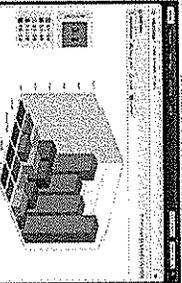
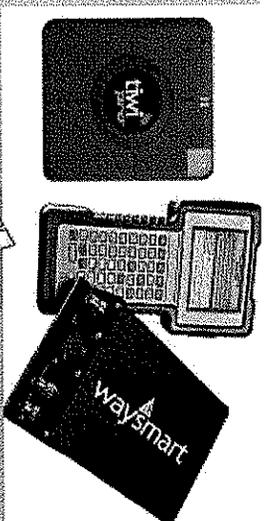
Hard Turns

Hard Brake

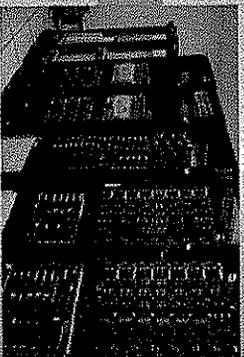
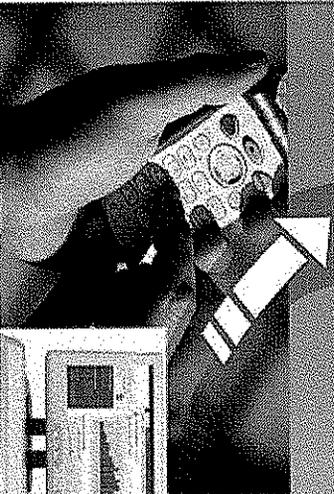
Seatbelt Use



- Driver Behavior:**
- Hard Acceleration, Hard Braking, Hard Turns, Hard Vertical
 - Speeding
 - Seatbelt

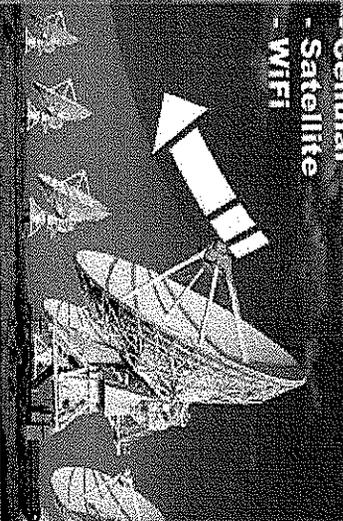


- Report and Data Review:**
- Driver Performance Report
 - Speeding Violations Report
 - Seatbelt Violations Report
 - Notifications



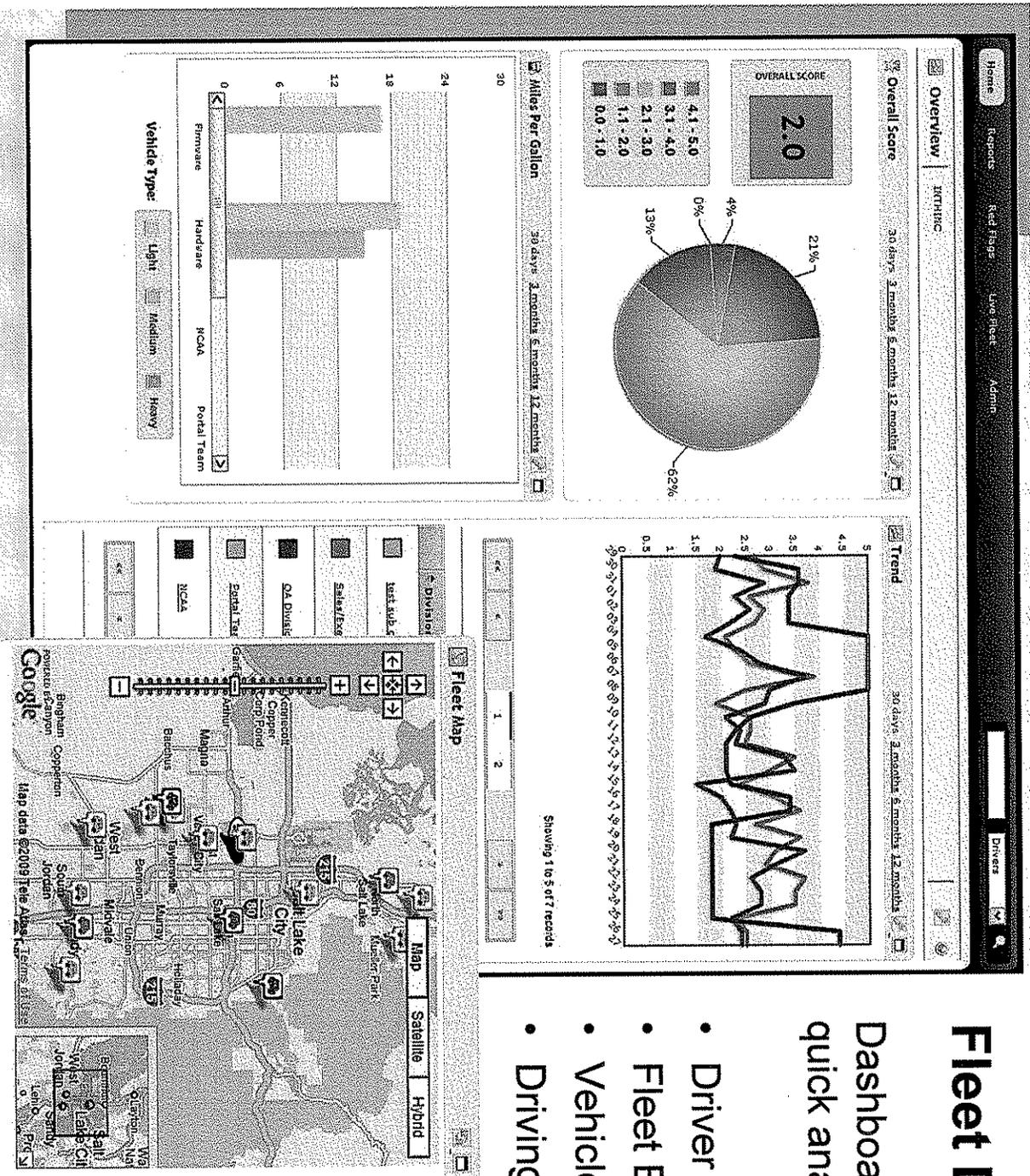
- Driver Mentoring:**
- In-Vehicle Alarms/Notification
 - Mentoring Grace Periods
 - Severe Thresholds

- Communication of Data:**
- Cellular
 - Satellite
 - WiFi



Our Products Correct Driver Behavior BEFORE the Crash!

inthinc™ USER INTERFACE



Fleet Dashboards

Dashboards provide for quick analysis of...

- Driver Performance
- Fleet Efficiency
- Vehicle Location
- Driving Behavior Trends

inthin[™] USER INTERFACE

Home Reports Red Flags Live Fleet Admin Drivers

Dispatch

Driver's	Updated *	
Billy Alden	27 seconds ago	
Jonathan Archer	1 hr 3 min ago	
Leon Jensen	4 hrs 25 min ago	
Leon Jensen	4 hrs 25 min ago	
Gar Douglas	5 hrs 2 min ago	
Alan Jensen	6 hrs 12 min ago	
David Seal	38 hrs 2 min ago	
Alan Jensen	Feb 19 2009 9:47 PM (MST)	
Zachary E	Feb 8 2009 6:17 AM (MST)	
Aaron Blalock	Feb 2 2009 7:54 PM (MST)	

Live Fleet

Find Address: Display: nearest vehicles

Map Satellites Hybrid

Fleet Legend

- Northern Utah
- Vehicle Bus
- Firmware Team
- Team 2
- Sahr

Geo-fencing/Zones
 Create zone parameters
 easily – identifying key
 points of interest



Admin: Zones

Zone: SLCC Redwood Campus

Map Satellites Hybrid

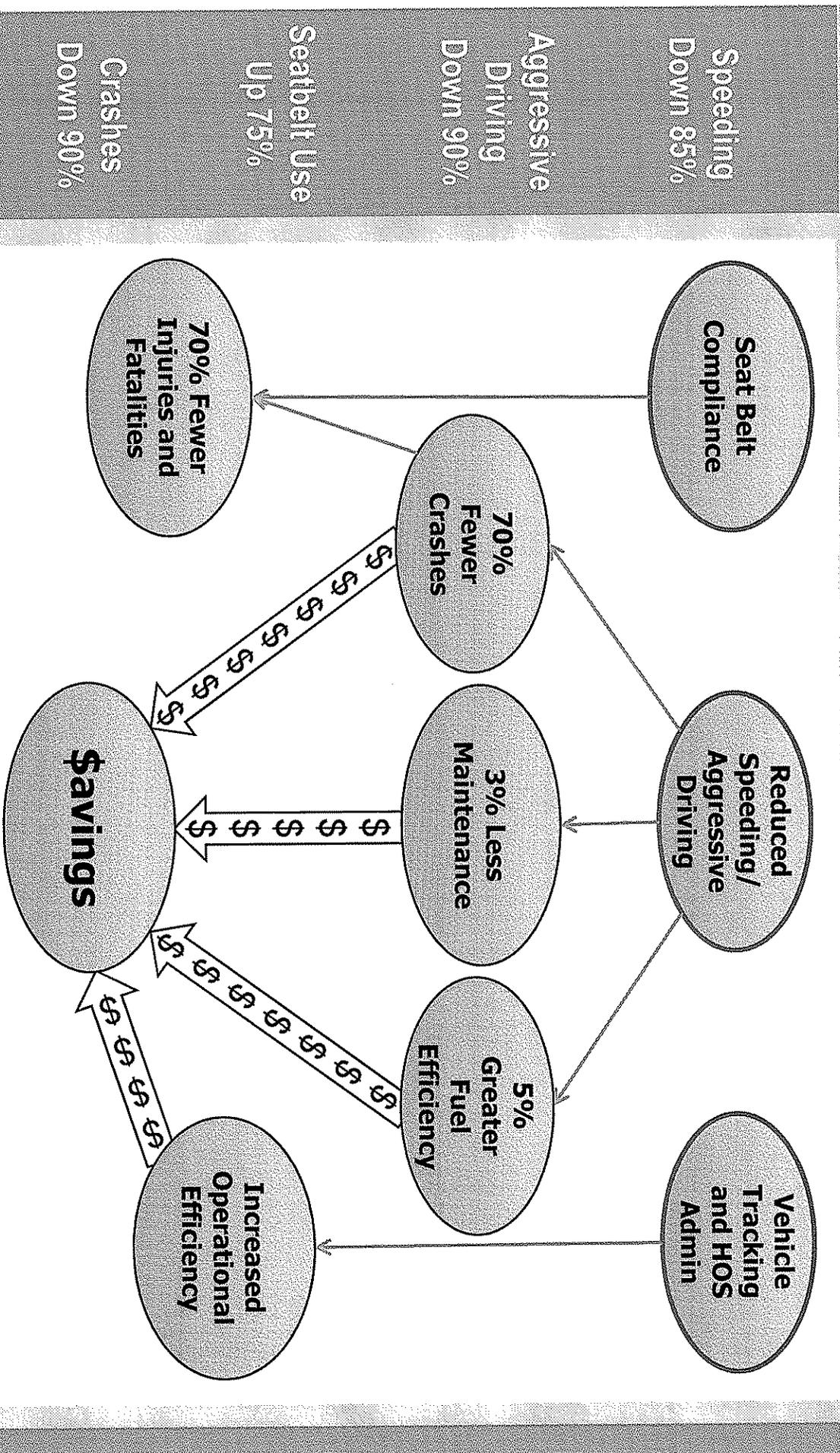
Map Add Zone Add Alert

View Vehicles Zones Red Flags Record Organization Saved by Street

Live Fleet
 Monitor your fleet quickly
 and easily with this easy-to-
 use interface.



inthinc™ Effect - Return On Investment

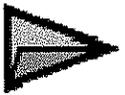


Return on Investment in Less Than One Year!

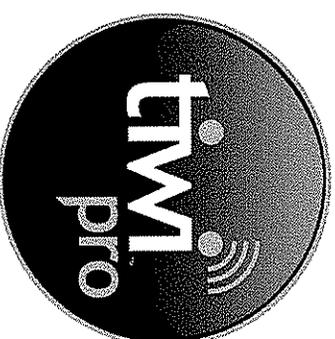
inthinc™ - Conclusion

THANK YOU

We look forward to working with you
and improving your fleet safety

 **waysmart™**

fleet safety has never looked smarter



www.inthinc.com



Motor Vehicle Review Committee

State of Utah

Jon M Huntsman, Jr.
Governor

Kimberly Hood
Executive Director
Department of Administrative Services

4120 State Office Building
Salt Lake City Utah 84114
Phone (801) 538-3014
Fax (801) 538-1773

MEMORANDUM

To: Motor Vehicle Review Committee
From: Margaret Chambers
Date: March 26, 2009
Subject: **Vehicle Leasing Proposal**
Action: **Determine if there are any area's presented that DFO should investigate**

Report on Fleet Operations: DNR (copied from meeting minutes)

Mike Styler, Executive Director, Department of Natural Resources, spoke to the assignment given at the special budget session 2008, for the Department to explore savings in transportation by studying costs within the motor pool fleet and report back to the Natural Resources Appropriations Committee during the 2009 General Session. He introduced Paul Lauria and Janis Christensen of Mercury Associates, an independent consulting firm. The Department is looking for innovative ways to reduce costs of its fleet while maintaining an acceptable level of service for employees who utilize those assets to perform their duties. Mercury Associates is an employee-owned fleet manager-consulting firm. Their primary business is to help organizations reduce fleet costs and improve fleet performance. Margaret Chambers, Director, Utah Fleet Operation and Fleet Administration, responded to questions and concerns from committee members. Alternative strategies were discussed and it was suggested Director Styler proceed with a cost reduction analysis.

The recording of the presentation is available
<http://le.utah.gov/asp/interim/Commit.asp?Year=2009&Com=APPNRA>
Wednesday Feb 11, 2009 audio first 40 minutes of the audio

Cost Savings Options Presented

1. RFP for vehicle financing and service provider
 - a. Harness competitive pressures
 - b. Create Benchmarks
2. Fleet Leasing
 - a. Lower acquisition cost – potential benefit of mass purchase
 - b. Higher residual value
 - i. Presale
 - ii. Managing days to sell
 - iii. Remarketing – paid before the vehicle is sold (ARI provides this service)
 - c. Downsize – not locked in to keeping a vehicle for the full term
 - d. Expansion - access to pools
3. Actual cost vs mileage rate
 - a. Cost transparency - Charge lessee the true cost of the repair service – hold the driver responsible for excessive wear and tear. “You should know what it costs to run your vehicle”
4. Lifecycle cost analysis for replacement vehicles
 - a. Vehicle selector - compare competing makes and models based on total cost of service
 - b. Greater flexibility of acquisition
 - i. Purchase used vehicles – it is a buyers market for larger vehicles pickup trucks and SUV’s that are 1 – 2 years old
5. Budget impacts of Pay before you go compared to Pay as you go
6. Smooth out peaks and valleys of vehicle purchase
7. Example :
 - net savings during the first 10 years
 - over 20 years there is a net cost“To the extent that there is a need for cash you may want to look at these opportunities”
8. Sell current fleet to leasing company to generate cash



Motor Vehicle Review Committee

State of Utah

Jon M Huntsman, Jr.
Governor

Kimberly Hood
Executive Director
Department of Administrative Services

4120 State Office Building
Salt Lake City Utah 84114
Phone (801) 538-3014
Fax (801) 538-1773

MEMORANDUM

To: Motor Vehicle Review Committee
From: Margaret Chambers
Date: March 26, 2009
Subject: **Legislative Updates**

Budget Requests: (attached)

Hybrid, NGV and CNG Conversions were passed on to Executive Appropriation for FY09 and FY10.

Supplemental FY09 Request for upgrade of CNG sites was passed on to Executive Appropriations.

Rate Changes

Lifecycle changed from 90,000 to 105,000 miles (impact attached)

FY09 SUPPLEMENTAL for ALTERNATIVE FUEL

Compact Sedan Hybrid (69 @ \$10,000)	\$690,000.00
Midsize Sedan Hybrid (79 @ \$5,000)	<u>\$395,000.00</u>
	\$1,085,000.00
New CNG Purchases (13 @ \$10,000)	\$130,000.00
Compact Sedan CNG Conversions (25 @ \$14,000)	\$350,000.00
Midsize Sedan CNG Conversions (25 @ \$12,000)	\$300,000.00
Truck/van CNG Conversions (25 @ \$10,000)	<u>\$250,000.00</u>
	<u>\$1,030,000.00</u>
TOTAL INCREMENTAL COST	<u>\$2,115,000.00</u>

FY09 FUEL NETWORK CNG SUPPLEMENTAL

FY2009 Supplemental needed for UDOT CNG site upgrades	\$300,000.00
FY2009 Supplemental needed for Alpine S.D. CNG site upgrades	100,000.00
FY2009 Supplemental needed for Jordan S.D. CNG site upgrades	<u>100,000.00</u>
TOTAL CAPITAL NEEDED	<u>\$500,000.00</u>

FY10 REPLACEMENT COSTS

Vehicles/Components	\$16,552,000.00
Totals (0613-10@\$25,924; 0604-4@\$12,963; 0601-2@\$17,368)	\$345,800.00
EVO replacements (13 @ \$25,924)	\$337,000.00
Class changes, extra components	\$350,000.00
DPS equipment	<u>\$300,000.00</u>
TOTAL REPLACEMENT COST	<u>\$17,884,800.00</u>

Compact Sedan Hybrid (103 @ \$10,000)	\$1,030,000.00 *
Midsize Sedan Hybrid (92 @ \$5,000)	\$460,000.00 **
New CNG Purchases (13 @ \$10,000)	\$130,000.00 ***
CNG conversions	<u>\$250,000.00</u>
TOTAL INCREMENT COST	<u>\$1,870,000.00</u>
TOTAL CAPITAL NEEDED	<u>\$19,754,800.00</u>

* The \$10,000 is for a Toyota Prius. If we purchase dedicated CNG vehicles for some of our compact sedan replacements, the incremental cost would change from \$10,000 to \$13,000 per vehicle.

** The \$5,000 cost is for a Chevrolet Malibu Hybrid.

*** At the time these numbers were calculated we understood there was a restriction on the number of dedicated Honda Civics available to fleets. Since that time we have been informed that more vehicles could be available at the time of purchase.

105,000 Lifecycle Rate Impact

		FY09 (4th Qrt)	FY10
Department Description			
_HE	HIGHER EDUCATION	(11,700)	(44,900)
_NS	NON STATE	(9,600)	
020	JUDICIAL BRANCH	(11,800)	(44,100)
050	STATE TREASURER	(100)	(300)
060	GOVERNOR'S OFFICE	(1,300)	(4,500)
080	ATTORNEY GENERAL	(3,500)	(12,900)
090	STATE AUDITOR	(300)	(1,000)
100	DEPT OF ADMINISTRATIVE SERVICE	(6,300)	(24,600)
110	DEPT OF TECHNOLOGY SERVICES	(4,800)	(18,600)
120	TAX COMMISSION	(7,200)	(28,400)
170	NAVAJO TRUST ADMINISTRATION	(400)	(1,600)
180	DEPARTMENT OF PUBLIC SAFETY	(146,500)	(585,100)
190	UTAH NATIONAL GUARD	(1,200)	(4,600)
200	DEPARTMENT OF HUMAN SERVICE	(37,800)	(146,200)
270	DEPARTMENT OF HEALTH	(5,300)	(20,300)
400	BOARD OF EDUCATION	(11,300)	(44,300)
410	DEPARTMENT OF CORRECTIONS	(45,300)	(177,700)
430	BOARD OF PARDONS & PAROLE	(500)	(1,900)
450	VETERANS' AFFAIR	(100)	(500)
480	DEPT ENVIRONMENTAL QUALITY	(6,700)	(26,500)
550	SCHOOL & INST TRUST LANDS	(3,700)	(14,300)
560	NATURAL RESOURCES	(84,100)	(329,100)
570	DEPARTMENT OF AGRICULTURE	(12,900)	(50,400)
590	PUB LANDS POLICY COORD OFFICE	(400)	(1,500)
600	DEPT OF WORKFORCE SERVICES	(8,200)	(31,200)
650	ALCOHOLIC BEVERAGE CONTROL	(900)	(3,600)
660	LABOR COMMISSION	(1,900)	(7,000)
670	DEPARTMENT OF COMMERCE	(3,000)	(11,100)
690	INSURANCE DEPARTMENT	(1,500)	(6,100)
710	COMMUNITY ECONOMIC DEVELOPMENT	(1,100)	(4,400)
810	UTAH DEPT OF TRANSPORTATION	(54,600)	(218,500)
TOTAL IMPACT		(484,000)	(1,865,200)

Bill Tracking

HB0322	Tire Recycling Fee Modifications	<i>less than 22.5 inches is \$1 and (b) 22.5 inches to and including 24.5 inches is \$2.</i>	Senate/ 2nd Reading Calendar to Rules Committee 3/5/2009
HB0392	Natural Gas for Vehicles	This bill amends the Public Service Commission's powers to authorize a natural gas vehicle rate that is less than full cost of service.	Senate/ read 1st (Introduced) 3/6/2009
HCR001	Concurrent Resolution on Certification of Compressed Natural Gas Vehicles	<p>This resolution:</p> <ul style="list-style-type: none"> . strongly urges the Environmental Protection Agency (EPA) to promptly revise and streamline the certification requirements applicable to small volume manufacturers; . urges the EPA to waive requirements for recertifying conversion kits under certain circumstances; . urges the EPA to permit small vehicle manufacturers to include vehicles and engines in a single engine category; - urges the EPA to provide additional guidance to small volume manufacturers regarding the conversion of older vehicle models; - urges the EPA to institute a natural gas vehicle research, development, and demonstration funding program; and - encourages the formation of public and private partnerships to increase the states' refueling infrastructure. 	Governor Signed 2/24/2009
SB0098	Motor Fuel Theft Penalties	Requires that the Driver License Division suspend a person's driver license (for not more than 90 days) upon receiving notice from a court that the person has been convicted of a theft of motor vehicle fuel when a motor vehicle is used in the commission of the offense.	Bill Received from Senate for Enrolling 3/5/2009
SB0149S01	Prohibition of Text Messaging or Electronic Mail Communication While Driving	This bill prohibits a person from using a handheld wireless communication device for text messaging or electronic mail communication while operating a moving motor vehicle on a highway in this state; provides exceptions to the handheld wireless communication device prohibition; provides penalties for violating the prohibition on using a handheld wireless communication device for text messaging or electronic mail communication while operating a moving motor vehicle; provides that criminal homicide is automobile homicide if a person operates a moving vehicle in a negligent or criminally negligent manner causing the death of another and was using a handheld wireless communication device for text messaging or electronic mail communication at the time of operation; provides penalties for automobile homicide in certain circumstances; provides that a judge [or justice] may order that a person's driver license be suspended for three months upon conviction for a violation of the prohibition on using a handheld a wireless communication device for text messaging or electronic mail communication while operating a moving motor vehicle; requires the Driver License Division to immediately revoke, deny, suspend, or	House/ return to Rules Comm due to fiscal impact 3/4/2009

Bill Tracking

SB0149S01	Continued	disqualify a person's license upon receiving a record of the person's conviction of automobile homicide while using a handheld wireless communication device for text messaging or electronic mail communication; and makes technical changes.	
SB0179	Safety Belt Enforcement Amendments	This bill provides that the secondary enforcement provisions for certain safety belt violations by a person 19 years of age or older does not apply to a person 19 years of age or older who is operating a commercial vehicle or a public vehicle	House/ read 1st time