



Agenda of the Motor Vehicle Review Committee

Tuesday, July 9, 2013
Utah State Capitol Complex
State Capitol, Room 250
Salt Lake City, Utah
9:00 AM

Action Item	Approval of Minutes from December 11, 2012	Tab 1
Informational	Telematics in the State Fleet	Tab 2
Informational	Vehicle Service Center Savings.....	Tab 3

Motor Vehicle Review Committee



December 11, 2012

MINUTES

Motor Vehicle Review Committee Members in attendance:

Kim Hood, Chair, absent	Department of Administrative Services
Tyler Burningham	Department of Natural Resources
Roxie Huntsman, absent	Department of Corrections
Mike McKay	Department of Public Safety
Steve McCarthy, absent	Department of Transportation
Paul Mash, Substitute Chair	Division of Purchasing
David Rees	University of Utah
Robin Erickson	Utah Clean Cities
Scott Harding	Larry H Miller

Fleet Operations and Guests in attendance:

Sam Lee	Division of Fleet Operations
Scott Bingham	Division of Fleet Operations
Gary Robertson	Division of Fleet Operations
Jeff Done	Division of Fleet Operations

On Tuesday, December 11, 2012 the Motor Vehicle Review Committee held their regularly scheduled meeting in room 250 of the State Capitol, Salt Lake City, Utah. The meeting was called to order at 11:10 am by Substitute Chair Mash.

1. Approval of Minutes from the September 25, 2012 meeting.

MOTION: Dave Rees motioned to approve the minutes from September 25, 2012.
Robin Erickson seconded the motion.

Motion passed unanimously.

2. Personal Use Rule Change to R27-3-5

Sam Lee stated the purpose of this is to receive input from the committee on rule changes. Fleet met with the Tax Commission about 5 weeks ago. They asked why we had the rule when Fleet does not have the authority to grant Take Home. Fleet is removing the language where Fleet approves personal use take home use.

Paul Mash asked where the Legislatures authority is kept. Sam Lee responded it is in statute or intent language.

MOTION: Robin Erickson motioned to approved the changes as outlined in the packet.
Dave Rees seconded the motion.

Motion passed unanimously.

3. Annual Cost Efficiency Report

Gary Robertson stated Fleet is required by Statute to create an annual cost efficiency plan. The final version of the report has not yet been released. Gary Robertson went through the Executive Summary of the plan with the Committee.

Paul Mash asked how Fleet promotes the State Fuel Network to Cities, Towns, and Counties. Gary Robertson stated there is a marketing effort done by Jeff Done. Jeff goes out and meets with them to show the cost efficiencies of switching to the State Fuel Network.

Dave Rees asked if goal number 4 to increase savings by fueling on the state network include the whole network or just the Fleet vehicles usage. Gary Robertson stated yes it is the entire State Fuel Network.

Robin Erickson stated she was impressed with the Summary.

4. Other Items from Committee Members

Dave Rees asked if there can be a future agenda item to have the Tax Commission come in and work out a process for renewing vehicle licenses which is not as cumbersome as the current process. Sam Lee stated Dave Rees has brought this up before and we need to get the Tax Commission on board with making changes.

Robin Erickson asked if the cost efficiency goals could be updated quarterly. Sam Lee stated he is fine with the yearly process of updated goals from the agencies. Fleet has the information in our system to pull the goal progress at any time.

MOTION: Dave Rees motioned to adjourn. Scott Harding seconded the motion.

Motion passed unanimously.

Meeting Adjourned at 11:30 a.m.



State of Utah

Gary R. Herbert
Governor

Kimberly Hood
Executive Director
Department of Administrative Services

4120 State Office Building
Salt Lake City, Utah 84114
Phone (801) 538-3014
Fax (801) 359-0759

Motor Vehicle Review Committee

MEMORANDUM

To: Motor Vehicle Review Committee
From: Sam Lee
Date: July 9, 2013
Subject: **Broad implementation of Telematics in state vehicles owned by DFO**

COMMITTEE ACTION: Voting on the proposal by the Division of Fleet Operations (DFO) for broad installation of telematics into non-law-enforcement vehicles owned by DFO.

BACKGROUND: Over the last two years DFO has evaluated data available from telematics devices installed on state vehicles from three vendors. The details below summarize the information gathered by DFO staff to determine the potential value of telematics in the state fleet going forward.

DATA AVAILABLE FROM TELEMATIC VENDORS

- Vehicle idle time percentage
- Bread crumb trail showing the vehicle's travel history
 - Including travel into or out of defined "geo fences"
- Driver behavior measures
 - Hard breaking
 - Hard acceleration
 - Hard dips and bumps
 - Hard cornering
- Maximum speed thresholds
 - Speed by street thresholds was only tested through the "Inthinc" telematics device
- Diagnostic trouble codes from the vehicle's computer
- Odometer readings

AGENCY FEEDBACK

- Drivers believe "big brother" is watching their every move
- Drivers question the accuracy of telematics data when identified events are different than the driver's recollection of the event
- Drivers are wary of a device that has the ability to record conversations in the cab of the vehicle
- Drivers are worried about losing their job if they are caught idling, speeding, or traveling in a place they should not be.
- Fleet contacts/managers are overwhelmed by the amount of data they feel they must respond to when an event is identified. Previous pilot agencies started ignoring the telematics information after 1-2 months as high risk behavior becomes "old news" about certain drivers when there is not

clear corrective action to be taken by the agency.

FEEDBACK FROM RISK MANGEMENT

Risk Management recognizes the potential value of a tool that will identify high risk drivers but is concerned there may be inadequate agency staff to respond to known high risk behavior. A non-response to known driver concerns will create additional liability for the state risk management fund.

HOW WILL TELEMATICS REDUCE OPERATING EXPENSES FOR DFO?

- Reduced unauthorized personal miles in state vehicles
- Reduced idle time in state vehicles
- Reduced repair cost by taking immediate action on vehicle warning codes
- Reduced accident costs by identifying high risk behaviors from state drivers

WHAT ARE THE COSTS TELEMATICS?

- Upfront hardware costs range from \$250 to \$400
- Cellular service ranges from \$12 to \$25 per month

WHO WILL PAY FOR TELEMATICS?

DFO proposes to own or lease the hardware. The cellular service for the device will be charged to the agency per month as a vehicle expense. A rate for telematics was approved in the 2012 legislative session.

RECOMMENDATION: DFO proceed with an agency by agency implementation of telematics (with the exception of law enforcement or undercover state vehicles) to determine a solid return on investment for a state-wide telematics implementation.



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MEMORANDUM

To: Motor Vehicle Review Committee
From: Scott Bingham
Date: July 9, 2013
Subject: **Vehicle Service Center Pilot**

COMMITTEE ACTION: Informational only

BACKGROUND: The State of Utah, Division of Fleet Operations (DFO), has used Automotive Resources International (ARI) contracts for 13 years. ARI manages repair and maintenance authorization for DFO owned vehicles. Using call center technicians, ARI staff coordinates the services performed, payment of work order invoices, towing, and completion of services.

During the past several years, DFO staff has grown increasingly concerned with repairs that have been authorized through ARI systems.

In June 2012, DFO opened the Vehicle Services Center (VSC) under a pilot program status. This pilot will test the efficiency and cost effectiveness of repair and maintenance authorization operated by DFO staff. During the initial stages of the VSC pilot, Administrative Services vehicles were included, shortly after the Commerce Department and the Department of Human Services vehicles were added as well.

Efficiencies include: 38% cost reduction, enhanced vehicle repair times through improved vendor relations, ability to dispatch towing services using local contracted vendors, negotiations made prior to vehicle service, call center hold times significantly reduced, the repair price management (RPM) system provides an efficient tool for the techs giving them market based pricing structures.

Proposed timeline implementation:

- 1. June 1, 2012** Implement VSC with the DAS vehicles (138)
- 2. September 1, 2012** Initial cost savings analysis (32%)
- 3. May 1, 2013** Cost savings analysis (38%)
- 4. May 23, 2013** Fleet Forum
- 5. May 28, 2013** Reminder communication
- 6. June 1, 2013** Implement VSC with the DHS vehicles (497)
- 7. September 1, 2013** Compile a full cost analysis of 651 vehicles
- 8. September 15, 2013** Decision point to continue to a full fleet implementation