



## Agenda of the Motor Vehicle Review Committee

Tuesday, September 27, 2011  
Utah State Capitol Complex  
State Capitol, Room 250  
Salt Lake City, Utah  
10:00 AM

Action	Approval of Minutes from December 14, 2010.....	Tab 1
Information	DFO Rate Comparison to the Private Sector.....	Tab 2
Action	Telematics in State Vehicles.....	Tab 3

# Motor Vehicle Review Committee



December 14, 2010

## MINUTES

### **Motor Vehicle Review Committee Members in attendance:**

Kim Hood, Chair, absent	Department of Administrative Services
Sal Petilos, Substitute Chair	Department of Administrative Services
Scott Strong	Department of Natural Resources
Roxie Huntsman, absent	Department of Corrections
Mike McKay	Department of Public Safety
Steve McCarthy	Department of Transportation
Paul Mash	Division of Purchasing
David Rees	University of Utah
Robin Erickson, absent	Utah Clean Cities

### **Fleet Operations and Guests in attendance:**

Sam Lee	Division of Fleet and Surplus Services
Gary Robertson	Division of Fleet and Surplus Services
Corry Hill	Division of Fleet and Surplus Services
Scott Bingham	Division of Fleet and Surplus Services
Gala Dumas	Division of Fleet and Surplus Services
Tami Nelson	Division of Fleet and Surplus Services
Jeff Done	Division of Fleet and Surplus Services
Bret Burgon	Division of Risk Management
Mike Kilcrease	Department of Workforce Services
Keith Davis	Department of Human Services

On Tuesday, December 14, 2010 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 10:12 am by Substitute Chair Petilos.

**1. Approval of Minutes from the September 28, 2010 meeting.**

**MOTION: David Rees moved to approve the minutes. Second by Scott Strong**

**Motion passed unanimously**

**2. Enterprise Rental Changes**

The action today is to approve Fleet Operations to use the WSCA (Western States Contracting Alliance) contract for Enterprise Rental Car and drop the DFO contract with Enterprise Rental Car. The purpose of the change is State Travel has had a rental car contract with Enterprise Rental Car and Fleet Operations has had their own rental car contract with Enterprise Rental Car. Now that State Travel is under the Fleet Operations umbrella we are looking for ways to save money and simplify. We are proposing to eliminate the Fleet Operations rental contract and move to the WSCA rental contract held by the State Travel office. Moving to the WSCA contract forces the removal of the GasCard from Enterprise rentals. The state traveler would need to pay for the fuel either with their own money or with a State Travel Card and request reimbursement from their Department.

Dave Rees asked what are the advantages of switching the contract and getting rid of the GasCard. Sam Lee stated the main purpose of changing the contract is the insurance. Under the DFO contract we have \$500,000.00 worth of coverage. Under the WSCA contract we have \$1,000,000.00 worth of coverage, which doubles our coverage. The rates between the two are basically the same.

Steve McCarthy asked why we could not use the GasCard with the WSCA contract. Sam Lee stated the Enterprise does not like the GasCard. DFO's contract had the GasCard written into it. The WSCA contract is a nationwide contract and it was not written to include the GasCard. Enterprise also does not like the liability involved with having control of the GasCards.

Dave Rees asked if the agencies could have a stack of GasCards on hand at their locations to use on Enterprise rentals. Sam Lee stated he did not want to make a decision on that now, but does not see it happening since we need to track which reservation the GasCard is used on.

Scott Strong asked to see the analysis done to see the difference in cost from one contract to the other. Sam Lee stated the WSCA contract has a 2.5 percent increase in cost, but the extra insurance makes up for that.

Keith Davis with Human Service stated he was concerned with losing the GasCard. Sam Lee stated one of the reasons DFO would like to get rid of the cards is there is the potential for theft. There are two hundred GasCards at Enterprise locations with a bulk pin assigned to them which creates a liability. With the State Travel Card it is in the employees name and they are responsible for it.

Dave Rees asked if during the analysis if the increase in fuel costs was accounted for. Since we are no longer using the GasCard we lose our tax rebate. Sam Lee stated it is a wash since the administrative burden of having the card is not there. Dave Rees countered is it really eaten up or is it just transferred to the agency? Sam Lee stated he can see that the burden is moved to onto the agency.

Dave Rees asked if the insurance is really a factor. Brett Burgon from Risk Management stated the insurance is a huge. It only takes big accident and the cost will be made up. The cost is very minimal compared to the amount of liability insurance we receive.

**MOTION: Dave Rees motioned to recommend Fleet Operations drop the Fleet Operations Enterprise contract and use the WSCA contract. Second by Paul Mash.**

**Motion passed unanimously.**

### **3. Full Size Van Protocol**

Sam Lee stated this is informational only. Over the past year Fleet Operations and Risk Management have been working on updating the Full Size Van Protocol. We are not currently ready to publish this information since we are still testing the dual wheel configuration. Fleet Operations would like feedback from the committee.

Dave Rees stated that an 8 passenger van should not be included in the protocol. The risk of an 8 passenger is not the same as a 12 passenger van. Brett Burgon from Risk Management stated the studies show that the full size 8 passenger van still has the same risk of roll over as the 12 passenger van. Dave Rees stated if the van is capable of carrying 9 or more passengers it falls under the protocol. Brett Burgon stated that if you have a 12 passenger van and take out the rear seat it becomes an 8 passenger van, but it should still be on the protocol because it was a 12 passenger. Brett Burgon stated he would take the information back to Risk Management and find out how they feel about it.

**MOTION: Dave Rees moved to adjourn.**

Meeting ended at 11:53 am.



# Motor Vehicle Review Committee

## State of Utah

Gary R. Herbert  
*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: September 27, 2011  
Subject: **Cost Comparison Study to the Private Sector**

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**ACTION:** Informational only, no action required.

**INTRODUCTION:** Utah code 63A-9-401(1)(j) requires the Division to:

Conduct an annual market analysis of proposed rates and fees, which analysis shall include a comparison of the division's rates and fees with the fees of other public or private sector providers where comparable services and rates are reasonably available

**BACKGROUND:** DFO staff recently conducted a market rate analysis to determine how its current vehicle rate structure compares to private sector rates. The study compared the top 14 vehicle classes leased by Fleet Operations, which represents almost 70% of the state fleet.

The market comparison was accomplished through a Request for Information (RFI) response conducted by the Division of Purchasing. The RFI asked leasing vendors to provide a price that represented their best monthly lease rate. The response from the vendors was made with the assumption that the leased vehicle could be replaced between 2 and 12 years and/or 105,000 miles (this is the structure of the current DFO rate schedule).

The following four vendors responded to the request for information:

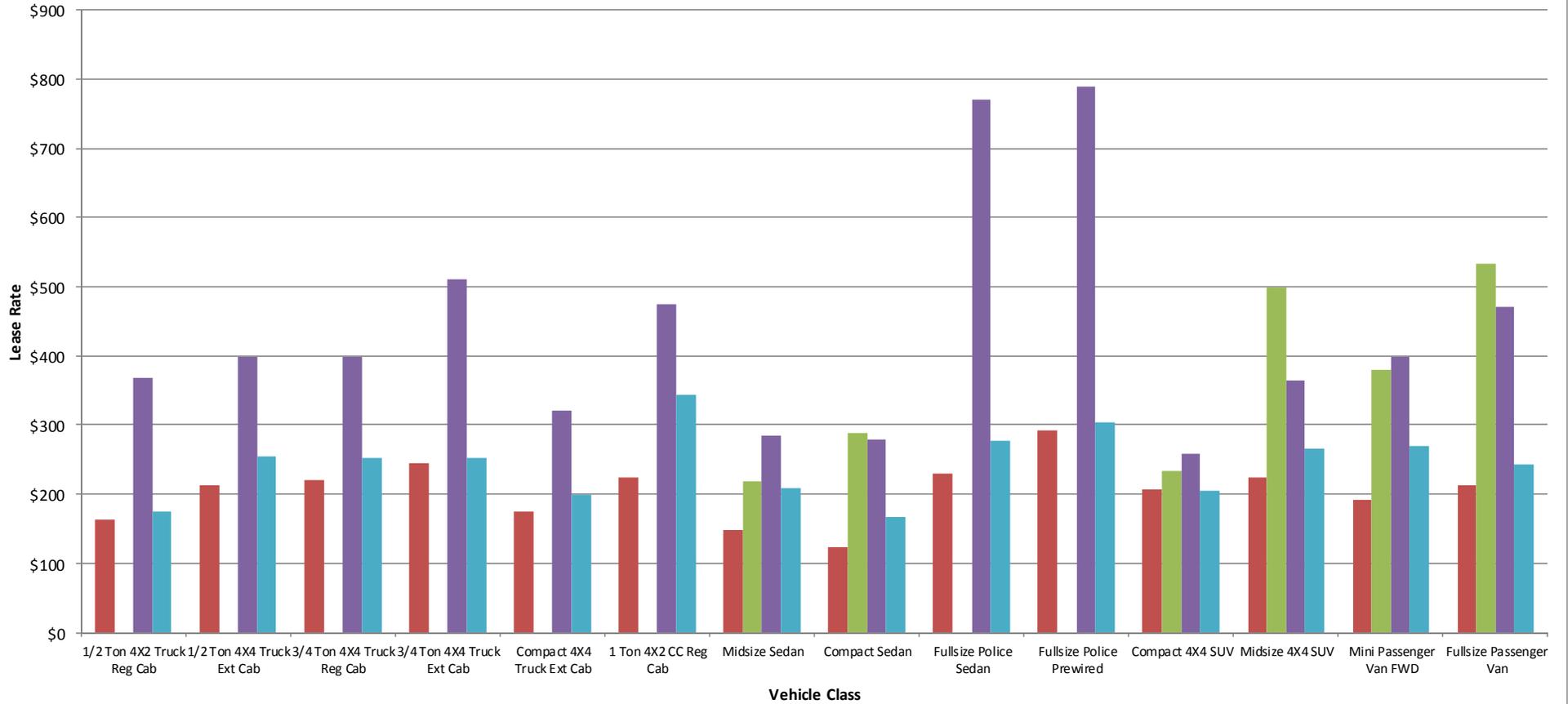
Acme Leasing – National Vendor  
ARI Leasing – National Vendor  
Hinckley Leasing – Local Vendor  
Lewis Transportation – Local Vendor

**SUMMARY:** DFO concluded that the average lease from the private sector was \$143 more per vehicle per month than the average leased vehicle from DFO.

See the attached chart that shows how DFO's rates compare to the private sector companies at a seven year replacement schedule (DFO's average replacement time).

## 2011 Private Sector Lease Rate Comparison (7-year life)

■ DFO ■ ARI ■ ACME ■ Hinckley





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# Motor Vehicle Review Committee

### MEMORANDUM

To: Motor Vehicle Review Committee  
From: Scott Bingham  
Date: September 27, 2011  
Subject: **Telematics in State Vehicles**

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**ACTION:** Approve Division of Fleet Operations (DFO) staff to charge agencies the actual cost of telematics technology in state vehicles.

**BACKGROUND:** Over the past three years, DFO has held several contracts related to telematics technology for use in state vehicles. These contracts have been utilized to test the use of telematics technology and validate the incremental and ongoing costs associate with tracking State of Utah assets through GPS.

The two different telematics technologies (vendors) used during the pilot testing included:

Network Fleet – the device was hidden so the driver was unaware of the telematics technology.

Inthinc – the device is installed to give the driver real time feedback when a “driving violation” occurred.

Initial testing of a very limited number of the Network Fleet units produced information that helped DFO understand the usefulness of the telematics technology and we expanded the pilot to 50 units with the Inthinc Company. Inthinc devices offer “In-cab driver mentoring” in real time and are designed to improve driver behavior in the areas of speed (above the posted limit), hard acceleration, hard stops, hard turns, and seatbelt use.

DFO supports the use of telematics in state vehicles as a tool for agencies to track employee driving behavior and vehicle use. DFO intends to arrange a full array of telematic options on state contract to meet the needs of agencies as requested.