



# **House Interim Committee on State Fleet of Motor Vehicles and Airplanes**

## **Committee Members:**

**Chair - Rep. Glenda Kelly**

**Vice Chair - Rep. Joan Bray**

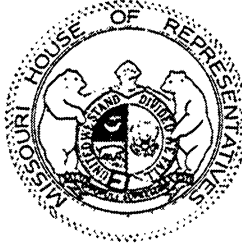
**Rep. Timothy Green, Rep. Katherine Hollingsworth,**

**Rep. Mark Hampton, Rep. Larry Crawford,**

**Rep. Annie Reinhart, Rep. Carl Bearden,**

**Rep. Charlie Shields**

**JIM KREIDER**  
**SPEAKER**



STATE REPRESENTATIVE  
DISTRICT 142

MISSOURI HOUSE OF REPRESENTATIVES

## **House Interim Committee on State Fleet of Motor Vehicles and Airplanes**

**Membership:** The Speaker hereby appoints the following Members of the Missouri House of Representatives to the House Interim Committee on State Fleet of Motor Vehicles and Airplanes:

Kelly (27)—Chairman	Crawford
Bray—Vice Chairman	Reinhart
Green (73)	Bearden
Hollingsworth	Shields
Hampton	

**Charge:** The House Interim Committee on State Fleet of Motor Vehicles and Airplanes is charged with investigating, generally, the use and ownership of the state fleet of motor vehicles and airplanes by state agencies. The Committee is further charged with investigating the appropriations for the fleet and airplanes for the 2002 fiscal year.

**Hearings:** The Committee shall hold no more than four (4) public hearings, one to be held in the State Capitol and the remaining locations to be determined by the Chairman.

**Resources:** The Committee may use the professional and technical resources of the Committee on Legislative Research, House Research, House Communications, House Information Systems, and House Publications to assist in its fact finding and deliberations.

**Report:** The Committee shall issue a report and make such recommendations as deemed appropriate under the charge to the Office of the Speaker no later than November 15, 2001. The report shall contain a list of all witnesses and a summary of the testimony received at each public hearing, a summary of the Committee's findings, and any recommendations agreed to by a majority of the members of the Committee. Members may sign their names to the report, however, no dissenting or minority reports shall be included.

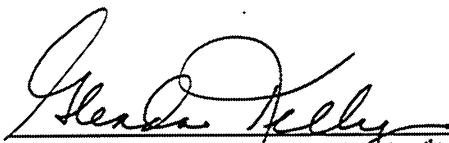
**Expenses:** The reasonable, actual, and necessary expenses of the Committee in furtherance of its charge will be reimbursed from the House Contingency Fund.

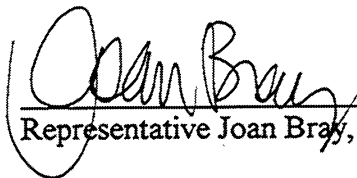
February 5, 2002


The Honorable Jim Kreider  
State Capitol, Room 308  
Jefferson City, Mo 65101

Dear Mr. Speaker,


The undersigned members of your Interim Committee on State Fleet of Motor Vehicles and Airplanes have completed their study on this issue and submit the attached report.


  
Representative Glenda Kelly (27<sup>th</sup>), Chair

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Representative Joan Bray, Vice Chair

  
Representative Carl Bearden

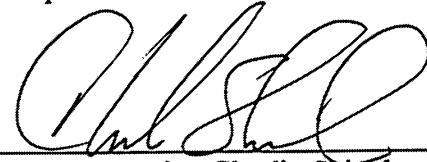
 73  
Representative Timothy Green (73<sup>rd</sup>)

  
Representative Larry Crawford

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Representative Mark Hampton

  
Representative Annie Reinhart

  
Representative Katherine Hollingsworth

  
Representative Charlie Shields

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## **I. Introduction**

The House Interim Committee on State Fleet of Motor Vehicles and Airplanes was appointed by the Speaker with the charge of investigating, generally, the use and ownership of the state fleet of motor vehicles and airplanes by state agencies. The Committee was also charged with investigating the appropriations for the fleet and airplanes for the 2002 fiscal year.

Missouri House members appointed to the committee were:

Representative Glenda Kelly(27th), Chair  
Representative Joan Bray, Vice Chair  
Representative Timothy Green(73rd)  
Representative Mark Hampton  
Representative Katherine Hollingsworth  
Representative Carl Bearden  
Representative Larry Crawford  
Representative Annie Reinhart  
Representative Charlie Shields

Prior to all hearings the Committee requested state agencies, colleges and universities, and elected officials to submit their current inventory of airplanes and motor vehicles. Motor vehicles include licensed and highway use cars, vans, buses, motorcycles, pick-up trucks, and light, heavy duty and extra heavy duty trucks. All inventory items submitted were to be identified by vehicle identification number, year, make, model, description, odometer reading ( hours for airplanes), purchase date and price, and individual assignment of vehicle. The committee also requested agencies and officials to submit their purchase and replacement policy and procedures, maintenance policy, commuting or travel policy, and justification for assigning vehicles.

The Committee held hearings in Jefferson City, November 5<sup>th</sup>, 6<sup>th</sup>, 26<sup>th</sup>, and 27<sup>th</sup>. On the morning of November 6<sup>th</sup> the airplanes owned by the Departments of Conservation and Transportation, the Office of Administration, and the Division of the Missouri State Highway Patrol housed at the Jefferson City Airport were viewed by the committee.

## II. Committee Findings

The efficient use of state vehicles has been a concern of state officials for many years. The purchase and upkeep of vehicles is a considerable investment to the state of Missouri. Accurate information relating to the inventory of state vehicles is very important to the state budget process.

State Auditor, Claire McCaskill, appeared before the committee on November 5<sup>th</sup> and presented the September 25<sup>th</sup> state fleet management audit. This audit concluded that the state does not know how many vehicles it owns, vehicles are underutilized and not replaced at an optimal point, and some purchases do not comply with normal budgeting procedures. The audit suggests these conditions exist because the state does not have standard vehicle management policies. Instead, the state operates a large, decentralized vehicle fleet where each state entity manages its own fleet. Vehicle management policies at the state entity level are not consistent and, in some cases, do not exist. This audit indicated there are approximately 15,839 vehicles (See Appendix C).

The audit concluded there is a need for a standardized approach by all state entities to the management of their fleets and recommended that the Commissioner of the Office of Administration set statewide policy for fleet management and ensure that the policy includes the minimum requirements for a vehicle management program. The Auditor recommended that the policy should include the following requirements:

- Minimum mileage use requirements.

- Vehicle replacement policies, including replacement thresholds by vehicle type.

- Vehicle purchasing and budgeting procedures.

- Preventive maintenance, including maintenance schedules.

- Allowable and unallowable uses and the records required to account for such use.

- Justification for assigning vehicles to individuals.

- Justification for commuting.

The committee also found that in 1997 the Council On Efficient Operations (See Appendix D) investigated ways to improve efficiency of the state vehicle fleet and made the following recommendations:

1. Develop and implement a collaborative plan for purchasing, replacing, and re-marketing state vehicles.
2. Implement a standard vehicle tracking policy and method.
3. Implement a standard vehicle assignment and use policy.
4. Develop and implement a comprehensive maintenance program for all state vehicles.
5. Implement a fuel program, utilizing an electric fuel card, to be used by all state vehicle fleets.
6. Standardize the decision process when selecting vehicle travel methods (personal, state, or rental).

The committee endorses the recommendations of the Council On Efficient Operations. However,

the committee is appalled that only one of the council's recommendations has been consistently implemented within state government:  
a fuel program, utilizing the electronic fuel card "Voyager".

During the months of October and November the committee attempted to identify all state vehicles and airplanes. The committee requested every department, elected official, and state university and college to identify their fleet inventory. Based on the information returned from various agencies, this committee found approximately 14,507 state vehicles and 72 state airplanes(See Appendix E).

Collecting information was difficult because there are no consistent written policy and guidelines. The committee found, in many cases, that a department or a department division independently determines the size of its fleet, how vehicles are purchased, how vehicles are used, who is assigned vehicles, when to replace vehicles, and record keeping on vehicles. Some departments even allow their divisions, agencies, regional offices, or even individual facilities to manage their fleet independently.

Agency policy on vehicle utilization, replacement, and assignment practices among others raised great concern with the committee. The justification for assignment of vehicles was inconsistent among agencies. One factor for vehicle assignment voiced to the committee is that certain level positions may require an "on-call" status. However, there was no definition of "on-call", or a policy to specifically define when a vehicle assignment is justified because the employee is "on-call".

The replacement of vehicles at the appropriate time is important to obtain a substantial return on the state's investment and prevent excessive maintenance and operating cost. However, the committee found that half of the state entities did not have a vehicle replacement policy. Where replacement policies were implemented, records showed a replacement range anywhere from 49,500 to 150,000 miles. For informational purposes it should be noted that the federal General Services Administration uses a range of optimal vehicle replacement thresholds of 40,000 miles (for four-wheel drive vehicles), 50,000 miles (for light-duty trucks), 60,000 miles (for sedans and station wagons), and 80,000 miles (for heavy-duty trucks). State agencies testified that if they could retain the revenue from the sales of their surplus vehicles it would help them replace vehicles sooner.

State vehicle records show that a number of state vehicles are underutilized. According to the Council on Efficient Operations passenger vehicles in public sector fleets should be driven at least 15,000 miles per year. Low mileage is an indicator that a fleet has too many vehicles or is not using them efficiently. With appropriate record keeping to track vehicles and standardize vehicle use policies the state could significantly reduce the number of underutilized vehicles and the size of its vehicle fleet thus affording the state a substantial savings.

The committee made an attempt to reconcile the number of vehicles as reported to the license plates issued by the Department of Revenue on state vehicles. However, vehicle information retained by the Department of Revenue is not in a format that will allow any computing or processing capabilities. In this attempt to reconcile the vehicle count, the committee worked with the Department of Revenue and the Office of Administration and devised a template model to reconcile the state fleet inventory.

The committee found similar issues in the management of aircraft fleet as it found with the vehicle fleet. Each entity owning aircraft has its own management policy. However, most agencies with aircraft have implemented a maintenance policy. Agencies owning aircraft testified they have adopted and follow the Federal Aviation Administration (FAA) maintenance guidelines. The committee recommends a coordinated management policy. The policy should have evaluations as to where, when, and at what cost flights occur; accurate and adequate records of flights and passengers; and frequent flight cost allocation studies.

State ownership of aircraft requires a significant investment. Currently, the departments of Transportation and Conservation and the Office of Administration are the major entities owning state aircraft. The committee concluded significant cost savings may be realized if air transportation were consolidated under the Office of Administration. The departments of Conservation and Transportation are constitutional departments. Statutory and constitutional issues may arise with the consolidation of their fleets. The committee recommends an aviation consultant should be retained to examine statutory and constitutional issues and the feasibility of consolidating air transportation under the Office of Administration.

If consolidation is not feasible, the committee believes, cost savings still can be achieved by implementing appropriate flight policies, better communication between agencies, and establishing cost sharing policies and procedures.



### **III. Committee Recommendations**

1. Establish a statewide fleet management program under the of the Office of Administration. This management program should encompass the following:
  - A standard vehicle tracking system
  - A central revolving fund within the Office of Administration to retain funds for the purpose of purchasing state vehicles
  - A comprehensive maintenance program
  - A policy to ensure state vehicles are used solely for state business
  - Annual safety inspection of all vehicles
  - Compliance of all state purchasing policies
  - Annual reporting of the state fleet(See Committee Sponsored Legislation-Appendix B)
2. Standardize the decision process for selecting vehicle travel methods.
4. Establish a standardized policy on transporting personnel.
5. Eliminate air transportation of members of state commissions to scheduled commission meetings.
6. Retain an aviation consultant to determine the feasibility of consolidation of the state's air transportation.

## APPENDICES

- A. List of witnesses appearing before the committee.
- B. Committee Sponsored Legislation (HB-1404)
- C. Performance Audit of State Vehicle Fleet, State Auditor (Report No. 2001-94).
- D. Vehicle Management and Maintenance, Council On Efficient Operations.
- E.. Committee Gathering of Agency Inventory and Policy (This is a 2 volume document identifying every state agencies motor vehicles and policies relating to use of these vehicles. The 2 volumes contain approximately 4000 pages of information).

(The appendices can not be viewed on the Internet due to the large volume of pages. The complete report with appendices can be viewed at the Legislative Library in the Missouri State Capitol building)