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CABINET SECRETARY

STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION  
FLEET MANAGEMENT DIVISION  
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11/16/2020

Cabinet Secretary, Allan McVey  
West Virginia Department of Administration  
1409 Greenbrier Street  
Charleston, WV 25311

**Re: HB4015, State Vehicle Fleet Annual Report for FY2020**

Dear Secretary McVey,

Included with this cover letter is the State Vehicle Fleet Annual Report for FY2020. HB4015 requires the Fleet Management Division to provide this report on or before Dec. 31<sup>st</sup>. Due to the size of the document, a flash drive has been provided that contains the following: Fleet Annual Report, Appendix 1-Inventory, Appendix 2-Fleet Operating Cost, Appendix 3-Exempt Reporting, Appendix 4-Utilization, Appendix 5-Reimbursements and Rentals, Appendix 6-Noncompensatory Drivers, Appendix 7-Auditor's Spot Compliance, FY2019 Complaints, and a copy of this letter with the summary charts.

Below is an executive summary chart that contains the State's inventory, vehicle requests, and maintenance and fueling activity since 2014. A historical accounting was not required by HB4015, but FMD thought a historical perspective would be beneficial.

**Inventory:** FMD's purview covers 1 ton and under vehicles and that inventory has decreased since 2014. With the impending passage of HB4015, and with the assistance of wvOASIS, FMD started reporting all licensed units which including vehicles over 1 ton and trailers. The State's wvOASIS licensed motorized vehicle count is 8,868. There are 1,707 non-motorized licensed units (trailers), and third party leased vehicles bringing the total licensed inventory number to 10,575. The attached chart and graph below are from ARI and lists the state's inventory by the agency operating the vehicle. The provided breakout is by cabinet level.

**Vehicle Acquisitions and Decommissions:** The number of vehicle requests fluctuates each year. For the MV17 contract year, the state purchased the least number of vehicles at 409. MV15 was the largest year with 872 vehicle requests. The State has had a moratorium on the purchase of new vehicles since March 2017, requiring agencies to seek the Governor's Office approval before acquiring a new vehicle. The replacement criteria has also been increased from 4 years and 100,000 miles to 5 years and 120,000 miles. The state averages 550 decommissioned vehicles/year. Depending on how an agency disposes of a vehicle, not all vehicles are considered decommissioned. Agencies' internal transfers, scrapped vehicles, lease returns, and total loss vehicles are not counted under the category of decommissioned. The attached chart and graph provide a breakout by cabinet level and vehicle class.

Maintenance and Fueling Costs: Maintenance and fueling cost continues to increase. HB4015 requires agencies to use FMD services for maintenance and fueling. The increase in the number of participants impacts the overall cost. In 2014, FMD had 2,600 units using maintenance services, as of 10/1/2020 there were 3,203 using FMD's maintenance services. The same applies for fueling services, which increased from 3,700 to 4,752. FMD attributes the increase in operating cost to the addition of more vehicles using FMD's services.

FMD has contracted to add telematics and an online reservation system with a kiosk and vehicle key lock box. Telematics is the tool and service that can answer who, what, when, where and why a state vehicle is being utilized. Telematics is the final piece of the puzzle that completes HB4015 required efficient management of state vehicles. The online reservation system with the kiosk and vehicle key lock box is the tool and service to facilitate the sharing of state vehicle across agencies. The service could be utilized to reduce the number of state pool vehicles. Both services are currently being offered and agencies may elect to participate. FMD anticipates the need for future legislation to mandate agencies participation with both services.

FMD will continue to provide the tools and services to allow the agencies to manage their fleets in an efficient and effective manner. Please let me know if you have any questions.

Sincerely,



Kenny Yoakum