REPORT ON

FLEET MANAGEMENT OPERATIONS

FOR THE

STATE OF SOUTH CAROLINA

B&CB

MAY 2005

PRESENTED BY

MERCURY ASSOCIATES, INC

MERCURY

May 9, 2005

Honorable Members of the Budget and Control Board:

Governor Mark Sanford, Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee;
Representative Robert W. Harrell, Jr., Chairman, Ways and Means Committee.

Dear Sirs:

Mercury Associates, Inc. is pleased to submit this report on our study of the State of South Carolina's fleet management operations. The objective of our study was to identify ways that the State can save money, improve efficiency in the delivery of services to the public, and enhance the productivity of State employees.

The report that follows is the product of hundreds of hours of work by a team of eight consultants. While we have found significant cost saving opportunities for the State, we also have identified areas that have suffered from consistent under-funding and that will require future investments by the State if fleet operations are to be optimized. We also are recommending fundamental changes in the way that the State organizes and finances its fleet management program, as well as changes in a number of fleet related policies.

We would like to thank the staff of the Budget and Control Board, State Fleet Management, and employees at all of the agencies that participated in this study. The cooperation and courtesy extended to our staff by all of the State employees involved in this study was much appreciated.

Very Truly Yours:

Randall G. Owen
Senior Vice-President

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EXECUTIVE SUMMARY

This report presents the results of Mercury Associates' strategic review of fleet management activities in the State of South Carolina. The State owns a very large fleet of over 20,000 assets (when all units with motors and/or wheels are included in the count). While it is impossible to know for certain how much State agencies and colleges spend each year on fleet activities (due to the decentralized nature of fleet management and inconsistencies in accounting practices), we estimate that the costs for the State to own and operate its large and diverse fleet exceed $100 million each year.[1]

All large service organizations operate sizeable fleets of vehicles, of course, and it is no exaggeration to say that the business of state government in South Carolina could not be accomplished without its fleet of vehicles and other motorized equipment. Our focus in conducting this study for the State of South Carolina, therefore, was on identifying ways to improve management of fleet assets in order to move employees around the State in the most efficient manner possible, to leverage economies of scale, to reduce redundancies, and to save money.

Any comprehensive review of an established business activity is likely to confront some sacred cows, parochial interests, and political complications. We found this to be especially true in our review of fleet management activities in South Carolina where decision-making authority has traditionally been diffused and decentralized. Achieving consensus among stakeholders on issues such as more or less centralization, more or less outsourcing, required funding levels, and size of the fleet is always a difficult task and particularly so in South Carolina. While our study approach was inclusive by design, we focused on providing the State with the perspectives of an unbiased and independent third-party expert rather than on achieving consensus. Therefore, our recommendations for improving fleet management operations in South Carolina are based on the best possible technical analysis – irrespective of political considerations and agency preferences.

In the following sections of this Executive Summary we highlight the most important findings and recommendations that resulted from our study, with a focus on strategic issues that will have the greatest impact on the cost and quality of fleet services in the State. A complete list of study recommendations is also provided at the end of this section of our report.

[1] Inclusive of asset depreciation, replacement of fleet assets, maintenance and repair, fuel, personnel costs, and overhead costs.

Strategic Improvement Opportunities

- ✓ *Centralize Fleet Management and Operations:* From a strategic perspective, the most pressing problem facing the State of South Carolina in the area of fleet operations is a lack of centralized, coordinated, and consistent management. Although a centralized fleet management program exists; i.e. the Budget and Control Board's State Fleet Management (SFM) section; only ten-percent of the State's fleet assets are under SFM's direct management. The remaining assets are managed and maintained by dozens of separate agencies which, for the most part, exercise near-autonomous discretion over the manner in which fleet operations are managed and funded (despite the existence of comprehensive fleet management statutes and policies).

  South Carolina's decentralized approach to fleet management has led to pronounced inconsistencies in operating procedures, weaknesses in financial management and accounting practices, duplication of effort, parochial attitudes, and, with few exceptions, a distinct lack of cooperation among many agencies. These conditions have resulted in generally poor management of fleet assets, cost millions in unnecessary fleet expenditures, and encouraged line agencies to devote countless hours and resources to fleet support issues rather than core functions.

  These issues can only be addressed through a fundamental shift in the organization of fleet management activities in South Carolina. SFM employs the State's professional fleet management staff and, therefore, should assume primary responsibility for most fleet management activities. Line agencies should focus on their core mission activities rather than dabbling in fleet management and maintenance. Consequently, we recommend that SFM assume management of all light-duty vehicles (including those assigned to DOT, DOE, and colleges) and lease these units back to agencies that require permanently assigned transportation vehicles. We are also recommending that a number of agency-run maintenance shops in Columbia be closed or transferred to SFM's control. Remaining shops (for the most part outside of the Columbia area) should have to meet stringent certification requirements (including adoption of standardized cost accounting procedures) if they are to continue in operation.

- ✓ *Improve Planning and Funding Levels for Fleet Replacement:* Fleet operations and agencies' missions are hampered by inadequate fleet replacement planning and funding. Large segments of the State's fleet are old and exceed standard industry replacement criteria by a large margin. This has led to high operating costs, excessive vehicle downtime, lost employee productivity, and "fleet creep" as agencies have accumulated spare vehicles to compensate for unreliable front-line units.

  In addition to spending more money on replacing fleet assets, the State should also

centralize fleet replacement planning in SFM, develop a multiple- year recurring spending plan to smooth out inherent peaks and valleys in funding requirements, and discontinue annual cash appropriations by outsourcing fleet financing to the private sector (through the Treasurer's Master Lease program with a commercial bank).

- ✓ *Right-size the Fleet:* South Carolina would be well served by taking steps to own a newer, smaller fleet. Adoption of an optimized fleet replacement planning and funding strategy will enable the State to reduce the size of its fleet by around 1,000 units in the short-term. Additional reductions in future years will be available as the need for most spare vehicles is eliminated and the State implements our recommendations for development of cost charge-back systems in all agencies and for an on-going utilization management program.

- ✓ *Manage and Control Mileage Reimbursements:* A further issue facing the State is ineffective management in the area of reimbursement of employees for using their personally owned vehicles (POV) on State business. This activity represents a significant cost to the State with $13 million in reimbursement payments in FY 2004. During our review we found that existing State policies in this area are vague, many State agencies don't follow existing policies anyway, and there is a complete disconnect between mileage reimbursement practices (which are viewed as a travel function) and other fleet management activities (such as criteria for approving assignment of a State vehicle to employees). As a result, many State employees are receiving over $10,000 per year in mileage reimbursement payments and the State is spending much more in his area than is necessary.

- ✓ *Establish Consistent Financial Management Practices:* Financial management practices are another area that requires improvement if the State is to optimize its fleet program. The absence of a standardized costing methodology that complies with Federal standards and generally accepted accounting practices has resulted in many agencies understating the costs of their internal fleet operations. This had led to agencies reaching erroneous management decisions (regarding the costs and benefits of operating repair shops and keeping older vehicles in service, for instance) that have been based on inaccurate costs and other data. It has also left the State vulnerable to demands for rebates and fines from the Federal Government for violations of standards relating to requirements for state and local governments to receive reimbursement for costs of programs partially subvented by the Federal Government.

  Development of a standardized costing model for use by agencies that remain involved with fleet management activities (for heavy equipment activities, for instance) will produce better management decisions that are based on complete and accurate cost and performance data. The standardized methodology put in place should be based on the model employed by SFM that includes fully allocated costs in an Internal Service Fund coupled with a charge-back system to accurately

distribute fleet related costs to programs and activities.

- ✓ *Acquire a Statewide Fleet Management Information System:* Many State agencies struggled to compile the data and information necessary for this study. This is a consequence, we believe, of agencies collecting and tracking data through widely diverse information systems that, for the mot part, cannot exchange data with one another. Moreover, because not all agencies report budget data to the Comptroller General's Office, there is no central repository for fleet management and cost information. Manual processes also still persist, as is the case with POV mileage reimbursement claims, and crucial links between related functions (such as between POV claims and motor pool reservations) have not been developed.

  The old adage that "if you can't measure it, you can't manage it" applies to South Carolina's fleet operations. If the State can't identify what it's spending for fleet operations and POV reimbursements and how it is expending those funds, it can't properly manage and control them. Consequently, acquisition of a centralized fleet management information system must be a near-term strategic initiative for the State.

- ✓ *Implement Targeted Fleet Program Improvements*: We also provide several tactical recommendations to improve existing fleet-related business processes in a number of areas including SFM's commercial vendor repair program, shop certification program, cost charge-back system, and replacement planning process.

Savings Opportunities

Significant opportunities to achieve cost-savings are available to the State through implementation of the recommendations contained in this report. Projected budget savings over five years are summarized in the following table:

Saving Opportunity	Amount
Changes in Financing Approaches	$40.0 million
Reductions in Fleet Size	$5.0 million[2]
Changes to POV Reimbursement Practices	$5.8 million[3]
Centralization of Fleet Activities	$1.0 million
Total	$51.8 million

Before elected officials plan to spend these savings, it is important to emphasize that significant additional investments are required in order to optimize the State's fleet management program and, in some cases, to secure the projected savings. These

[2] Includes auction revenue of $1.9 million but does not include cost avoidance of $19 million from not replacing unneeded vehicles in the future.
[3] Does not include an additional $1.5 million in cost avoidance from reduced voucher processing volume.

investments include increased funding for replacing aged light-duty vehicles (amount unknown at this time and must be quantified by development of a long-range replacement plan), acquisition of a state-wide fleet management information system (likely $1 to $2 million), and development of a POV reimbursement management system (projected at $200,000 to $300,000). Since the savings identified in this report far exceed the costs of required improvements, the return to the State for making these investments will be immediate and long-lasting.

LIST OF RECOMMENDATIONS

Fleet Age and Replacement Financing

1. *Fleet replacement planning, budgeting, and decision making should be centralized in the State. SFM, as the State's professional fleet management organization, should be charged with the responsibility of managing all light fleet replacement activities and coordinating all heavy and specialized fleet replacement activities within the State.*
2. *The State should develop a long-term fleet replacement planning program which provides a systematic, quantifiable, and, hence, defensible foundation for year-to-year replacement spending proposals. Accordingly, SFM should prepare and update each year a multiple year (10 to 20 years) fleet replacement plan for all vehicles less than 14,000 GVW as part of an expanded centralized fleet lease program with recurring funding approved by the Legislature. All agencies that will continue to own heavy trucks, construction equipment, and specialized units should also prepare multiple year fleet replacement plans and submit them to SFM for review before they are sent to the Legislature each year for funding approval. We believe that the State should seriously consider using lease-purchase financing for purchasing these assets as well.*
3. *The State should determine the feasibility of increasing fleet replacement funding levels through a change in capital financing approaches.*

Fleet Size and Utilization

4. *The State should reduce the size of the fleet by eliminating the low use vehicles identified in this study by August 30th 2005.*
5. *SFM should study the feasibility of establishing additional motor pool locations in Columbia and/or implementing a pick-up and delivery service.*
6. *The State should develop and implement an ongoing fleet utilization monitoring system.*
7. *The State should mandate the use of charge-back rates as a financial incentive for agencies to maintain an optimized fleet size.*
8. *State agencies should discontinue the practice of providing vehicles to contractors.*

9. *SFM should require that agencies dispose of a vehicle when they convert from ownership to lease.*

POV Mileage Reimbursement

10. *The State should assign primary responsibility for POV reimbursement oversight and enforcement to SFM, which should develop a plan for collecting detailed POV reimbursement data from all agencies at least once per year.*
11. *The State should develop a POV reimbursement expense management system to enable consistent entry of management information and data by agencies throughout the State.*
12. *The State should task SFM with the responsibility to provide agencies with a decision-making tool to ensure consistent criteria, costs and methods are applied in facilitating decisions among transportation options.*
13. *The State should develop and implement procedures to require that employees submit pre-travel authorizations to supervisors for approval prior to travel. A best-value transportation calculator should be linked to the pre-travel authorization document.*
14. *The State should modify State Travel Regulations and clarify policy directives to fill critical gaps identified in this report.*
15. *The State should build on data and insights gathered through this study to analyze travel management policies, processes and costs to identify opportunities for cost-savings from centralizing travel management functions, applying travel management best practices, and implementing travel management systems statewide.*
16. *The State should amend the State Travel Regulations and State Fleet Policy to require use of a revised (lower) reduced reimbursement rate when an employee opts to use a POV in lieu of a lower-cost alternative.*
17. *The State should communicate regulations, policy, and procedures regarding POV reimbursement compliance to agency and department heads and require they disseminate similar information to all travelers.*
18. *The State should instruct SFM's motor pool to begin tracking request turndowns and routinely issuing certificates of non-availability whenever they decline a request.*
19. *The State should provide lists of high-mileage POV drivers to appropriate agencies and notify them of the expectation that these drivers will be assigned leased vehicles or will be reimbursed at the reduced mileage rate in the future.*
20. *The State should develop a more equitable dual-reimbursement rate structure that discourages high-POV claims by implementing a reduced reimbursement rate for employees who decline to use an available pool vehicle and by capping annual payments, but that also adequately compensates employees who must legitimately use their vehicles in the course of State business by raising the base rate to keep pace with escalating vehicle operating costs.*

Opportunities to Collaborate and Centralize

21. *The basic business model employed by SFM follows industry best practices and should be replicated to the greatest extent practical across all agencies.*

22. *The State should centralize the acquisition of light-duty vehicles (generally those under 14,000 lbs gross vehicle weight). State agencies should immediately relinquish "ownership" of these vehicles and transfer their management to SFM.*

23. *SFM should lease these vehicles back to agencies by charging incremental depreciation costs (except for those vehicles purchased with proprietary funds or federal grants), insurance costs, and a management fee.*

24. *As vehicles are replaced, SFM should lease new light-duty vehicles to agencies based on a mutually agreed upon depreciation and retention cycles that minimize life-cycle costs.*

25. *The State should develop a standardized cost accounting method for fleet activities including full allocation of indirect and overhead costs. Implementation and use of a centralized fleet management information system would aid in the effort to generate complete and consistent fleet cost information.*

26. *Agencies that retain fleet activities in-house (e.g. DOT, DOE, Forestry), should establish an Internal Service Fund to fully account for program costs and revenues.*

27. *All agencies should use SFM's CVRP program when vendor maintenance is required on light-duty vehicles.*

28. *SFM should take over operation of the maintenance shop currently run by the Department of Corrections in the Broad River Road area. Existing staff should be transferred to SFM.*

29. *SLED should close their maintenance shop on Broad River Road and transfer staff to the SFM shop at Corrections.*

30. *DHEC should close their shop in the State Park area. If existing employees are not needed at an SFM or SCDOT shop, they should be transferred to other duties. Vehicles should be maintained at other State shops or through the CVRP program. If the State Park property ever becomes a health services campus for the State, the shop could be reactivated under SFM management.*

31. *Mental Health should close their shop in the Bull Street area. If existing employees are not needed at an SFM or SCDOT shop, they should be transferred to other duties. Vehicles should be maintained at other State shops or through the CVRP program.*

32. *SFM should take over operation of the maintenance shop currently run by the Department of Public Safety at the training academy. Existing staff should be transferred to SFM. Consideration should be given to closing this shop once DPS replaces existing older training vehicles with new ones. SFM would then provide maintenance support from the Broad River Road Shop.*

33. *SFM and USC should proceed with their plans to co-locate their fleet operations in a shared facility (old City garage). Ultimately, SFM and USC should combine operations under SFM's management. However, SFM should not build a new fleet repair shop in Columbia before completing a cost-benefit study of using the SCDOT Depot shop for maintenance of vehicles in the downtown Columbia area.*

34. *SCDOT should provide maintenance services to other State agencies throughout South Carolina on a cost reimbursement basis.*

35. *DPS should perform radio installations for SLED and SCDOT from its Shop Road facility in Columbia.*

36. *Forestry should close its equipment upfitting and rebuild shop in Columbia and acquire these services from SCDOT at its Shop Road facility.*

37. *SCDOT and DOE should develop a detailed shop consolidation plan and close unneeded facilities.*

SFM Fleet Replacement and Financing Plan

38. *SFM should implement a hybrid financing approach by using the State Treasurer's Master Lease program to finance new vehicle purchases. The current reserve fund should be retained so that lease terms can be matched to customer specific needs.*

39. *SFM should implement the recommended capital lease structure that will establish individual lease rates for each vehicle in the fleet.*

SFM Cost Charge-Back System

40. *SFM should implement a revised cost charge-back system that ties charges to specific services that are provided to each customer. Charges should be levied on a transaction basis so that customers pay the actual cost of the products and services that they pay and receive frequent price signals so that they are consistently confronted with the cost consequences of their fleet related decisions.*

41. *The State should develop a standardized cost charge-back methodology (modeled on our recommend system for SFM) that is compliant with Federal costing standards. This system should be implemented in all State agencies including institutions of higher learning and annual audits should be conducted to insure compliance with standardized accounting practices*

SFM Commercial Vendor Repair Program.

42. *All State agencies should be required to use the Commercial Vendor Repair Program for light-duty vehicle repairs outsourced to commercial vendors, regardless of whether or not the vehicle is leased from SFM or owned by the agency or if the agency has "in-house" repair operations.*
43. *Agencies that operate buses, heavy trucks, construction equipment, and other specialized units should use CVRP at their own discretion.*
44. *As business increases, CVRP should be allowed to add staff and resources appropriate with the growth in business activity.*
45. *CVRP should continue to benchmark its costs against National Account prices on an annual basis to insure that it remains competitive with alternative service providers such as fleet leasing companies.*
46. *CVRP should encourage existing staff to become certified by ASE (Automotive Service Excellence). This should be a mandatory requirement for future hires.*

SFM Shop Certification Program

47. *SFM should strengthen and expand the criteria included in the Shop Certification Program, as detailed in this report;*
48. *Facilities that do not meet all of the revised more stringent standards for certification should be closed if they fail to meet standards after a reasonable period of time;*
49. *There should be no additional maintenance facilities constructed or purchased by State agencies. Relocation or significant renovation should be approved by the B&CB;*
50. *The State should consider using an independent third party to perform future shop certification reviews.*

Fleet Information Systems

51. *The State should investigate the benefits of acquiring a commercial off-the-shelf fleet management system for use by all State agencies. Agencies requiring unique functional features (such as transit dispatch functions) should purchase or develop these features outboard of the main system so that core functions remain uniform and consistent across all agencies.*
52. *If the State decides not to develop a statewide fleet management information system, then at a minimum a standard automated data collection and reporting tool should be developed to streamline the collection of data relative to fleet activities and to provide ready access to reports so that all stakeholders can improve their ability to analyze costs, performance levels, and fleet utilization.*

INTRODUCTION

BACKGROUND AND SCOPE

The State of South Carolina Budget and Control Board contracted with Mercury Associates, Inc. in December of 2004 to conduct a review of the State's fleet management program. The stated purpose of the study was to provide a road map for transforming the current fragmented and uneven legacy program into an efficient program based on sound business management principals, adoption of industry best practices, and innovative use of public/private partnerships. The State's objective for this study is to establish an industry leading fleet management operation that is focused on supporting agency transportation needs by providing the best fleet services at the lowest possible cost.

Mercury Associates is the largest and most experienced fleet management consulting firm in the country and has assisted hundreds of public agencies and private companies optimize their fleet management programs. Current and past clients served by members of the firm include a dozen Federal agencies, 28 of the 50 states, all ten of the largest cities in the country, and a number of Fortune 500 companies.

APPROACH AND METHODOLOGY

Our approach to working with the State of South Carolina was, as it is with all of our clients, highly *interactive*. We recognize that there are several different *stakeholders* who have an interest in the outcome of this project, including SFM and other agency staff involved with fleet services, the customer organizations that actually use vehicles and equipment, and stewards of taxpayer funds such as executive management and legislators. Consequently, we were mindful of the importance of interacting with all major groups in conducting this project and developing recommendations for improvement designed to produce a high degree of managerial and political support. Based on our experience we have found that if all stakeholders do not feel that they have had ample opportunity to participate in the study process and give appropriate input, then the project will not be a complete success.

Guiding Principals

In assisting the State in identifying opportunities to reduce costs and improve service through the potential privatization of all or some fleet activities, our project team was guided by four key principles that we have found to be critical to managing and operating a fleet of any size and composition effectively and efficiently. Each of these is discussed briefly below.

Quality Matters. Low-quality fleet assets and services directly affect the cost *and* quality of services that State agencies provide to the citizens and taxpayers of South Carolina. The quality of the services provided by fleet management organizations such as SFM is of paramount importance because, without vehicle and equipment users, there would be no need for such organizations. In a word, meeting the needs of State agencies for vehicles and equipment is the *raison d'etre* of SFM. Thus, the most important indicators of its performance pertain to the results or *outputs* of its fleet management efforts, namely, the safety, availability, suitability, reliability, efficiency, and environmental soundness of the vehicles, equipment, and related goods and services State agencies use to perform *their* missions. We recognize the potential risk of emphasizing the importance of service quality in a fleet study project focused primarily on achieving cost savings, but the single-minded pursuit of cost savings absent a full understanding of the impact of cost reductions on fleet quality would not only ignore the fundamental purpose of a fleet management program, but run the risk of *actually* increasing overall State costs.

Costs Must be Controlled. Any organization can provide high-quality services if cost control is no object. Unfortunately, few have the luxury of working for organizations – whether in the public or private sectors – in which this is the case. Managing the costs of the vehicles and services provided by an organization is important for two reasons. First, all public-sector organizations have a fundamental fiduciary responsibility to use taxpayers' money wisely, regardless of whether they deliver a high-profile, "front-line" service such as law enforcement, or a behind-the-scenes, "support" service such as fleet management and maintenance. Second, in contrast to a lot of the jobs performed by State employees, many fleet management activities are capable of being outsourced to the private sector if they cannot be performed cost effectively in house. Consequently, the need to provide services that are competitive in cost as well as quality with those offered by contractors and vendors is an inescapable reality of public-sector fleet management in the 21st century.

Fleet Management is Tactically Demanding. Fleet services organizations have always had to perform many different vehicle-related activities every day: scheduling vehicles for maintenance and repair services, assigning work orders to mechanics, farming out certain jobs to vendors, ordering parts, submitting warranty claims, supervising mechanics, processing vendor payments, preparing management reports, and so forth. Moreover, technological, regulatory, and other developments over the last decade or so have significantly increased the attention fleet organizations must devote to organizational management activities. High-performance fleet organizations today must be multi-faceted and multi-talented, handling demands encompassing everything from contract negotiation and vendor performance control to risk management and human resources management; and from information technology to cost accounting and financial reporting. Under these circumstances, it is common for such organizations to get caught up in the demands of performing some tactical activities – trying to ensure that customer's bills are accurate and that the fleet internal service fund remains

solvent, for instance – while neglecting others. Such neglect, however, can have serious consequences, such as when an improperly trained, supervised, and/or equipped mechanic injures himself on the shop floor, or performs a vehicle repair incorrectly, resulting in an accident. Managing a fleet operation well requires mastery of a very large number of disciplines and processes, many of which have nothing to do with "turning wrenches" per se.

A Strategic Approach is Essential to Success. A strategic approach to fleet management is one in which the interrelationships among, and between, the many *vehicle* management and *business* management functions that the State of South Carolina must perform to optimize fleet performance and costs is both understood and managed. For example, optimizing vehicle performance requires effective acquisition, operation, maintenance, and replacement processes. Deficiencies in any one of these areas can undermine fleet performance no matter how good an organization's practices are in the other three. Moreover, effective performance in each of these areas requires collaboration or, at a minimum, coordination with non-fleet management organizations. It is difficult to maximize mechanic efficiency and productivity, for instance, if a fleet maintenance organization is hamstrung by employee classification, compensation, evaluation, and other policies and procedures that create disincentives for employees to improve their performance. Similarly, it is difficult to ensure a high degree of vehicle reliability or availability, no matter how vigilant mechanics and operators are, if budget and finance organizations cannot ensure that there is sufficient funding to replace all vehicles in a timely manner. A strategic perspective is critical for tying together the myriad, interdisciplinary and inter-departmental responsibilities, authority, policies, and procedures that collectively determine the efficiency and effectiveness of a fleet operation.

Study Methodology

The methodology that we employed in this project included the following elements:

- **Analysis of Quantitative Data.** An information request was forwarded to all State agencies requesting documents and data pertaining to all of the functional areas of fleet management examined in this report. Quantitative data on various aspects of vehicle, fleet, and fleet management service attributes, performance levels, and costs also were obtained from SFM and a wide array of industry sources. Analysis of this information provided the basis for many key findings, conclusions, and recommendations.

- **Review of Documentary Materials.** We reviewed numerous documentary materials related to the conduct of the fleet management functions discussed herein, including policy and procedure statements, process flow maps, bid specifications, contracts, invoices, manuals, and management reports.

- **Interviews.** We conducted a number of face-to-face interviews and meetings

with SFM staff, with agency personnel, other State officials, various other states, fleet management company representatives, and auto manufacturer representatives.

- **Utilization Survey.** We conducted a web-based survey of over 2,000 vehicles that were driven less than half of the average utilization level for each agency last year. The information that we received through this survey, and subsequent interviews, formed the basis of our recommendations for reductions in the size of the State's fleet.

OVERVIEW OF STATE FLEET OPERATIONS

The State of South Carolina owns a very large and diverse fleet of over 20,000 cars, light trucks and vans, vocational trucks, school buses, construction equipment, trailers, and specialized powered and non-powered units. Not all vehicles owned by the State were included in this study. For instance, school buses (around 5,700 units) were specifically excluded from our review. Moreover, non-powered/non-licensed pieces of equipment were not included (examples included trailers, generators, pumps, etc.). Adding to the possible uncertainty is the fact that the size of the State's fleet changes on a daily basis as new vehicles are placed in service and old ones readied for auction. Consequently, the reader will notice different fleet count numbers used in various sections of this report depending on the issue under discussion (e.g. fleet utilization, fleet replacement, maintenance, etc.). We have highlighted differences in fleet count throughout this report where clarification adds to the clarity of the narrative. A list of vehicles by State agency is provided in Appendix A.

Management of the State's fleet is largely decentralized. Agencies have broad latitude to control key aspects of fleet performance (for most vehicles) such as how many vehicles will be in the State's fleet and when these vehicles will be replaced. The State Fleet Management (SFM) section of the Budget and Control Board's Office of General Services is primarily responsible to ensure that agencies are in compliance with all laws and regulations regarding fleet operations. A profile of each agency's fleet operations is included as Appendix B.

Most vehicles are purchased under statewide contracts using specifications established by SFM. Agencies fund vehicle purchases and operations from internal program funds, which include state, federal and special revenue accounts. There are no statewide budget allocations for vehicle purchases. Agencies with large fleets maintain fleet management, and, for some, maintenance operations. The South Carolina Department of Transportation (SCDOT) owns and operates the largest fleet with over 4,200 vehicles, mostly used for bridge and road maintenance. Law enforcement agencies own approximately 2,200 specially-equipped vehicles. Another 2,000 vehicles are owned by Higher Education and are located at their facilities throughout the state.

SFM provides a variety of on-demand fleet management services to State agencies,

which are not mandated to use SFM to meet their fleet service needs. Services provided by SFM include vehicle leasing, motor pool services, shop maintenance services in Columbia, vendor maintenance services throughout South Carolina, fuel services, and management and reporting services.

ENABLING LEGISLATION

The Budget and Control Board's (B&CB) Division of Motor Vehicle Management (DMVM) was created in 1975 by Executive Order of then Governor Edwards. The State Fleet Manager was appointed to prepare, promulgate, monitor, and enforce motor vehicle management regulations approved by the Board, and to provide motor vehicle fleet management and technical assistance to all State agencies.

Act 644 of 1978 (commonly referred to as the Motor Vehicle Management Act (see Appendix C) officially established the Division of Motor Vehicle Management. This Act assigned the responsibility for ***developing and administering*** a comprehensive fleet management program to the Board and addresses specific areas of vehicle acquisition, assignment, identification, replacement, disposal, vehicle maintenance, vehicle operation, and vehicle and maintenance facility safety. The Act also cites six objectives for the Board to achieve through policies and regulations. These objectives are:

1) To achieve maximum cost-effective management of State-owned motor vehicles in support of the established missions and objectives of the agencies, boards, and commissions;

2) To eliminate unofficial and unauthorized use of State vehicles;

3) To minimize individual assignment of State vehicles;

4) To eliminate the reimbursable use of personal vehicles for accomplishment of official travel when this use is more costly than use of State vehicles;

5) To acquire motor vehicles offering optimum energy efficiency for the tasks to be performed; and

6) To ensure motor vehicles are operated in a safe manner in accordance with a Statewide Fleet Safety Program.

In 1994, DMVM was designated as a section of the Office of General Services within B&CB and its name changed to State Fleet Management (SFM).

The State Fleet Management Section of the Division of General Services operates under the authority of Section(s) 1-11-220 through 1-11-340 of the State code (Motor Vehicle Management Act) and, also, through Policy Directives (Appendix D) as adopted by the State Budget and Control Board. SFM's role is to provide fleet services and fleet management oversight for all State owned vehicles. To accomplish these statutory objectives, SFM operates three revenue producing business units: the Lease

Fleet/Motor Pool, the Commercial Vendor Repair Program (CVRP) and the Central Transportation Maintenance Facility (CTMF). SFM has two regulatory units, Maintenance Regulatory and Operations Regulatory sections. It also has one administrative support unit.

Section 1-11-225 of the code directs the establishment of a cost allocation plan to recover the cost of operating the comprehensive statewide Fleet Management Program, and directs that the division shall collect, retain and carry forward funds to ensure continuous administration of the program.

Statutes do not, however, prevent State Agencies from electing to own vehicles directly rather than lease them through SFM. They may also choose to provide their own fleet maintenance services or to purchase services directly from the private sector rather than through SFM.

The Act requires the State Fleet Manager to report annually to the Budget and Control Board and the General Assembly concerning the performance of each State agency in achieving the major objectives of the Act. SFM accomplishes this by the publication of an annual State Vehicle Management Review. This annual review is a comprehensive report covering all aspects of fleet management, fleet operation, fleet maintenance programs, and vehicle safety and training. It relies on operational information collected from State agencies. The major shortfall of this report is that not all State agencies can provide this data accurately. Specific examples of these shortcomings are examined throughout this report. The result is a product that, while flawed, is still very useful in evaluating agency fleet performance.

In addition to the Motor Vehicle Act and the Policy Directives, Governor Mark Sanford created the Management, Accountability and Performance Commission (known as the MAP Commission) which was given a charge to evaluate the condition of State government. The Commissioners were to investigate in detail every branch of every agency, commission and board and make recommendations for the future.

The Commission's report was released in September 2003. Key recommendations dealing specifically with fleet issues are listed below.

> *35. State Fleet Management (SFM) should assume responsibility for managing the State fleet of cars, vans, light trucks and other vehicles up to one-ton capacity.*
>
> *36. SFM lease rates be structured to include a flat rate common to all vehicle classes that would cover only insurance and fixed overhead costs, and a two tiered mileage rate tied to projected life cycle.*
>
> *37. Recommend that fuel not be included in the mileage rate but billed as a separate line item pass through cost to the end users.*

38. Recommend that SFM statewide regulatory costs be recovered through a surcharge on the fuel purchases rather than recovered through lease rates.

39. Individual agencies, upon concurrence by the State Fleet Manager, should retain responsibility for managing fleets of generally large (over one ton), agency specific vehicles such as SCDOE's school buses and SCDOT's highway equipment and Federally funded vehicles.

40. SFM should continue to provide a central motor pool in Columbia and at other locations where cost effective.

41. Require Agency Heads to justify to the governor and/or their boards the permanent assignment of all vehicles based on the annual "Break Even Analysis" prepared by SFM.

42. SFM should use the State Treasurer's Master Lease Program to finance the interim transition of state vehicles into the SFM Fleet.

43. Detailed analysis be performed to verify findings that there are cost effective investment opportunities to consolidate maintenance shops and, where justified, that shops be consolidated.

44. It is recommended that most of the 12 maintenance shops (excluding SCDOT & SCDOE) in the Columbia area be replaced over time by three or four large shops built in strategic locations (Shop Road, Bull Street, Broad River Road and State Park if it is developed as a state health campus).

45. As has been previously recommended, SCDOT and SCDOE should consolidate their district and county shops over time as the existing shops are replaced. The new consolidated shops should also perform maintenance for other state, county and city vehicles in the area. The proceeds from the sale of the SCDOT and SCDOE sites in each county should be used to buy the land and construct the consolidated facility.

46. State Fleet Management should continue to expand its Commercial Vendor Repair Program, and include local governments.

47. All of the Department of Education school bus maintenance shops should immediately come under the State Fleet Management Shop.

The MAP Commission's final report is available at http://www.mapcommission.sc.gov/ in Adobe PDF format.

Operationally, the Statutes and Control Board Policy Directives clearly identify the purpose and function of State Fleet Management and the responsibilities of the State Fleet Manager. Both have the authority to provide guidance and supervision of State fleet activities.

It is our recommendation that SFM acquire and own all light-duty vehicles required to meet the State's transportation needs and lease these vehicles to State agencies. South Carolina agencies are struggling with old and unreliable transportation. It is our experience that state governments, and other organizations that operate large fleets, are more successful in maintaining realistic replacement standards when a centralized and properly run fleet operation is appropriately collecting replacement funds. A more detailed discussion of this will be presented later in this report. Legislation specifically prohibiting agency ownership of these vehicles would be helpful in successfully consolidating the state fleet. A similar recommendation was also advanced by the MAP Commission.

The statutes, Motor Vehicle Management Act, and the State Control Board Policy Directives should also be updated to reflect legislative changes. Both contain references to the Motor Vehicle Management Council, which was eliminated in 2002 by Act 311. Both also reference the Division of Motor Vehicle Management, which was changed to State Fleet Management in 1994. At this same time State Fleet Management became a Section in the Division of General Services.

Subarticle 2-4.B., which exempts certain agencies from formal shop certification reviews should be eliminated. In today's environment, it is almost impossible to operate a maintenance facility cost effectively for less than one hundred vehicles unless that facility is so remote that the opportunity for private sector repairs is non-existent. It may be possible to provide the most basic of services, such as a lube-oil-filter (LOF) or replacing obvious faulty parts like a radiator hose, but the same documentation, inventory control, proper handling of hazardous waste and provision of a properly equipped facility prevent such an operation from being cost effective. For this reason, regular inspections of these small operations are as critical, if not more so than the larger shops.

Implementation of the recommendations contained in this report will undoubtedly require additional changes to existing statues. We would be pleased to assist the State to identify required changes once the Budget and Control Board has reviewed the report and is in concurrence on those recommendations that will be implemented.

FINDINGS AND RECOMMENDATIONS

FLEET AGE AND REPLACMENT FINANCING

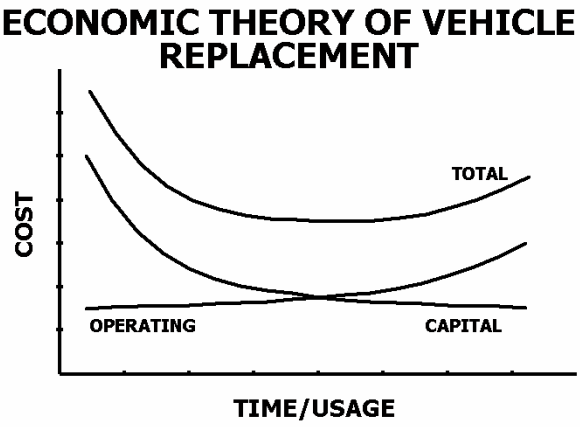
Introduction

In this section of the report we provide our analysis and recommendations relative to the State's fleet replacement program. In our view, the advanced age of the State's fleet and the absence of a consistent and rational approach to planning for the replacement of vehicles is the most pressing fleet management related problem facing South Carolina.

This section begins with a conceptual discussion of the major elements of an effective fleet replacement program. This discussion lays out the "philosophical" framework our project team used in approaching the review and evaluation of the current fleet replacement program.

Economic Principles of Fixed Asset Replacement

The economic theory of equipment replacement is well known to fleet managers, and is illustrated graphically in the diagram at right. As a vehicle ages, the capital cost of the unit diminishes, and its operating cost increases. The combination of these two costs produces a U-shaped total cost curve. Ideally, a piece of equipment should be replaced around the time that its annual operating costs begin to outweigh its annual capital costs – that is, when the two cost curves intersect and the total cost curve begins to turn upward.



Organizations that have actually quantified the life-cycle costs of particular types of equipment in their fleet generally find that this total cost curve is relatively shallow or flat at the bottom. This suggests that there is not a single *point* in time at which an asset should be replaced in order to minimize its total life-cycle cost, but a *period* of time – often lasting as much as two or three years in duration – during which it can be replaced.

Thus, deferring replacement purchases – as the State has done in recent years – in order to accommodate temporary budget constraints does not necessarily increase total fleet costs immediately. However, if an organization traditionally has not done a good job of replacing equipment in a timely manner, even a temporary reduction in

replacement spending can result in immediate increases in fleet operating – principally maintenance and repair – costs. Thus, decision makers who assume that cutting replacement purchases is a good way to help balance the budget need to understand that such cuts may not only *transfer* fleet costs from the capital to the operating side of the general ledger, but may also actually increase overall fleet costs. Regardless of its net effect on current fleet costs, the deferral of replacement purchases unquestionably increases future replacement spending needs, often resulting in growing and increasingly unmanageable equipment replacement backlogs.

From the standpoint of minimizing total life-cycle costs, optimal replacement cycles can be determined using an analytical technique called equivalent annual cost (EAC) analysis. EAC analysis, which can be performed easily using a program like Microsoft *Excel*, involves modeling the avoidable capital and operating costs of a particular type of asset over replacement cycles of varying duration and determining which cycle results in the lowest annualized cost. Equivalent annual cost is analogous to an annual rent that one would pay to keep a piece of equipment in service for one year, two years, three years, and so forth. It is computed using the following formula:

$$EAC = NPV * \frac{r(1+r)^n}{(1+r)^n - 1}$$

Where:

EAC is the equivalent annual cost of a stream of future asset costs;

NPV is the present value of the stream of costs;

r is the discount rate less inflation; and

n is the length in years of the stream of costs.

As a practical matter, most organizations do not use EAC analysis to determine when they should replace the different types of vehicles and equipment assets in their fleet. Rather they make replacement decisions based on a combination of past practice, industry practice (based on information gained from discussions with equipment manufacturers and dealers and peers in other organizations), and, most commonly, funding availability. Nonetheless, EAC analysis is an important – if not the central – element of an effective fleet replacement program, and all fleet management organizations should, at a minimum, have processes in place for collecting, storing, and analyzing the detailed asset cost and usage data needed to perform such analyses. The value of this analytical technique increases once an organization has instituted effective fleet replacement planning and budgeting processes.

Operational Impacts of Vehicle and Equipment Aging

There is a tendency, when attempting to determine optimal vehicle and equipment replacement cycles, for organizations to focus solely on the direct, out-of-pocket costs of an asset. These include the costs of depreciation, maintenance and repair labor and parts, and fuel. However, there are indirect costs associated with the aging of fleet assets that can be as important as, or more important than, direct costs in determining when particular types of assets should be replaced. These indirect costs, some of which can be quantified and others of which cannot, include those associated with asset availability, safety, suitability, reliability, and appearance. The magnitude of these costs for a particular type of vehicle or piece of equipment is not uniform, but varies depending on how individual units within a category of assets are used – they are, in other words, a function of the business *applications* of vehicles and equipment.

For example, a pickup truck loaded with diagnostic equipment and tools that serves, in essence, as a mobile work platform for an engineer who spends every day in the field is not the same as a pickup truck that is used to transport an inspector to and from construction sites. Due to the fact that the first type of application of the truck requires the transport of equipment and materials that may not easily be transferred from one vehicle to another, taking the vehicle out of service to make a repair may have a much greater impact on the productivity of the employee who uses it day in and day out than is the case for the pickup truck that is used primarily for passenger transportation. This is because there generally are more substitutes for a passenger transportation vehicle that goes out of service than there are for a specialized work vehicle.

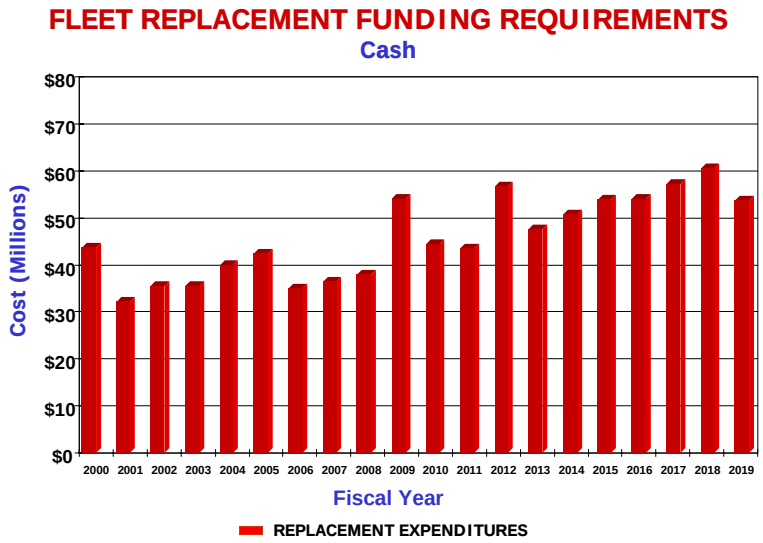
This simple example illustrates the importance of differentiating replacement cycle guidelines or policies not only by vehicle and equipment type, but by application as well. The indirect costs of more frequent breakdowns and higher out-of-service rates for aging pickups may be far greater for some uses of this type of vehicle than for others because the productivity of the employees engaged in some activities that rely on the use of such trucks may be more directly impacted by the vehicle's availability or lack thereof than that of employees engaged in other activities. Due to the varying magnitude of indirect costs such as employee productivity, it sometimes is necessary to establish different replacement cycle policies for fleet assets that are physically identical to one another and whose direct capital and operating costs are essentially the same. More specifically, vehicles and equipment that are used to support activities that are vulnerable to disruption as breakdown frequency and out-of-service duration increase with age should have shorter replacement cycles than those that are used in applications, such as passenger transportation, for which substitute forms of transportation are readily available.

This requirement highlights, in turn, the importance of obtaining input from the line organizations that use vehicles and equipment to perform their jobs on both the establishment of replacement policies or guidelines and on the earmarking of specific assets for replacement each year.

Long-Term Fleet Replacement Spending Needs

Even during good economic times, securing sufficient funds to replace vehicles and equipment in a timely manner is a challenge for many organizations. This challenge stems in part from a lack of understanding of the interrelationship, discussed above, between fleet capital and operating costs (that is, the fact that reductions in fleet replacement spending eventually are offset by increases in fleet operating costs). However, many management decision makers also do not fully appreciate the role the fleet plays in supporting an agency's or a company's primary mission, whatever it may be. Intellectually, they may understand that vehicles and equipment are tools for directly or indirectly supporting the delivery of goods and services. During times of fiscal hardship, however, decision makers may be quick to cut funding for fleet-related expenditures in the belief that the purchase of vehicles is at least to some degree a *discretionary* expense that can be deferred without serious operational consequences.

However, the vulnerability of fleet replacement funding in most organizations stems less from a lack of appreciation of the importance of vehicles or of the need for them to be replaced on a regular basis, than from difficulty of dealing with year-to-year replacement spending needs that are inherently *lumpy* in most organizations. The graph at left shows the annual replacement costs over a period of 20 years of a state government fleet of about 9,500 vehicles and pieces of equipment. As can be seen, year-to-year fleet replacement spending requirements are somewhat volatile, with peaks and valleys of varying magnitude (year-to-year differences often exceed $10 million) occurring routinely throughout the 20-year period. This lumpiness is common in virtually all mixed-vocational fleets.



The biggest impediment many organizations face to replacing vehicles in a timely manner is the lack of a replacement financing program that can effectively deal with fleet replacement spending needs that fluctuate from year to year. Specifically, they do not have a good mechanism for accommodating year-to-year changes in spending requirements when the source of funds for such expenditures is relatively static. The solution to this problem lies in pursuing one of two courses of action: eliminating the volatility in fleet replacement *spending* requirements, or eliminating the volatility in replacement *funding* requirements.

Long-Term Fleet Replacement Planning

Due to this inherent lumpiness in long-term fleet replacement costs, it is important not only to know what replacement guidelines to use in order to minimize vehicle life cycle costs, but to have a fleet replacement program that gives organizations like SFM the financial wherewithal to replace all vehicles in accordance with such guidelines. The major components of such a program (in addition to the EAC-based life cycle optimization process described above) are 1) a long-term fleet replacement planning process that quantifies the magnitude of – and illustrates any future lumpiness in – year-to-year replacement *spending* needs; 2) a replacement *financing* program that can accommodate these needs whether they are smooth and predictable or highly volatile; and 3) a replacement *budgeting and funding* process that enables a fleet management organization and its customers to secure the amount of funds needed each year to replace specific assets that have been earmarked for replacement in that year.

The primary value of a long-term replacement plan lies in its ability to help fleet managers educate decision makers as to the magnitude of fleet replacement costs and the inherent lumpiness of such costs over time. It specifically helps fleet management organizations and their customers address two misconceptions held by many nonprofessionals that often are major factors behind an organization's failure to devote enough funds to fleet replacement, which is the primary impediment, in turn, to replacing vehicles and equipment in a timely manner. One is the belief that fleet replacement costs are quasi discretionary and that there is no compelling reason to fill 100 percent of the requests for fleet replacement funds that line organizations make each year. The other is the belief that it is not necessary to vary to any significant degree the amount of funds devoted to fleet replacement spending from year to year. A good fleet replacement planning process not only quantifies the cost of replacing the fleet over the long term so that management and budget decision makers can see that this is a significant, recurring cost of doing business, but illustrates the consequences of under funding replacement expenditures by translating spending shortfalls into future spikes in, and backlogs of, replacement spending needs.

Fleet replacement plans also are valuable for other reasons, including 1) facilitating the management of near-term (i.e., three to five year) fleet replacement costs so as to accommodate current economic conditions and fiscal constraints; 2) quantifying and evaluating the impacts on overall fleet replacement costs of variables such as vehicle and equipment purchase prices, inflation rates, residual values, and replacement cycles; and 3) supporting the development of charge-back rates for one particular replacement financing approach, the use of a reserve fund and charge-back system.

Fleet replacement plans should be developed using planning parameters that are specific to the different *types* and, if appropriate, as discussed earlier, the different *applications* of vehicles and equipment assets that comprise the fleet. These parameters should be used to project future replacement dates and costs of each

individual vehicle and piece of equipment in the fleet. Replacement plans or forecasts based on a single "typical" or "average" vehicle life cycle and replacement cost for all assets in a fleet are of virtually no value in managing a replacement program.

The key parameters required to develop a plan include, for each asset class, purchase price in current dollars, upfitting cost (if any) in current dollars, purchase price inflation rate, and desired replacement cycle in years, miles, and/or engine hours of service. There also must be a means of estimating the residual value of assets at the end of their service lives as a function of asset age, mileage, or some other pertinent variable. Ideally, this should be a statistically derived mathematical function that automatically computes an estimated residual value for an asset based on changes in its projected service life.

Fiscal Impacts of Alternative Fleet Replacement Financing Approaches

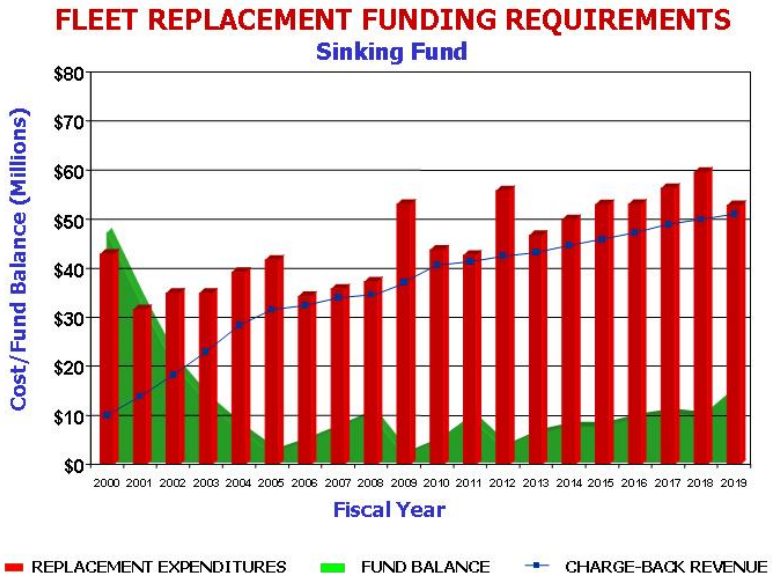
The graph shown earlier (on page 24) illustrates the *funding* requirements associated with financing the replacement costs of a particular fleet using a particular type of financing approach: annual, ad hoc appropriations or allotments of cash. Under this financing approach the entire capital cost of each asset in the fleet is paid at the beginning of the asset's service life. Consequently, if year-to-year replacement spending requirements are lumpy, the funding requirements associated with financing these expenditures also will be lumpy. Although the long-term replacement costs shown in the above replacement plan graph may appear to be relatively smooth, there are some pronounced peaks and valleys in future spending needs that any organization would have difficulty accommodating. For example, projected replacement costs are about 45 percent higher in 2009 than in 2008.

Most organizations that utilize a cash financing approach have difficulty dealing with fluctuations in fleet replacement spending needs because the amount of funds they can devote to the purchase of vehicles and equipment each year generally does *not* fluctuate. In fact, while the number of fleet assets that need to be replaced may "zig" upward (say, by 45 percent) in a given year, government or departmental revenue in that year may not only not increase by a corresponding percentage, but may actually "zag" downward. When this happens, some fleet replacement purchases must be deferred and a backlog of replacement spending needs begins to accumulate. This problem is particularly acute in South Carolina due to the current decentralized approach to fleet replacement funding where each State agency makes funding requests directly to the Legislature as part of the annual budget process.

There are two other fleet replacement financing approaches, both widely used by public-sector jurisdictions that allow an organization to spread the capital cost of each vehicle and piece of equipment over its useful life. For example, rather than require an organization to budget $60,000 every tenth year for the replacement of a truck and $0 in the intervening years, they allow it to budget about $6,000 every year for the replacement of the vehicle. Such financing approaches make year-to-year fleet

replacement funding requirements relatively smooth and predictable. This, in turn, reduces the likelihood that critical equipment replacement purchases will be deferred to avoid paying the full cost of an asset in a single year or because typical funding levels are insufficient to accommodate an upswing in spending needs that results from the necessity of replacing more vehicles then usual in a particular year.

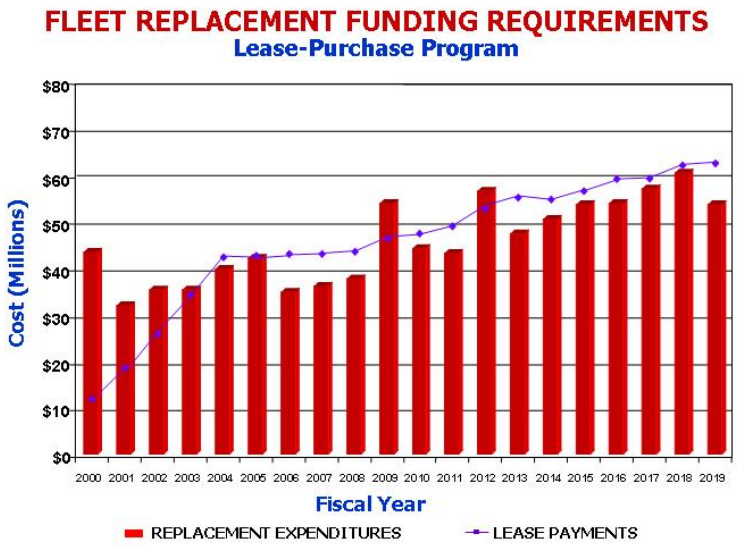
The graph at the right shows the long-term funding requirements associated with financing the replacement costs of the 9,500-vehicle fleet shown in the earlier graph using one of these two alternative financing approaches: a sinking fund and charge-back system. This is the method currently used by State Fleet Management for the vehicles that it leases to other State agencies. Although replacement spending requirements are identical to those shown in the earlier graph, funding requirements (represented by the charge-back revenue line) are not at all volatile. This is because using a sinking fund permits vehicles to be paid for incrementally; it is a true pay-as-you-go approach to fleet replacement financing. As can be seen in this graph, the sinking fund balance ebbs and flows in correspondence with peaks and valleys in spending needs.



One of the challenges of managing a reserve fund properly is calculating charge-back rates so that the reserve fund balance does not get too big or too small. Many government jurisdictions with which we have worked in this area have either depleted their reserve fund balance or built up unnecessarily large fund balances due to improper rate setting. Another challenge of using this financing approach is that some jurisdictions find it difficult to restrain themselves from raiding the fleet replacement fund "piggy bank" when budget dollars get tight, with the result that fleet user agencies who diligently pay internal fleet replacement charges month after month and year after year sometimes discover that their vehicles and equipment cannot be replaced on time after all. This has been a long-standing problem in South Carolina and SFM's reserve fund has been raided on a number of occasions.

The other fleet replacement financing approach that makes year-to-year funding requirements smooth and predictable by spreading the capital cost of each asset in the fleet over its useful life is leasing or lease purchasing. This approach is widely used in the private sector and is attractive to many cities, counties, and states that use it not only because it eliminates the need to manage a replacement fund balance, but

because making the switch from cash financing or a sinking fund to debt financing can produce very large budget savings in the near term.



The graph at left shows the funding requirements associated with financing the replacement of our sample 9,300-unit fleet using lease-purchase financing. Under this approach, the purchase of every vehicle and piece of equipment in the fleet would be financed over a period of seven years, slightly less than the weighted average life expectancy (i.e., replacement cycle goal) of the various types of assets in this particular fleet.

As in the two previous exhibits, the bars represent projected annual replacement spending requirements. The line in this graph illustrates projected lease payments and, consequently, the fleet's replacement funding requirements. Although the volatility of future spending needs has not changed, funding requirements clearly are smooth and predictable under this financing approach.

An effective fleet replacement program not only identifies when different types of vehicles and equipment generally should be replaced in order to minimize life-cycle costs (including indirect costs resulting from vehicle downtime), and when individual assets in the fleet should be replaced to accord with these service life guidelines, but ensures that an organization has the financial wherewithal to acquire replacement vehicles and equipment on schedule. There is little benefit to an organization in coupling empirically validated asset replacement guidelines and detailed long-term replacement plans with an ineffectual financing program that routinely fails to secure enough funds to replace fleet assets in accordance with such guidelines and plans.

Short-Term Replacement Decision Making

The final element of an effective fleet replacement program is a short-term replacement decision making process that earmarks specific vehicles and pieces of equipment for replacement in the coming fiscal year. Since a fleet replacement plan and the replacement cycle guidelines on which it is based are derived from cost and other information for the "average" or "typical" vehicle or piece of equipment, they do not fully take into account the unique characteristics of each asset in a fleet. Thus, a replacement plan should serve to identify which assets are *candidates* for replacement each year, not which assets will be replaced each year. These candidates should be

scrutinized using a series of criteria that is not limited to age and life-to-date miles or hours of use. A scoring system that takes into account factors that are unique to each vehicle, including current utilization level; front-line or backup assignment status; recent repair history and pending repair/refurbishment costs; perceived reliability, suitability, and safety; and ease of replacement should be used to finalize each year's fleet replacement budget. We have provided a sample tactical replacement scoring guide in the Appendix.

Analysis & Findings

- ✓ Although specific Policy Directives[4] have been issued that authorize the State Fleet Manager to develop and administer a comprehensive fleet management program for the State's vehicle fleet - ownership, operation, and management of the fleet remains largely decentralized. SFM has attempted to meet the requirements of the Policy Directives by developing and instituting various policies and programs such as establishing minimum vehicle replacement criteria, fleet shop certification programs, and a commercial vehicle repair program, in order to standardize management and operation of the State's fleet. However, fleet replacement planning remains an activity managed almost solely within the operating agencies.

- ✓ Under current practice, each agency requests funds from the Legislature to replace existing vehicles and to add new ones to the fleet as part of the annual budget process. Requests for fleet funding are part of each agency's general funding request. During the normal budget review process the Legislature considers all budget line items on an agency-by-agency basis in developing the final budget for the State. There is, therefore, no separate request for fleet replacement funding and no consolidated budget for this program.

- ✓ The State of South Carolina has not been well served by its decentralized approach to fleet replacement planning and funding. Large segments of the fleet are significantly older than common industry practice. Moreover, since the Legislature considers each agency's funding requests in isolation from others, there have been significant inequities between agency's in historical funding levels and large fluctuations in annual appropriations. The average age of the fleet, based on model year[5,] is 8.4 years. Therefore, the imputed average replacement cycle of the fleet is 16.8 years (twice the average age). This is significantly higher than standard industry practice for state governments, which is to turn-over the fleet (on average) every 7 to 9 years.

[4] Subarticle 1 of the Policy Directives issued by the State Budget and Control Board, Office of General Services, Motor Vehicle Management Section.

[5] January 1st of each model year was used to determine average age of the fleet since vehicle and equipment in-service dates were not complete and in many instances reflected the most recent assignment date which did not reflect the true age of the unit.

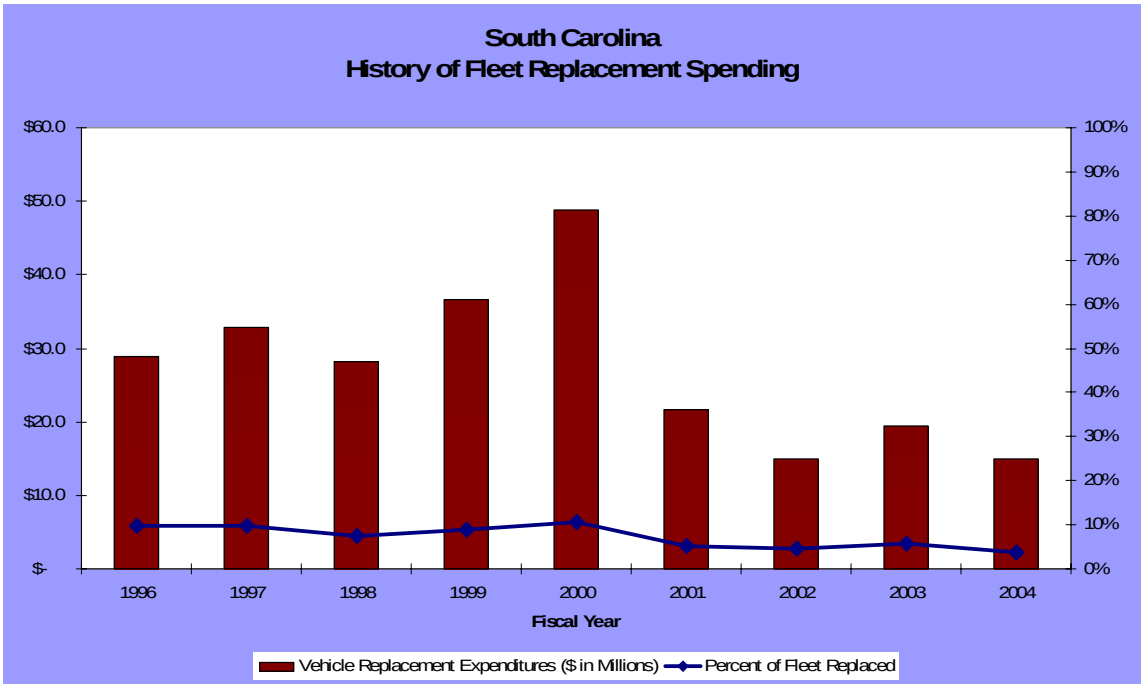
- ✓ There is a wide variance between the ages of the vehicles from agency to agency ranging from just under 5 to over 12 years. The following table presents a snapshot of the fleet and identifies each State agency and the average age of their fleet. It is important to recognize that the size and composition of any fleet this size will change almost daily and that the following data represents the fleet (not including school busses and non-powered equipment) during the fall of 2004.

Agency	# of Vehicles	Average Age of Fleet
State Fleet Management	2209	4.99
State Law Enforcement Division	486	5.35
Department of Public Safety	1507	5.71
Election Commission	3	5.83
Educational Television Commission	62	6.13
Vocational Rehabilitation	177	6.23
Department of Motor Vehicles	57	6.61
Employment Security Commission	17	6.99
Department of Natural Resources	740	7.02
Health & Environmental Control	572	7.12
College of Charleston	43	7.59
LLR	57	8.08
William Lou Gray	20	8.12
University of South Carolina	437	8.42
Lander University	19	8.43
Medical University	92	9.03
Department of Juvenile Justice	185	9.04
Department of Transportation	7271	9.32
Department of Agriculture	37	9.36
Department of Mental Health	830	9.44
Adjutant General	51	9.46
Parks, Recreation & Tourism	229	9.59
Department of Disabilities & Special Needs	249	9.88
Medical University Hospital Authority	7	10.02
Forestry Commission	394	10.14
Coastal Carolina University	60	10.95
Clemson University	931	11.78
Francis Marion University	30	12.07
The Citadel	41	12.29
School for the Deaf & Blind	33	12.44
Corrections	937	12.62
South Carolina State University	78	12.68
John de la Howe School	18	12.89

Agency	# of Vehicles	Average Age of Fleet
Winthrop University	65	12.89
Department of Social Services	4	13.42
Tech & Comp Education	44	16.45
Department of Education (excluded buses)	742	18.54
Total	**18,734**	

The wide variance between the average ages of agency fleets is caused by a confluence of several factors including the different ways funds are allocated for fleet replacement, the mission of the agency, and the priority vehicle replacement is given in a particular agency.

✓ The following chart is a graphic representation of the State's historical spending for fleet replacement. The red bars represent the amount of money spent each fiscal year whereas the blue line represents the percentage of the fleet that was replaced.

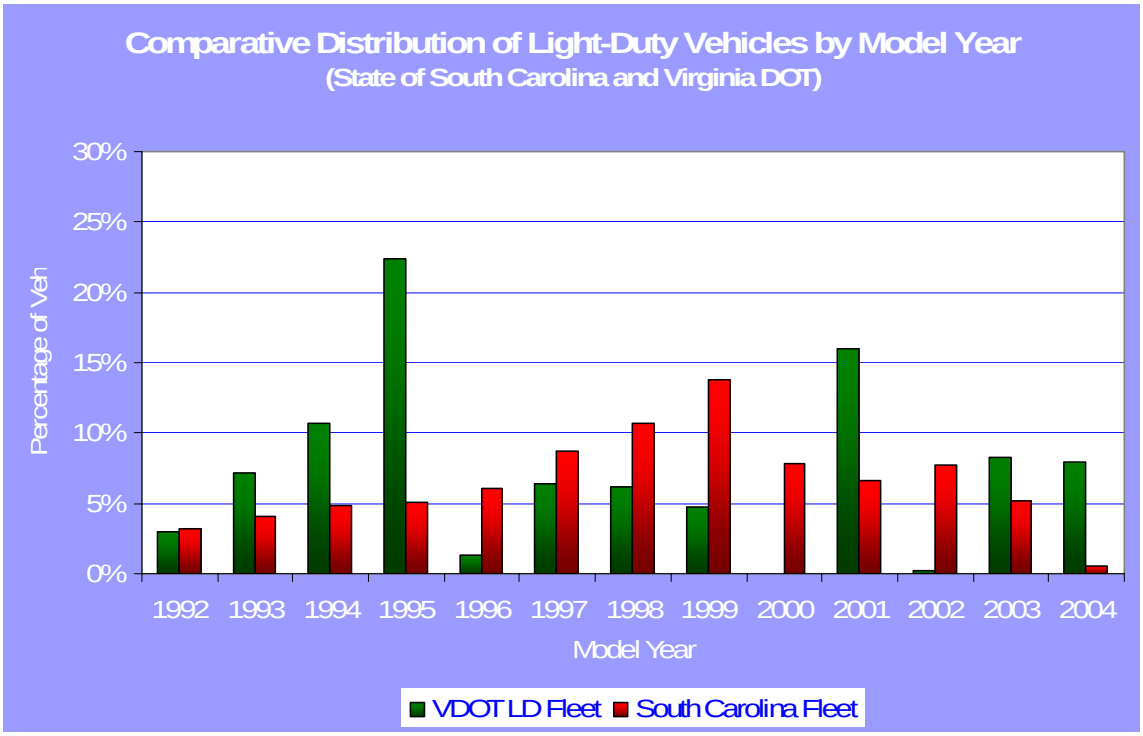


As the chart indicates, historical funding for replacing fleet equipment has been quite erratic. After a peak spending year in FY 2000 when the State appropriated $48.8 million, spending the following year dropped by over 100-percent to $21.7 million.

✓ SFM is the only State department or agency that maintains a fleet replacement reserve account for the sole purposes of accumulating monies to fund future fleet

replacement needs. All other State agencies rely on ad-hoc appropriations of cash for funding vehicle replacements. As the table above (Average Age of Agency Fleets) reflects, some agencies have been more successful than others in securing funds to renew their fleets. Success is largely dependent on an agency's ability to demonstrate a need for funding during the annual budget process while competing against other agencies for limited funding that is available. When economic times are difficult, one of the first cuts is money for capital expenditures such as vehicles and equipment when using ad-hoc cash appropriations. Although this may provide immediate relief, we discuss in a later section of this report (SFM Fleet Replacement and Financing), the long term effects of this thinking, mainly increased fleet costs over time.

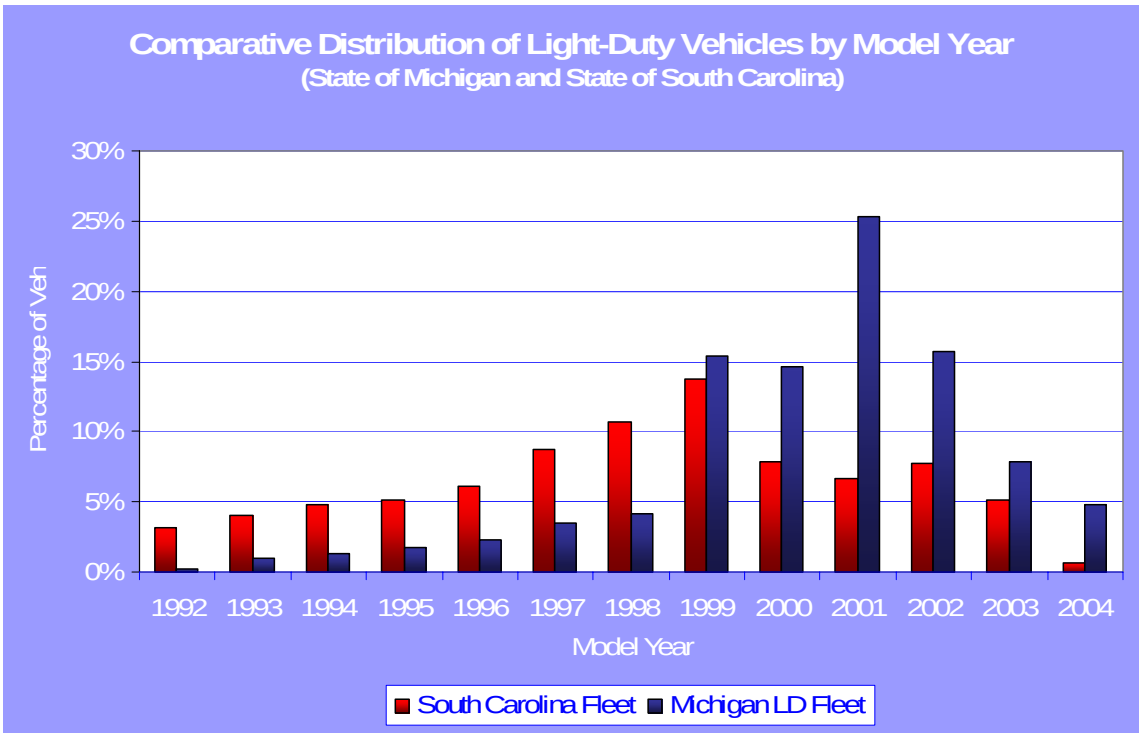
✓ A comparison of the age of South Carolina's fleet with that of two other Mercury Associates clients, the State of Michigan and the State of Virginia (Virginia Department of Transportation), is illuminating, as can be seen in the following graphs.



This graph shows the distribution of light-duty vehicles in the State of South Carolina fleet and in the Virginia Department of Transportation (VDOT) rental fleet by model year. The distributions of assets by year are shown in percentage terms rather than absolute numbers of vehicles in order to eliminate distortion that would result from the difference in the sizes of the fleets being compared (3,000 units in VDOT and 16,000 in South Carolina). VDOT relies solely on ad-

hoc appropriations of cash to finance vehicle replacement. South Carolina, on the other hand, uses a fleet revolving (reserve) fund (for SFM vehicles) in addition to cash appropriations. As the chart illustrates, South Carolina's use of a fleet reserve fund has allowed the State to renew its fleet in a timelier manner than VDOT.

This following graph shows the distribution of vehicles in the State of South Carolina fleet and in the Michigan fleet by model year. Again, the distributions of assets by year are shown in percentage terms rather than absolute numbers of vehicles. The Michigan fleet is comprised of approximately 6,100 vehicles.



The differences in the distribution of vehicles by age in the South Carolina and Michigan fleets are once again quite noticeable. The vehicles in the South Carolina fleet are not as new as those in Michigan. It is clear that this is attributable to the significant curtailment of replacement spending in 2001 and beyond.

Like South Carolina, Michigan has experienced acute budget shortfalls in recent years. Due to the continuing loss of manufacturing jobs, its general economic condition and outlook probably are more bleak than those of South Carolina. Moreover, only 8 percent of the light-duty vehicles in the Michigan fleet analyzed here are owned by MDOT; the balance are owned by General Fund agencies which tend to be far more vulnerable to spending cuts in an economic downturn than are state transportation departments which have dedicated revenue sources.

Nonetheless, Michigan appears to have done a significantly better job than South Carolina of replacing its light-duty vehicles, even during the course of the recent recession and its aftermath. It is our belief that this is due, in no small part, to the fact that the State of Michigan uses lease financing, an approach that permits vehicle capital costs to be paid incrementally over the life of a vehicle rather than all at once before the vehicle or piece of equipment is ever used.

When reviewing the recommendations for improving South Carolina's fleet replacement budgeting process, this comparison of fleet replacement financing approaches highlights the importance of bearing in mind that establishing replacement guidelines, developing replacement plans, and requesting, approving, and denying funding for the replacement of individual vehicles and pieces of equipment are no more than means to an end: timely asset replacement. The best intentions, tools, and practices in these areas are only as good as an organization's willingness and ability to devote the funds needed to implement the fleet replacement policies and recommendations that result from them.

- ✓ As we have discussed, South Carolina's fleet is, for the most part, older than accepted standard industry practice would dictate. This is not an uncommon situation, in our experience, in organizations that utilize cash appropriations to finance fleet replacement costs because 1) requests for appropriations that vary from year to year are susceptible to competition from other spending needs that often are more closely aligned with agency's core missions and, hence, more politically popular to accommodate; and 2) the immediate benefits to the agency's budget of deferring an asset's replacement is far greater when the entire cost of its acquisition, rather than merely one-seventh or one-tenth of it, can be avoided – and put to other uses – in a single fiscal year.

- ✓ Financing the purchase of new vehicles over the next few fiscal years rather than buying them with cash would allow the State to increase the number of vehicles purchased (thus making a substantial dent in the backlog of funding needs that have accumulated over the past number of years) and still free up monies for other purposes (in other words, it would produce budgetary savings). This is a rare case where the State is presented with the opportunity of having its cake and eating it too.

  Quantifying the budgetary savings that would be produced by a switch in financing approaches is difficult because the amount of appropriations included in the budget to acquire new vehicles in fiscal year 2005 is unclear (thus emphasizing our point that the State should develop a centralized process for managing this activity). We have been able to ascertain that around $13 million has been appropriated in general Fund agencies to acquire vehicles next year. This does not include SFM purchases (which will be another $4 to $5 million) and agencies outside of the general Fund such as colleges and the department of Education. Historical purchasing patterns perhaps provide a better perspective for projecting budgetary savings in this area. From 1996 to 2004 the State purchased an average of nearly

1,500 vehicles per year[6]. Approximately 73 percent (1,066) of these were light duty type passenger vehicles (1-ton and under). The estimated current average replacement cost of these fleet assets is $21,950. Therefore, if the State replaced the average number of light duty vehicles at the average price per unit the total gross spending next fiscal year would be $23.4 million.

Assuming that the State financed these purchases using debt financing (5 year term at 3.75% interest rate, and 12 payments per year), the annual principal and interest payment the first year would be approximately $5.14 million. Of course the actual annual payments would be dependent on the actual finance rate, the period financed, actual vehicle acquisition costs, inflation, financing fees, etc. A sample of what the payment schedule might look like under this approach is provided below:

		Annual Debt Service Costs ($ in Millions)				
Year	**Amount Financed**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
1	$23.4 M	$5.14	$5.14	$5.14	$5.14	$5.14
2	$23.4 M		$5.14	$5.14	$5.14	$5.14
3	$23.4 M			$5.14	$5.14	$5.14
4	$23.4 M				$5.14	$5.14
5	$23.4 M					$5.14
Total		**$5.14**	**$10.28**	**$15.42**	**$20.56**	**$25.70**

While this projection is a simplistic one and would need to be revised during development of a long-range fleet replacement plan, it does do a good job of illustrating the budgetary savings available to the State by switching from cash to lease-purchase financing. These savings are summarized in the following table:

Year	Appropriations to Acquire Vehicles With Cash	Appropriations to Acquire Vehicles With Lease Purchase Financing	Budget Savings
1	$23.40	$5.14	$18.26
2	$23.40	$10.28	$13.12
3	$23.40	$15.42	$7.98
4	$23.40	$20.56	$2.84
5	$23.40	$25.70	($2.30)
Total	**$117.00**	**$77.10**	**$39.90**

It is important to emphasize that this estimate of budget savings is based on a one-

[6] Data provided by SFM.

dimensional projection and should be more precisely quantified by the development of a comprehensive fleet replacement plan for light-duty vehicles across all State agencies (such as the plan that we have developed for SFM in a later section of this report). Our experience in developing such plans for dozens of clients is that the existence of substantial savings will not only be verified but expanded (a plan that we recently developed for one of the largest cities in the country showed that interest paid on the principal borrowed still had not outstripped budget savings after 20 years).

Consistent with our finding that the State's fleet is unreasonably old, a portion of the budgetary savings produced by switching from cash to debt financing should be reinvested to increase the number of vehicles that are replaced each year. Moreover, there are additional investments required in the State's fleet program including a new statewide fleet management information system. Still, the magnitude of near-term budget savings produced by a change in financing approaches will undoubtedly provide the State with excess funds that can be reallocated to other purposes.

Recommendations

1. *Fleet replacement planning, budgeting, and decision making should be centralized in the State. SFM, as the State's professional fleet management organization, should be charged with the responsibility of managing all light fleet replacement activities and coordinating all heavy and specialized fleet replacement activities within the State.*

2. *The State should develop a long-term fleet replacement planning program which provides a systematic, quantifiable, and, hence, defensible foundation for year-to-year replacement spending proposals. Accordingly, SFM should prepare and update each year a multiple year (10 to 20 years) fleet replacement plan for all vehicles less than 14,000 GVW as part of an expanded centralized fleet lease program with recurring funding approved by the Legislature. All agencies that will continue to own heavy trucks, construction equipment, and specialized units should also prepare multiple year fleet replacement plans and submit them to SFM for review before they are sent to the Legislature each year for funding approval. We believe that the State should seriously consider using lease-purchase financing for purchasing these assets as well.*

3. *The State should determine the feasibility of increasing fleet replacement funding levels through a change in capital financing approaches.*

   The recent economic downturn and its impact on the State of South Carolina's overall fiscal health clearly reduced the amount of funds departments were able to devote to replacing fleet assets. However, as our comparison of the three states above illustrates, outsourcing capital financing to the private sector (through lease-purchase agreements) is clearly the most effective way to renew an organization's fleet.

One of the perceived disadvantages of this financing approach is the cost of borrowing money; i.e., real or imputed interest charges. There is a perception among many people that it is fiscally irresponsible to use debt to finance the purchase of fixed assets such as vehicles that are "used up" relatively quickly. There is no question that interest charges increase the total purchase price of a vehicle. However, to the extent that debt financing enables an organization to replace vehicles that it otherwise would keep in service for excessive periods of time due to its inability to accommodate all fleet replacement funding requests each year, interest payments may actually result in lower vehicle life-cycle costs. In other words, interest expenses may be more than offset by higher vehicle residual values and lower vehicle operating costs.

It also should be noted that interest charges paid by a state on funds borrowed to finance vehicle purchases are an allowable expense under OMB Circulars A-87 and A-21. In contrast, real or imputed internal interest charges paid from one accounting entity in a government jurisdiction to another are not allowable, nor are the replacement surcharges that a sinking fund must charge users in order to secure sufficient revenue to cover the effects of inflation on fleet replacement costs.

FLEET SIZE AND UTILIZATION

Introduction

In this task we conducted an evaluation of the size of the State's fleet. Our focus was on assisting State agencies identify their core fleet needs by examining vehicle utilization data, questioning the business rationale for certain units, and examining the potential benefits of employing strategies other than permanent assignment of a vehicle to meet marginal transportation needs. Our ultimate goal was to achieve appropriate cost savings through right-sizing the State's fleet by eliminating under utilized fleet assets.

We cannot over-emphasize the relationship between fleet size and the age of the State's fleet. Every agency that we met with agreed that they could meet their transportation needs with fewer permanently assigned vehicles. However, before agencies can agree to relinquish most spare and backup units, they must have assurance that annual funding for replacing front-line vehicles will increase to appropriate levels and will become a recurring rather than an ad hoc appropriation. In essence, due to the lack of consistent replacement funding over the years many agencies have to keep two old unreliable vehicles in service when a single newer vehicle would suffice. Simply stated, if the State wants to realize the financial benefits of a smaller fleet, it will have to take steps to renew its existing fleet. As discussed throughout this report, a newer smaller fleet will save the State money, improve operational efficiency, and enhance the safety of State employees.

The primary factor driving fleet related costs for any organization are the size and composition of the fleet. The more vehicles an organization owns, the higher the annual cost to that organization, because for each fleet asset there are costs associated with ownership and operation. Therefore, any serious effort to lower total fleet costs needs to start with an analysis of opportunities to reduce the size of the fleet.
Even under-utilized vehicles consume fuel and maintenance resources each year. These units also depreciate and lose value each and every day even if they are older and are fully amortized (i.e. paid for). Time and effort are also required to maintain appropriate licenses, tags, fleet inventory records, insurance, fuel cards, etc. The units may also take up valuable space at maintenance yards, parking lots and garages.

Evaluating fleet size and usage patterns of a group of fleet assets should always be done in the context of an organization's mission, the types of functions performed and the levels of service required. Vehicles and equipment are necessary tools used to accomplish these goals. It is the State's responsibility to provide these tools in the most efficient and economical manner possible.

This does not mean that the State has to own all of the units necessary to provide these services. It simply has to have access to the equipment when it is needed, for the duration that it is needed, and at a reasonable cost. This can be accomplished any number of ways such as buying a unit and permanently assigning it to a particular agency; buying a unit and assigning it to a motor pool for shared use; renting a unit on an as-needed basis; or reimbursing employees for using their personal vehicle in the conduct of State business. A cost effective plan usually consists of a combination of all of these methods.

Understanding the transportation needs of agencies is imperative for identifying vehicles that can be removed from the fleet. For example, it would be easy to establish a hard-and-fast minimum mileage requirement (i.e. 6,000 miles annually for a general purpose pickup truck) to justify permanently assigning a vehicle to a department. However, other factors must be considered such as how the vehicle is used, how operations would be impacted without the unit, is a replacement available in a State motor pool or from a commercial rental agency, and could an employee reasonably be expected to perform the required function in their personal vehicle and be reimbursed by the State.

An example of an under-utilized vehicle, in terms of mileage, that may initially appear to be a candidate for elimination from the fleet may be a cargo van that is assigned to a State electrician. The vehicle may only accumulate 5,000 – 6,000 miles per year, but the vehicle is clearly justified. The van essentially becomes a shop on wheels. Special shelving is installed in the vehicle, ladder racks are installed on the roof, the electrician's tools, materials and supplies are stored in the vehicle. The van may have relatively low average annual mileage, but the electrician begins each day at the shop, receives work assignments for the entire day, drives from job site to job site and returns to the shop at the end of the day. Mileage does not accumulate as quickly because the electrician spends most of the time at any number of locations working and not in the van

accumulating miles. It would be unproductive, in this example, for the electrician to be expected to load and unload a pool van each day. Many other examples exist of specialty vehicles and equipment that are required regardless of usage such as the emergency response Hazardous Materials units used by the National Guard or an Ambulance at a medical facility.

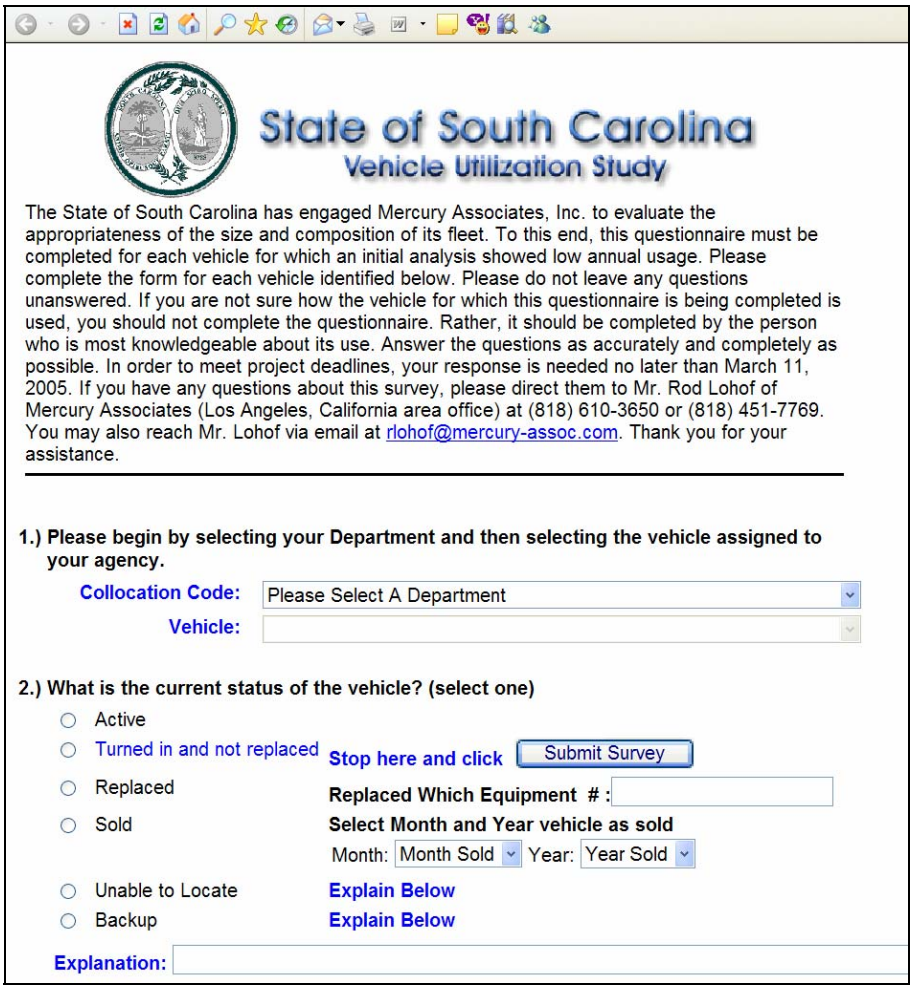
Fleet Utilization Study Approach

The first step in the fleet size and utilization review was to develop a detailed fleet profile by obtaining a current inventory of vehicles complete with accurate and recent odometer/hour meter readings. From State records, we were able to obtain both life-to-date usage and the most recent twelve month history ending in December 2004 for those vehicles that had been in service for at least twelve months. This provided a review of both historical average annual use and most-recent year of vehicle utilization.

Next, we conducted a statistical analysis of vehicle and equipment utilization by State agency. We subdivided information into heavy-duty and light-duty vehicles for those departments that have a mixed fleet of passenger vehicles and heavy equipment, such as SCDOT. This process was used to identify potentially under-utilized units based solely on usage data. We computed the statistical mean (average) annual utilization for each agency's vehicles and equipment. Once the mean was established, any unit with a utilization factor less than 50 percent of the average annual utilization for that agency was identified and selected for further investigation. For heavy or specialized equipment such as motor graders or tractors, we calculated the statewide average utilization by class of equipment.

Once the statistical analysis was completed, we developed a list of units falling into the initial low-utilization category. We also included units for which we had incomplete, inaccurate or suspect data. Users of these vehicles were then asked to complete a comprehensive on-line vehicle/equipment utilization questionnaire developed by Mercury Associates.

The Vehicle Utilization Questionnaire contained twenty-five questions asking for vehicle specific information from equipment number, department, and current odometer reading to specific information regarding how many hours each day the vehicle was used, the primary purpose of the vehicle, where the vehicle was parked on a daily basis when not in use, and much more. A snapshot of the front page of the questionnaire is presented below.



State of South Carolina
Vehicle Utilization Study

The State of South Carolina has engaged Mercury Associates, Inc. to evaluate the appropriateness of the size and composition of its fleet. To this end, this questionnaire must be completed for each vehicle for which an initial analysis showed low annual usage. Please complete the form for each vehicle identified below. Please do not leave any questions unanswered. If you are not sure how the vehicle for which this questionnaire is being completed is used, you should not complete the questionnaire. Rather, it should be completed by the person who is most knowledgeable about its use. Answer the questions as accurately and completely as possible. In order to meet project deadlines, your response is needed no later than March 11, 2005. If you have any questions about this survey, please direct them to Mr. Rod Lohof of Mercury Associates (Los Angeles, California area office) at (818) 610-3650 or (818) 451-7769. You may also reach Mr. Lohof via email at rlohof@mercury-assoc.com. Thank you for your assistance.

1.) Please begin by selecting your Department and then selecting the vehicle assigned to your agency.

Collocation Code: Please Select A Department

Vehicle:

2.) What is the current status of the vehicle? (select one)

- Active
- Turned in and not replaced — Stop here and click Submit Survey
- Replaced — Replaced Which Equipment # :
- Sold — Select Month and Year vehicle as sold — Month: Month Sold Year: Year Sold
- Unable to Locate — Explain Below
- Backup — Explain Below

Explanation:

Information from the survey was compiled and analyzed. Where information received from agencies established a clear business need for vehicles, they were eliminated from the review process. Agencies were then asked to attend meetings to discuss the vehicles that we still found questionable. The purpose of these meetings was to give agencies an opportunity to clarify the business need for specific units and to discuss other options for meeting their transportation needs (such as through a centralized motor pool, commercial vendors, mileage reimbursement, etc.).

The outcome of these meetings was a list of vehicles that the agencies felt they could do without and not adversely impact their operations (voluntary reductions). We also developed an additional list of vehicles that we felt the agencies could eliminate without impacting their missions. While not all agencies may concur with our recommendations, it is our view that there are numerous options to permanent assignment of a vehicle available to meet the marginal transportation needs of State agencies. A list of vehicles recommended for disposal is included in Appendix E.

Analysis & Findings

Of the State's total fleet of 20,700 units, approximately 13,000 vehicles and pieces of equipment were included in our review of fleet utilization. Vehicles and equipment excluded from our review of fleet size included school buses, units with no usage meter (such as trailers), small powered non-licensed equipment, and vehicles that had been in service for less than 12 months at the time of our review. For the largest agencies that provided information, the average utilization for light duty vehicles (i.e. passenger vehicles, SUVs, and trucks under 1 ton) was as follows:

Agency	Avg Miles Per Year
Public Safety	23218
SLED (State Law Enforcement Division)	19266
Archives and History	16908
State Fleet	16416
DOT - Lt Duty	16046
Educational Television Commission	15254
DMV	13358
Voc Rehab	12448
Natural Resources	12238
DHEC (Health and Environmental Control)	12062
PRT (Parks, Rec, Tourism)	11416
Corrections	11072
Agriculture Dept	9292
Deaf & Blind School	8716
Juvenile Justice	8464
Employment Security	8352
LLR (Labor, Licensing and Regulations)	8066
State Library	8032
Clemson	7764
DDSN (Dept of Disabilities and Special Needs)	7614
Francis Marion University	7304
Patriots Point	7024
Mental Health	6832
Forestry Commission	6230
Social Services	5770
Medical University	5688
Adjutant General's Office	5588
Election Commission	5486
USC	5408
Coastal Carolina University	5340
Winthrop University	3244
John de la Howe School	2942
Citadel	2718
Governor's Office	1388
Museum	1242

After calculating the average utilization for each agency, the number of vehicles that were driven less than 50 percent of the class average was determined. These are provided below.

Agency	Number of Vehicles to Survey	Percentage of Agency Fleet
Clemson	286	30.72%
State Fleet	265	11.59%
Corrections	244	26.07%
Mental Health	222	26.75%
DOT - Lt Duty	211	10.44%
Natural Resources	144	19.46%
USC	124	27.25%
DHEC (Health and Environmental Control)	108	18.95%
DDSN (Dept of Disabilities & Special Needs)	99	37.22%
Public Safety	89	5.48%
Juvenile Justice	63	33.33%
SLED (State Law Enforcement Division)	50	9.71%
Forestry Commission	50	12.72%
PRT (Parks, Rec, Tourism)	48	21.05%
Voc Rehab	28	15.30%
Medical University	22	19.64%
Deaf & Blind School	15	20.83%
Winthrop University	12	19.35%
Coastal Carolina University	11	16.92%
Educational Television Commission	10	15.87%
Adjutant General's Office	8	15.09%
Agriculture Dept	7	18.92%
Francis Marion University	6	20.69%
LLR (Labor, Licensing and Regulations)	5	7.69%
John de la Howe School	5	27.78%
Social Services	4	100.00%
Citadel	4	9.76%
Employment Security	3	16.67%
Governor's Office	3	9.38%
DMV	2	3.51%
Archives and History	1	14.29%
State Library	1	25.00%
Patriots Point	1	33.33%
Election Commission	1	33.33%
Museum	1	100.00%
Total	2153	

Agencies were asked to complete on-line vehicle surveys for each unit appearing on this list. Once the survey results were obtained, We conducted interviews with agencies to talk about the vehicles and transportation alternatives As expected, most agencies were reluctant to “give up” vehicles at the beginning of the utilization study. However, after explaining the process and demonstrating the potential benefits to the State, most agencies identified vehicles that could be eliminated from their fleets, as shown in the following table:

Agency	Voluntary Reductions
Adjutant General	0
Agriculture	1
Blind Commission	1
Clemson	90
Corrections[7]	131
DDSN	27
DHEC	10
DMV	1
DNR	7
DOE - Lt Duty	1
DOT - Hvy Duty	63
DOT - Lt Duty	17
DPS[8]	247
DSS	1
Education _ Hvy Duty	29
Election Comm.	0
Employment Security	0
Ethics Commission	0
ETV	0
Forestry	1
HHS	0
Juvenile Justice	14
LLR	1
Mental Health	73
Museum	0
MUSC	15
PRT	0
Revenue	1
SCSDB	5
SLED	56
Springdale Race Track	0
State Housing Authority	0
State Library	0
Tech & Comp Education	0
USC	34
Voc Rehab	1
Totals	827

[7] Corrections has agreed to relinquish 31 vehicles now and an additional 100 once a rational program for recurring fleet replacement funding has been established.

[8] DPS has agreed to relinquish 105 vehicles now and an additional 142 once a rational program for recurring fleet replacement funding has been established.

In addition to the voluntary reductions, we are recommending some additional vehicles be turned-in. These vehicles, which all have low relative annual use, are units that agencies are reluctant to relinquish for operational reasons. It is our position, however, that agency transportation needs can be adequately met through other means such as mileage reimbursement, job sharing, or use of pool vehicles. A count of the additional units that we are recommending for elimination is summarized in the following table:

Agency	Mercury Recommended Turn Ins
Adjutant General	1
Agriculture	1
Citadel	1
Clemson	30
College of Charleston	4
DHEC	8
DNR	28
DOT - Hvy Duty	3
DOT - Lt Duty	8
Election Comm.	1
Employment Security	3
ETV	2
Forestry	5
HHS	2
Lander University	1
LLR	2
Museum	1
PRT	4
SCSDB	3
South Carolina State	8
Springdale Race Track	1
State Housing Authority	1
Voc Rehab	7
Totals	**125**

Cost Savings

Eliminating unneeded vehicles and pieces of equipment from the fleet will provide significant economic benefits for the State both in the short-term and in the future. The reduction of these vehicles will yield both immediate revenue to the State from vehicle sales, and continuing savings through cost reductions in insurance, maintenance and future replacement spending. The following table summarizes our estimate of revenue and cost savings from right-sizing the State's fleet:

Revenue and Cost Savings From Right-Sizing the State's Fleet

Cost Factor	Reductions Agreed to by State Agencies	Additional Reductions Recommended by MAI	Total Savings
Salvage value[9]	$1,618,439	$244,625	$1,863,064
Insurance costs[10]	$551,609	$83,375	$634,984
Operating costs[11]	$290,280	$37,746	$328,026
Depreciation[12]	$131,945	$17,157	$149,103
Capital cost-avoidance[13]	$16,540,000	$2,500,000	$19,040,000

We have estimated the net economic benefit over the next five years to the State related to right-sizing its fleet. All figures are in constant dollars (i.e. not inflated in out – lying years). The following table summarizes this estimate:

Five Year Economic Benefits related to Fleet Right-Sizing

Year	Salvage Proceeds	Depreciation	Operating Costs and Insurance	Capital Cost-Avoidance	Totals
FY 05-06	$1,863,064	$149,103	$477,129	$3,808,000	$6,297,296
FY 06-07	$0	$149,103	$477,129	$3,808,000	$4,434,232
FY 07-08	$0	$149,103	$477,129	$3,808,000	$4,434,232
FY 08-09	$0	$149,103	$477,129	$3,808,000	$4,434,232
FY 09-10	$0	$149,103	$477,129	$3,808,000	$4,434,232
Totals	$1,863,064	$745,515	$2,385,643	$19,040,000	$24,034,222

[9] Based on the average auction value realized by Surplus Property for all types of vehicles of $1,957. This figure includes Federal vehicles where the State receives no revenue and other units that bring higher prices.

[10] $667 per year for both collision and liability insurance.

[11] Maintenance, repair, and fuel costs at an estimated $0.22 per mile times 1,319,454 miles for voluntary reduction vehicles and 171,573 miles for additional vehicles that we recommend be removed from service. While some of the miles driven by these low use vehicles will be replaced by an increase in mileage reimbursement or an increase in miles driven in other State vehicles, it is our experience that the majority of the miles will be eliminated.

[12] At an estimated average of $0.10 per mile.

[13] At an estimated average vehicle purchase cost of $20,000.

Recommendations

Our recommendations relative to right-sizing the State of South Carolina's fleet of vehicles and equipment are as follows:

4. *The State should reduce the size of the fleet by eliminating the low use vehicles identified in this study by August 30th 2005.*

   The primary recommendation from this section of our report is the elimination of vehicles identified during the analysis and interview portion of the utilization study. The reduction of these vehicles will yield both immediate revenue to the State from vehicle sales, and continuing savings through cost reductions in insurance, maintenance and future replacement spending.

   Some agencies have committed to eliminating a certain quantity of vehicles in lieu of identifying individual vehicles. Agencies such as the Department of Public Safety will turn-in an agreed upon number of vehicles once funding is provided to replace older vehicles in their fleet. The acquisition of more reliable vehicles will obviate the need for large number of spare units. The State should establish a timeline for agencies to turn in the specified vehicles and designate SFM to insure compliance. We recommend that vehicles be turned in within 90 days of the end of the study, or approximately August 30th, 2005. Though actual vehicles were identified in the lists, agencies should be given the freedom to substitute similar vehicles for the vehicle listed if it makes economical sense to do so due to mechanical condition or other factors.

5. *SFM should study the feasibility of establishing additional motor pool locations in Columbia and/or implementing a pick-up and delivery service.*

   Agencies have indicated that they would further reduce the number of vehicles they own if they felt that their short term transportation needs could be met by renting vehicles from the SFM motor pool. We recommend that the existing motor pool program be expanded to meet these additional agency needs. SFM should study the feasibility of establishing additional motor pool locations such as on Bull Street and Broad River Road. SFM should also consider the feasibility of developing a pick-up and delivery service (such as that provided by Enterprise) as a means of expanding the use of pool vehicles in Columbia.

6. *The State should develop and implement an ongoing fleet utilization monitoring system.*

   This study provided a snapshot in time of the demand for transportation vehicles in South Carolina. In order to continue to put downward pressure on the size of the

fleet, periodic reviews of the fleet should be conducted. We would recommend that minimum usage thresholds (mileage and/or hours) be established for each major type of vehicle and equipment. SFM can then produce regular exception reports that identify the units that fall short of the established utilization guidelines. If an agency has a unit that continually is identified as falling short of established targets, then it should be required to formally justify ownership of the fleet asset. However, as we stated in the first section of this report, utilization data should not be the only factor in determining whether a fleet asset is justified.

7. *The State should mandate the use of charge-back rates as a financial incentive for agencies to maintain an optimized fleet size.*

   Agencies feel that there are no costs associated with maintaining large fleets of older vehicles whose usage continues to decline. As previously discussed, however, there are actually significant costs associated with keeping underutilized vehicles in the fleet. South Carolina should build cost incentives into rate structures that chargeback fixed (e.g. depreciation and insurance) operating (e.g. maintenance and fuel) costs within each agency that retains ownership of vehicles and equipment.

   We could not help but notice that vehicles included in the SFM lease program (which uses a cost charge-back system) have much higher annual utilization numbers than do agency owned vehicles. Our work with hundreds of organizations leads us to believe that this is not a coincidence. Fixed and variable monthly charges continually confront fleet users with the costs of having vehicles at their disposal. No matter how much or how little they use an asset in a particular month, fixed charges don't change – just as the actual depreciation of the asset doesn't change. Consequently, there is a clear fiscal (budgetary) benefit to maximizing fleet utilization under this type of charge-back system. Getting rid of under-utilized vehicles lower an agency's monthly fleet replacement charges. Under this type of system, it is not uncommon to see voluntary reductions in fleet size of ten percent initially as the system is put into place.

   In another section of this report we are recommending that SFM assume ownership of all light-duty vehicles assigned to State agencies and lease these vehicles back to customers. Agencies that retain ownership of certain vehicles (such as trucks and construction equipment) should be required to implement an internal service fund and charge-back rate system (such as currently employed by SFM) in order to maximize cost recognition and control by users of fleet vehicles.

8. *State agencies should discontinue the practice of providing vehicles to contractors.*

   During our review of fleet size we were told that the Department of Health and Human Services (HHS) provides State owned vehicles to a number of contractors (principally non-profit companies). Since HHS has recently converted from ownership to lease, these vehicles are actually provided by SFM. The rationale

behind this policy is that the State can provide a vehicle for less than a private company, thus saving HHS money. However, we believe that it is inappropriate for the State to allow private company (some are for-profit) employees to drive State owned vehicles. We believe that the State is exposed to unreasonable liability by insuring these vehicles and not being in a position to control who drives them and how they are driven. The State could also be subjected to embarrassing press coverage if a State owned vehicle were to be misused by a contractor.

Rather than provide contractors with State vehicles, HHS should provide an equivalent level of funding and require companies to acquire their own vehicles that meet HHS standards for the activity involved.

9. *SFM should require that agencies dispose of a vehicle when they convert from ownership to lease.*

   Current State policy requires that when an agency replaces a vehicle that is owned by the agency it must turn-in the old vehicle as part of the purchase transaction. SFM is responsible for monitoring compliance with this policy. However, this policy is not enforced if an agency converts from ownership to leasing from SFM. Therefore, when an agency decides to replace an old owned vehicle it can initiate a new lease with SFM and keep the old vehicle. This practice has led to the unauthorized increase in many agencies' fleets.

PERSONALLY OWNED VEHICLE MILEAGE REIMBURSEMENT

Introduction

In FY04, the State of South Carolina reimbursed employees approximately $13 million for driving their own vehicles nearly 38 million miles in the course of conducting State business; that equates to more than 150,000 miles worth of reimbursements every workday. Despite the sizeable number of miles generated and amounts reimbursed for this expense item, the State has few formal policies, practices or systems to ensure mileage reimbursements are incurred responsibly, reported accurately, and managed appropriately.

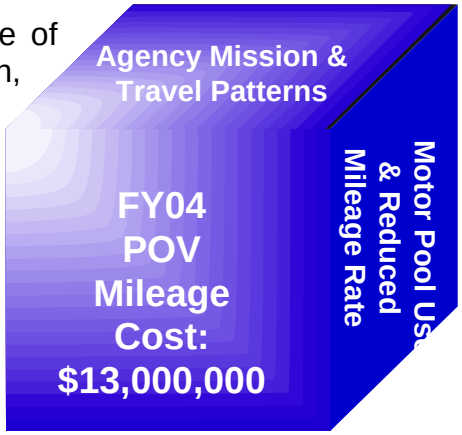
To analyze mileage reimbursements, we requested that agencies provide detailed reports by driver and by trip; however, few were able to provide data in the detail we requested. By querying costs posted to specific budget object classes, nearly all State agencies were able to identify how much they have reimbursed employees for driving personally owned vehicles (POVs) for State purposes during the last three years. But, as evidenced from the less-than-complete responses to our POV-data request, few agencies can provide a clear picture of the factors that affected reimbursements or the purposes for individual trips. Consequently, much of the data we collected supports only a one-dimensional view of POV reimbursements – the cost perspective.

One-Dimensional View of Mileage Reimbursement

Other critical factors (e.g., reasons for travel, motor pool turn-down rates and travel patterns) are necessary to provide the added dimensions that make up a clear, in-depth picture of POV reimbursement policies, practices and outcomes. Those dimensions clarify the context in which funds were expended and provide necessary perspective for identifying opportunities for more effective management and cost control.

Traditionally, the State has regarded reimbursement for use of POVs as a "travel reimbursement" issue. As such, reimbursement claims are channeled through stove-piped processes that typically include only the traveler, his/her supervisor, agency finance office/accounting personnel and, in most instances, the State Comptroller General's Office.

The State's highly decentralized approach to travel management combined with its paper-based and process-heavy claims and audit processes impede its ability to identify individual agency POV reimbursement detail, let alone aggregate and analyze statewide trends.



Reimbursement Costs in Perspective

In the section, we examine South Carolina's POV mileage reimbursement policies, procedures and the strategic elements necessary to right-size POV reimbursements effectively.

The policy assessment focuses on the adequacy of current regulations and directives for ensuring diligent administration and identifies strategic gaps and shortfalls. The procedural requirements analysis examines current protocol for administering POV claims and reimbursements and, where appropriate, identifies best practices culled from our experience with other organizations. Specifically, we review processes (and identify procedural gaps) related to:

- Authorizing travel, including evaluation of alternative transportation options;
- Claiming reimbursement;
- Processing vouchers;
- Disbursing reimbursements;
- Tracking POV reimbursement claims and reviewing POV activity; and
- Monitoring compliance.

Use of POV reimbursement as a transportation option can be balanced with use of other alternatives to affect immediate cost-savings, optimize use of transportation resources and promote long-term prudent stewardship of South Carolina's travel and fleet funds. Specific strategic elements include:

- Breakeven analyses to identify best-value transportation options;
- POV reimbursement thresholds;
- Alternative mileage reimbursement rates;
- Data tracking and reporting; and
- Oversight and enforcement.

Findings are supported by our analysis of POV mileage reimbursement data provided by several State agencies. Reimbursement data is representative of 85 agencies, departments or offices, 39 of which supplied data reports in Excel format (as requested), Notepad (University of South Carolina) or hardcopy (Dept. of Mental Health and School for the Deaf & Blind). Reimbursement data for the remaining 46 organizations was obtained through a query by budget object class by the State Comptroller General's Office. Among organizations that provided data reports, 25 reported both mileage and reimbursements; seven of those agencies identified reimbursements by "in-state" and "out-of-state" miles.

For agencies that did not supply mileage data (including organizations for which the

Comptroller General supplied budget expenditure data), we estimated mileage by calculating an average per-mile reimbursement rate among the 25 agencies that reported mileage and reimbursement data. We then divided agencies' reimbursement dollar amounts by the average reimbursement rate to derive mileage estimates. (A matrix summarizing agency POV miles and reimbursements is included among the attachments to this report; in Appendix F.)

Where appropriate, we share insights into what we consider to be "best practices" of other organizations and/or benchmark data for comparison.

Analysis & Findings

- ✓ POV Reimbursement Policies. As prescribed in the Appropriations Act, the State Legislature sets mileage reimbursement rates and may seek input from the State Comptroller General on any proposed rate changes. Once rates are approved by the Legislature, the Budget & Control Board (B&CB) is responsible for communicating those rates and providing guidance for applying rates to agencies through the promulgation of regulations. Agencies are responsible for implementing regulations and developing procedural guidelines specific to their operations.

  The primary dangers involved with a decentralized approach arise when there are inadequate standards of conduct uniformly applied across all agencies organizations. At the very least, the State must have strong and uniform regulations governing key aspects such as travel and fleet management to meet the conflicting goals of containing travel and transportation costs while maintaining service and productivity levels to meet mission requirements.

  POV reimbursement rates and responsibilities are included among the "Regulations for Reimbursement for Travel and Subsistence Expenses Travel" which are promulgated by the B&CB. Statutory Authority for the Board to establish these regulations is provided in Act 178 of 1981, and 1976 Code §§ 4-29-140, 44-7-1590, and 48-3-140. Current policies relative to POV reimbursement address four primary issues:

  1) Responsibility to use cost-effective transportation;
  2) Application of the mileage reimbursement rates;
  3) Expectation that travelers claim mileage prudently and document miles appropriately; and
  4) Guidance for reimbursing home-to-worksite travel.

- ✓ Responsibility to Use Cost-Effective Transportation: Through the Travel Regulations for State Employees [SC ADC 19-101], the B&CB assigns "respective department heads" with the "duty and responsibility" to "insure compliance with travel regulations," including:

  > "Travel and transportation at State expense will be authorized only when officially justified and by those means which meet State government requirements consistent with good management practices. (19-101.01)
  >
  > Transportation to and from points of arrival and departure will be accomplished by the most economical methods. (19-101.02)"

  Those mandates are likely intended to be the guiding principles that B&CB expects agencies and State employees to follow in authorizing and claiming POV reimbursement. However, the general regulatory statements allow agencies significant latitude in determining which "means…meet...requirements consistent with good management practices" and the "most economical methods" of transportation.

  The most significant shortfall in the regulation is that it does not require agencies to use consistent criteria in their transportation decision-making process; nor does it mandate that SFM provide agencies with consistent means or methods for evaluating transportation alternatives.

  Our analysis of agencies' reimbursement data revealed that agencies have widely varying interpretations of their responsibility to use the "most economical methods" of transportation. Some either do not realize that the directive applies to POV reimbursements as well as other forms of transportation, or they ignore that directive altogether. To make best-value determinations, agencies must be able to compare the costs of transportation options quickly and easily. Quantified savings illustrated in side-by-side cost comparisons between transportation options are hard to ignore, particularly if generated by an interactive system that allows users to customize parameters to assess their individual travel plans. (In our discussion of strategic elements, we identify specific examples of quantified savings opportunities and sample cost comparisons.)

  Increasingly, organizations are implementing regulations to require that fleet administrators provide cost-assessment tools to allow departments/agencies to calculate cost differences of alternative transportation options. Additionally, some policies require that travelers and/or supervisors include documentation that they used the best-value alternative by attaching documentation (e.g., printouts of the calculation outcome, authorization codes generated by the vehicle-costing system, etc.) to pre-trip authorizations and/or travel vouchers.

- ✓ Application of Mileage Reimbursement Rates: Mileage reimbursement rates are

detailed in the State travel regulations as follows:

> Mileage Reimbursement - When an employee of the State shall use his or her personal automobile in traveling on necessary official business, a charge to equal the standard business mileage rate as established by the Internal Revenue Service will be allowed. However, the standard business mileage rate used in this calculation shall be the lesser of 34.5 cents per mile or the current rate established by the Internal Revenue Service. Whenever State-provided motor pool vehicles are reasonably available and their use is practical and an employee of the State shall request to use his personal vehicle, a charge of 4 cents per mile less than the standard business mileage rate as established by the Internal Revenue Service will be allocated for the use of such vehicle. However, the standard business mileage rate used in this calculation shall be the lesser of 34.5 cents per mile or the current rate established by the Internal Revenue Service.

The regulation identifies that POV use is reimbursed at a standard rate of the lesser of the IRS standard mileage rate (currently $0.405 per mile) or $0.345 per mile (set in 2001). The regulation also specifies reduced reimbursement ($0.04 per mile reduction) when a State vehicle is available, but employees opt to drive their POVs in lieu of using the state-provided vehicle.

The regulation sets limits, but does not offer guidance for administering and enforcing those limits. We believe that the policy should be revised to assign clear roles and responsibilities to traveling employees, authorizing supervisors and SFM to facilitate compliance and oversight. Specifically, the regulation should assign responsibility for:

- monitoring state vehicle availability;
- identifying sources for state-provided vehicles;
- communicating current costs of transportation alternatives;
- documenting state vehicle non-availability; and
- authorizing exemptions.

Additionally, the regulation should require use of the reduced reimbursement rate when an employee opts to use a POV in lieu of lower-cost alternatives besides state-provided vehicles (e.g., commercial vehicle rentals or public transportation).

The mileage and reimbursement data provided by 25 State agencies indicate that agencies vary in their perceptions regarding criteria for authorizing reimbursement at the higher rate. At some agencies, all FY04 POV mileage was claimed at the reduced rate, while at others, all mileage was reimbursed at the highest allowable rate. In general, agencies appear either diligently compliant with the dual-rate requirement or completely unaffected by it (Table 1).

Lowest and Highest Agency Average Reimbursement Rates FY04

(among 25 agencies that reported both miles and reimbursement amounts)

Agencies with Lowest Average Rates	Avg. Rate	Agencies with Highest Average Rates	Avg. Rate
Francis Marion	0.305	Labor, Licensing & Regulations	0.345
State Library	0.305	Lander University	0.345
Dept of Juvenile Justice	0.305	Medical University of SC	0.345
Blind Commission	0.307	Museum Commission	0.345
Commerce	0.310	Technical & Comprehensive Ed	0.345
Archives & History	0.311	Patriots Point	0.345
Winthrop University	0.317	Lottery Commission	0.345
Budget & Control Board	0.328	Agriculture	0.344
Disabilities & Special Needs	0.328	John de la Howe School	0.344
Governor's Office	0.332	Health & Environmental Control	0.343
Adjutant General's Office	0.335	Employment Security Com.	0.340
Natural Resources	0.335	Forestry Commission	0.340
Educational Television	0.337		

For FY04, the average reimbursement rate among agencies that provided both mileage and reimbursement data was $0.3412 (table below). Within that group, 10% of miles were reimbursed at the reduced rate while 90% were reimbursed at the higher rate.

FY04 Overall Average Reimbursement Rate
(among 25 agencies that reported both miles and reimbursement amounts)

Total Miles	18,459,150
Total Reimbursement	$6,298,354.60
Average Rate Per Mile	$0.3412

In our experience working with organizations that have dual-rate reimbursement policies, we have found that a low percentage of miles claimed at the reduced rate (less than 20%) typically coincides with high motor pool utilization. Yet, motor pool personnel at both SFM in Columbia and The Citadel in Charleston report that prior to this fleet study, they rarely needed to turn down requests for pool vehicles and that average pool utilization of compact and full-sized sedans fluctuated seasonally from 70% to 85%. SFM's motor pool does not track "vehicle request turndowns" and, therefore, we cannot gauge how/whether motor pool availability may have influenced the mileage rates agencies authorized for POV travel.

A low percentage of miles claimed at the reduced rate may also indicate that the motor pool does not have sufficient vehicles to meet demand – which may explain why Department of Health & Environmental Control (DHEC), which has its own motor pool onsite at its main facility, reimbursed relatively few POV miles at the reduced rate. Because availability of appropriate pool vehicles directly affects the

number of employees eligible to claim mileage at the higher rate, the policy should require SFM to review POV claims relative to pool composition/utilization to ensure agencies are making optimal use of both alternatives. The policy should require cooperation among SFM and agencies with agency-managed motor pools, such as DHEC, to ensure that all state-provided pool vehicles, regardless of "owner," are used optimally to offset POV reimbursement costs.

During interviews, agencies indicated that employees occasionally go to significant lengths to be exempted from the reduced-reimbursement requirement. For example, employees have obtained doctors' excuses stating that they require special features that are not available in State vehicles. Some of the exemptible infirmities included: back problems for which the employee required a driver's seat with lumbar-back support; headaches from sunlight for which the employee required heavily tinted windows, hearing impairment for which the employee required louder "warning signals" (the "dinging" sound that alerts drivers when they open the car door that keys are left in the ignition or that the headlights are on). To ensure that exemptions are handled consistently and to discourage unwarranted exemption requests, the policy should specify high-level authorization responsibility for granting such exemptions, typically assigned to the agency or department director.

- ✓ Expectations for Prudent Mileage Claims: Travel regulations communicate the State's expectations that POV reimbursements be incurred responsibly and reported accurately:

> Auto travel should be by the most direct route practicable, and substantial deviation from the distances shown by the current State Highway System Map of the South Carolina Department of Transportation should be explained. When more than one employee is traveling to the same location, the authorized number of automobiles should be limited to not more than one automobile to two people.
>
> A separate entry should be made for travel in the vicinity of a community or city. Only actual miles driven on official State business will be reimbursed.

The statements above are more procedural guidelines than explicit regulations because they merely convey expectations of how travelers "should" travel and claim expenses rather than what will be reimbursed. Regulatory directives communicate criteria to guide agencies in determining the reasonableness of POV reimbursements. Rather than recommending travel behavior, the regulation should specify that the State will only reimburse mileage equal to or less than distances indicated by the State Highway System Map (or other designated mileage standard). It should also state that mileage exceeding the standards must be documented and require added authorization for reimbursement.

Similarly, the statements above encourage travelers to enter vicinity mileage, but do not communicate the criteria or documentation necessary to ascertain reasonableness and obtain reimbursement, such as requiring a log of

addresses/stops to be attached to the voucher.

In general, regulations that include the word "should" are much harder to enforce than policies that provide clear direction.

✓ Guidance for Reimbursing Home-to-Worksite Travel: The State's official regulation to ensure employees do not obtain reimbursement for commutation mileage is detailed below:

> Mileage between the employee's home and his or her place of employment is not subject to reimbursement. However, when an employee leaves on a business trip directly from his or her home, and does not go by the employee's headquarters, the employee shall be eligible for reimbursement for actual mileage beginning at his or her residence.

A "home-to-work" regulation serves two purposes. First, the regulation documents that the State does not reimburse employees for commuting to work and, therefore, employees did not receive taxable benefits in form of commutation remuneration. This alleviates the State of withholding obligations for reimbursed mileage.

Secondly, the policy establishes the place of employment as the starting point for POV trips unless mileage to the destination would be reduced if the employee traveled there directly from his/her home.

The regulation, as it is written, suffices to serve both purposes. However, we believe the regulation should be revised to assign oversight responsibility for employees who frequently claim reimbursement for home-to-worksite travel to ensure that reimbursement claims do not include commutation mileage. The regulation also does not provide clear direction for calculating home-to-worksite mileage under varied circumstances. Travelers, supervisors and other authorizing officials likely spend considerable time asking/answering questions on this issue.

The State of Virginia's policy for this issue provides an example of how South Carolina's regulation could be clarified to provide more direction and perhaps limit confusion:

> You must record your mileage from place of departure to place of return, and for 100 miles or more on a single day, cost justification must be provided when requesting reimbursement.
>
> Mileage can be reimbursed only to the extent that the mileage incurred exceeds your normal daily commute. To calculate reimbursable mileage:
>
> - **If you leave from workplace and return to workplace**, count only the mileage from workplace to destination, at your destination, and back to workplace.
> - **If you leave from home and return home** without going to your workplace, take your mileage from home to destination, at your

destination, and back to your home, then subtract your normal round-trip commute distance.

- **If you leave from workplace and return to your home** without going back to workplace, take your mileage from workplace to destination, at your destination, and back to your home, then subtract your normal one-way commute distance.
- **If you leave from home and return to workplace** without going back home, take your mileage from home to destination, at your destination, and back to workplace, then subtract your normal one-way commute distance.

✓ Critical Policy Gaps and Shortfalls: State regulations do not provide guidance on some key POV reimbursement issues. Specifically:

- Requirement for Valid Driver's License: The State should require that all employees who drive in the course of conducting State business must provide proof of a valid driver's license, regardless of whether the employee operates a State-provided vehicle or a POV. This regulation helps to limit the State's liability in the event an employee is involved in an accident while driving his/her POV for State purposes;
- Responsibility of Agencies to Monitor Validity of Driver's Licenses: Through its fleet and travel policies, the State should task agencies with oversight responsibility to ensure driver's licenses remain current. Again, this measure helps to limit the State's liability in the event that an employee with a suspended or expired license is involved in an accident while driving a POV on State business.
- Requirement to Report Accidents and Follow Accident-Reporting Procedures: The regulation should direct employees who are involved in accidents while driving POVs on State business to follow the same accident-reporting procedures as are required for employees who drive state-provided vehicles. Because the State may be perceived as being liable, the State must have a record of the incident.
- Requirement to Ensure POV Drivers Have Vehicle Insurance: The regulation should task agencies with the responsibility of verifying that employees who drive POVs in the course of State business have vehicle insurance (liability insurance, at minimum). This regulation is also intended to limit the State's liability in the event that an employee is involved in an accident while driving a POV for State purposes. For example, the State of Indiana requires travelers using personal vehicles on State business to provide proof of a minimum of insurance in the amounts of:
  - $50,000 for personal injury to, or death of, one person
  - $100,000 for injury to, or death of, two or more persons in one accident
  - $25,000 for property damage

However, Indiana recommends employees raise coverage to $100,000/$300,000/$100,000.

- Oversight for Ensuring POV Drivers Adhere to Safe-Driving Standards: The regulation should require that agencies implement oversight protocol to ensure POV drivers adhere to the same driving standards set for employees who drive state-provided vehicles, including but not limited to zero-tolerance for operating a vehicle under the influence of alcohol or drugs, expectation that drivers observe speed limits, parking regulations, etc. As with regulations noted above, this also serves to limit the State's liability.

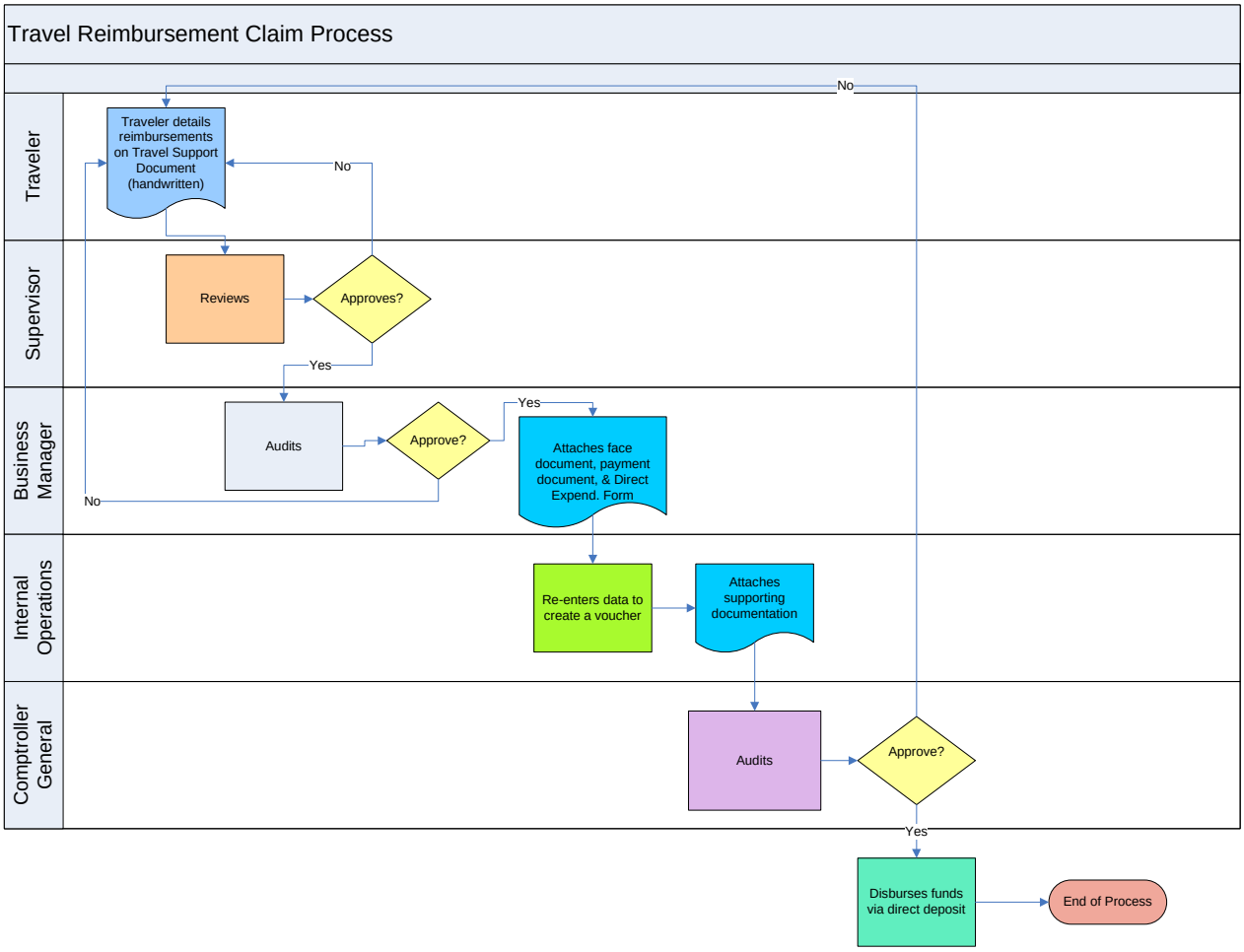
✓ Procedural Requirements: As noted earlier, few procedural requirements are noted in the State's Travel Regulations (recommendations for documenting vicinity mileage and excessive miles). Otherwise, the State does not prescribe standard processes for pre-travel authorization of transportation expense, claim processing or data-tracking. From a claims perspective, POV reimbursement is viewed more as a travel expense than a fleet issue.

Agencies use varying financial management and accounting systems and, therefore, most have processes customized to their operations and systems. In general, POV claims processes are handled similarly by agencies, but because agencies are highly decentralized, processes are stove-piped to run vertically within the agencies, and are not integrated with support services, such as SFM or General Services.

Nearly all agencies continue to use paper-based travel claims procedures, some of which require data to be entered multiple times into overlapping systems. For this study, we examine a "snapshot" of processes currently applied by B&CB's General Services Division as illustrative of the State's current-state approach to POV reimbursement. We then identify process gaps and best practices to promote better management of travel and fleet resources, in general, and POV reimbursements, in particular.

✓ Current State Snap-Shot: Following is an overview of General Services POV claims process (Figure 1).

Figure 1: Overview of General Services' Reimbursement Claims Process



Within General Services, all travel claims, regardless of size, are "touched" by six functional stakeholders. The reimbursement claim is entered manually by the traveler (typically handwritten) on a "travel support document," which is routed along with supporting receipts to the supervisor for approval and sent to the section's business manager for audit. Audit criteria and protocol vary by agency as well as by complexity and dollar value of travel claims. Some agencies indicated that they audit any claim in excess of $250 and/or involving out-of-state travel. Others indicated that they audit every claim with equal diligence. If the claim is approved, the business manager enters data into the finance and accounting system to create the "direct expenditure form" (DEF), the "face document" summary of costs by budget object class and the "payment document." The paperwork is routed to Internal Operations and they create a voucher. The voucher, DEF, travel supporting document and receipts are then routed to the States Comptroller General's Office. The Comptroller's office audits the voucher and claim and, if approved, routes to the State Treasurer for direct deposit disbursement to the traveler's bank account. The

hardcopies of the paperwork are then stored by the State for three years.

In short, the process boils down to one hand-written document that is reviewed twice and audited twice and from which four additional documents are generated before funds can be disbursed.

Obviously, the process is paper-laden, process-intensive and undoubtedly viewed as fairly slow as hardcopies of documents are transported from office to office in an age when employees are accustomed to electronic file transfers. We suspect that the cost to process POV claims, particularly those for local trips, often exceeds the amount of the reimbursement being requested.

To estimate the cost to process a simple POV mileage claim for local mileage, we applied a fully-loaded compensation rate (blended for all stakeholders) of $30 per hour and estimated costs of materials (e.g., forms, photocopies, file folders, document storage, software, electronic funds transfer transaction costs, etc.) attributable to a single claims transaction (Table 3).

Current-State POV Claims-Processing Cost Estimate

	Time	Cost of Time	Materials	Total
Traveler	15	$7.50	$0.20	$7.70
Supervisor	5	$2.50	$0.20	$2.70
Business Manager	15	$7.50	$1.50	$9.00
Internal Operations	3	$1.50	$0.20	$1.70
Comptroller General	2	$1.00	$0.50	$1.50
Treasurer	1	$0.50	$0.80	$1.30
Total	**41**	**$20.50**	**$3.40**	**$23.90**

While we emphasize that this cost projection is a rough estimate for illustrative purposes and is not presented as an in-depth time-and-materials assessment, we note that claims costs such as those indicated above are avoidable when travelers opt to use state-provided vehicles in lieu of POV reimbursement.

✓ Critical Process Gaps: Historically, POV reimbursement has been treated as an event that "just happens" in the course of doing business and not as a controllable, manageable cost component. Through adjustments to current processes and use of widely recognized best practices, the State can rein-in POV reimbursement costs significantly while enhancing the utilization of other existing resources.

- *Pre-Travel Authorization*: The single most significant gap in the current POV reimbursement process actually occurs before the employee travels. The pre-travel authorization process typically requires that employees submit a travel plan for approval prior to incurring any travel expenses. When using electronic

travel management systems, upon completing the trip, the employee converts the travel plan into a pre-populated reimbursement claim form which speeds voucher completion and approval (unless the employee's actual travel deviates significantly from the pre-approved trip plan.)

Most importantly, pre-travel planning and authorization processes require employees to identify the mode of transportation they intend to use and allow supervisors an opportunity to review those choices before employees travel. It is much easier to curtail unreasonable spending choices before the employee incurs an expense than to deny reimbursement for expenses that an employee has already incurred.

However, when completing or authorizing pre-travel plans, employees and supervisors need to have easily accessible cost data on which to base their decisions. To that end, SFM should be tasked with providing a best-value calculation tool on its website to facilitate decision-making and to ensure all agencies use accurate, current, consistent data.

As noted previously in our discussion of POV reimbursement policies, some states and many federal agencies require that employees use a best-value calculation model for assessing transportation options as a prerequisite for pre-travel authorization. Travelers must provide documentation that they have opted for the most cost-effective transportation option by attaching a copy of the calculation record to their travel authorization. Following is a sample calculation tool that enables users to input anticipated mileage and use to compare the costs of POV reimbursement at the higher and lower rate with the costs to lease a State vehicle or to rent a SFM motor pool vehicle (Figure 2). Figure 3 illustrates outcomes that derive from varied mileage and use of the higher and lower reimbursement rates.

Sample Best-Value Transportation Planning Tool

South Carolina Cost Comparison Between State Provided Vehicle
Motor Pool Rental and Mileage Reimbursement
Effective April 2005

MONTHLY VEHICLE NEEDS: Permanent or Seasonal

Type of Request: **Assigned**	Compact Assigned	Full-Sized Assigned
Enter average Number of Miles Per Month	810	810
Is a State Vehicle available? Enter Yes or No If "Yes" then the Reduced Rate will be used to calculate the breakeven point If "No" then the Standard Rate will be used to calculate the breakeven point.	No	No
Lowest Cost Transportation:	Reimburse Mileage	Reimburse Mileage

DAILY VEHICLE NEEDS

Type of Request: **Pool**	Compact Pool	Full-Sized Pool
Enter average Number of Round Trip Miles (Pool Vehicles are miles per day)		
Is a State Vehicle available? Enter Yes or No If "Yes" then the Reduced Rate will be used to calculate the breakeven point If "No" then the Standard Rate will be used to calculate the breakeven point.		
Lowest Cost Transportation:	0%	0%

Uncertain whether to provide a permanently assigned vehicle, a pool vehicle or provide mileage reimbursement?
Consider this break even calculator as a tool to assist in making your determination.

1) If it is a Monthly need, use the first box. If you are considering a daily need, use the second box.
2) Enter the average number of miles expected to travel.
3) Answer the question, either Yes or No, whether there is a state vehicle available.
4) One of two messages will appear as the Lowest Cost of Transportation - either to provide reimbursement or to provide a state vehicle.

MONTHLY VEHICLE NEEDS

Type of Vehicle Request:	Compact	Full-Sized
Type of Request:Permanent or	Assigned	Assigned
Enter average Number of Miles (Pool Vehicles are miles per day) (Other vehicles are miles per Month)	888	888
Is a State Vehicle available? If "Yes" then the Reduced Rate will be used to calculate the breakeven point If "No" then the Standard Rate will be used to calculate the breakeven point.	No	No
Lowest Cost Transportation:	State Vehicle	Reimburse Mileage

DAILY VEHICLE NEEDS

Type of Vehicle Request:	Compact	Full-Sized
Type of Request; Pool	Pool	Pool
Enter average Number of Miles (Pool Vehicles are miles per day) (Other vehicles are miles per Month)	50	415
Is a State Vehicle available? If "Yes" then the Reduced Rate will be used to calculate the breakeven point If "No" then the Standard Rate will be used to calculate the breakeven point.	No	Yes
Lowest Cost Transportation:	Reimburse Mileage	State Pool Vehicle

- *Documenting and Tracking Motor Pool Vehicle Requests and Non-Availability:* Pre-travel authorizations and use of a cost calculation tool will also promote better management and control of (and compliance with) the dual-rate reimbursement approach. Yet, the effectiveness of those processes and the applicability of the reduced reimbursement rate rest on whether a motor pool vehicle is available to the traveler. Therefore, it is incumbent upon motor pool personnel to diligently track motor pool requests and to develop a formal process for providing non-availability certificates whenever they must turndown vehicles requests.

  Although an analysis of motor pool operations is outside the scope of this study, we interviewed motor pool personnel regarding issues that impact POV reimbursements. Currently, motor pool personnel do not track vehicle turndown requests and do not routinely provide certificates of non-availability unless one is specifically requested. SFM's motor pool personnel indicate that historically, on average, one or two State employees have requested non-availability certificates each month and that requests typically came from the same employees. The Citadel averages five to seven requests for non-availability certificates per month and, similarly, those who request certificates are repeat customers.

  To facilitate motor pool management and improve data collection and analysis, The Citadel developed an online reservation management system that enables customers to submit requests via the motor pool's webpage and to receive either confirmation or turndown notifications electronically via email. In our experience working with other organizations, we have recognized how online reservation systems have substantially improved the organization, scheduling and service of motor pool operations, and we commend The Citadel for taking the initiative to implement that system. The Citadel offered to share the system with SFM at no cost, but The Citadel's system does not interface with SCEMIS. Because SFM motor pool's billing and maintenance data reside in SCEMIS, it is unlikely that SFM will adopt The Citadel's reservation system.

  Many recommendations contained in this study direct agencies to increase use of pool vehicles. For those recommendations to be actionable, SFM's motor pool operations will need to meet a new level of demand. It will need to modernize its current paper-based processes and inflexible reporting systems to facilitate scheduling and managing. Use of online reservation system to streamline processes, collect data and improve service is an industry-recognized best practice and should be the first step SFM takes toward that modernization.

- *Tracking POV Reimbursements and Claims Consistently*: The colloquialism that "you can't manage what you can't track," is evident in South Carolina's

POV reimbursement area where most POV reimbursements appear to be neither tracked nor managed. South Carolina's decentralized structure is reflected in its agencies' diverse approaches to processing travel reimbursement claims as well as the various systems agencies use for collecting and managing that data. Yet, the State has successfully implemented use of other centralized data collection systems, such as SCEMIS, to enable it to administer some programs and aggregate data statewide.

In our interviews with agencies, many indicated they were stunned to learn through the course of this study that their POV reimbursements were so substantial. Because of the way their systems report data, they had never before seen POV costs aggregated by driver or by agency until we requested that they query the data in that format. To accommodate our data requests, many agencies had to reprogram databases to "look" for data elements, such as origin and destination. Some agencies reconstructed POV data from vouchers and compiled summaries manually. Others could not provide the data in spreadsheet format because their systems would only generate lists of employees and reimbursement amounts.

As we discuss later in this section, South Carolina can reduce, manage and control POV reimbursements well below the $13,000,000 spent on mileage reimbursement last year. However, the State will have only limited success if it does not implement consistent data-reporting processes and systems so that agencies can begin to collect the information necessary for effective stewardship of State travel funds.

If B&CB does not have immediate plans to implement a travel management system across the state, it should task SFM with acquiring or developing a POV reimbursement and expense-management module that will:

- ensure reimbursement claim data is reported consistently
- enable data to be aggregated for all State organizations
- document results of cost-saving initiatives
- prepare customized reports to identify trends and patterns for monitoring compliance and curtailing imprudent spending behaviors.

✓ *Assigning Responsibility for POV Reimbursement Oversight*: When Mercury initially issued the POV data requests to agencies, a few asked, "Why are you worried about our POV mileage?" After reviewing their mileage reimbursement data, it is clear that someone should be worried about it. But, identifying "who" should worry about it is not a straightforward decision.

POV reimbursement squarely straddles the fence between the travel and fleet functional areas. As such, no one process-owner has clear responsibility for POV reimbursement oversight. Although POV reimbursement typically comprises 40% to 60% of states' travel budgets, how it is managed and administered has a more significant impact on areas of fleet management (vehicle utilization, motor pool utilization, etc.) than on cost components in the travel sector, such as airfare, lodging or meals. Also, SFM currently manages a centralized program while travel functions remain highly decentralized throughout State agencies.

✓ Strategic Elements for Rightsizing POV Reimbursements. In the preceding discussion, we identify policy and procedural requisites that provide the foundation and framework for implementing strategic elements to target immediate cost-savings and promote long-term cost-conscious use of POV reimbursement as an integrated fleet management component.

Specific strategic elements include:

- Breakeven analyses to identify best-value transportation options, in general, and high-mileage POV drivers for conversion to permanently assigned vehicles, in particular
- POV reimbursement thresholds to encourage conversion of high-mileage POV drivers to permanently assigned vehicles
- Alternative mileage reimbursement rates to spur more effective use of State vehicles when available
- Data tracking and reporting to ensure miles are claimed accurately
- Oversight and enforcement to ensure effective use of strategic elements

About the POV Database: Our analysis of agency POV data provides the basis for examining the viability of these strategies and identifying potential cost-savings. As noted in the introduction our analysis is based on reimbursement data representative of 85 State organizations:

- 39 agencies that supplied data reports
- 46 organizations for which data was provided by the State Comptroller General.

Overview of POV Reimbursement Analysis Database

Total Agencies:	85
FY04 Total Miles:	37,721,495
FY04 Total Reimbursement:	$12,865,653.11
FY04 Average Rate per Mile:	$0.3412

Notably, the Department of Health & Environmental Control (DHEC) reported FY04 POV mileage claims of $3.64 million, which equates to 28% of all POV mileage claims for the State. Labor, Licensing & Regulation (LLR) reported the second-highest reimbursement amount, $496,000, or nearly 4% of all reimbursements.

Among organizations that provided POV data reports, 25 agencies reported both mileage and reimbursements. The following table provides an overview of agencies that provided both miles and reimbursement amounts.

Overview of Agencies That Provided Miles and Reimbursement Amounts

Agency Name	FY04 Miles In State	FY04 Reim. In State	FY04 Miles Out of State	FY04 Reim. Out of State	FY04 Avg. Rate per Mile (in-State)
Health & Environmental Control (DHEC)	10,647,063	$3,647,377.33	126,242	$42,184.00	$0.343
Labor, Licensing And Regulations (LLR)	1,437,691	$496,003.40			$0.345
Employment Security Commision (ESC)	1,391,361	$472,830.89			$0.340
Medical University of SC	1,114,363	$384,455.12			$0.345
Lottery Commission	672,195	$231,765.90			$0.345
Agriculture	572,120	$196,685.19		$2,018.12	$0.344
Forestry Commission	453,198	$154,223.23	14,653	$5,040.47	$0.340
State Board for Techincal & Compreher	391,084	$134,923.89			$0.345
Budget & Control Board	293,225	$96,082.81	21,938	$7,154.57	$0.328
Governor's Office	278,139	$92,326.84			$0.332
Francis Marion	164,343	$49,883.42			$0.304
Commerce	151,649	$47,049.16			$0.310
Dept of Disabilities & Special Needs (DDSN)	116,548	$38,236.32			$0.328
Blind Commission	99,910	$30,658.47			$0.307
Lander University	87,383	$30,146.98			$0.345
Educational Television Commission (ETV)	85,213	$28,681.62	10,230	$3,342.84	$0.337
Natural Resources (DNR)	84,603	$28,337.69			$0.335
Dept of Juvenile Justice (DJJ)	80,420	24,528.00			$0.305
Winthrop University	66,608	$21,137.00			$0.317
Adjutant General's Office	27,937	$9,356.08	30,704	$10,510.09	$0.335
Patriots Point	13788	$4,756.85			$0.345
John de la Howe School	10,378	$3,567.71			$0.344
Archives & History	10,021	$3,114.61	1,976	$614.19	$0.311
Museum Commission	2257	$778.67			$0.345
State Library	852	$259.86	1,060	$323.30	$0.305
	18,252,347	$6,227,167.02	206,803	$71,187.58	$0.341

For agencies that did not provide mileage data (including organizations for which the Comptroller General supplied budget expenditure data), we estimated mileage by calculating an average per-mile reimbursement rate among the 25 agencies that

reported mileage and reimbursement data. We then divided agencies' reimbursement dollar amounts by the average reimbursement rate to derive mileage estimates. A matrix detailing FY04 POV reimbursement mileages and costs is included in the Appendix.

✓ *Breakeven Analysis*: A comprehensive fleet management strategy requires balancing the use of all viable alternatives for meeting the State's transportation needs: agency-owned vehicles, State-leased vehicles, motor pool rentals, commercial rentals, POV reimbursement and public transportation. Breakeven analyses (calculation models that identify the mileage threshold at which is it more cost-effective to opt for one form of transportation over another) provide the empirical data employees and supervisors require to promote optimum use of fleet resources.

The basic breakeven calculation compares the cost of permanently assigned vehicles with POV reimbursement. Formula factors include:

- Monthly Flat Rate (MFR)
- Mileage Charge (MC)
- State Personally Owned Vehicle Reimbursement Rate (SPOV)

SFM uses the following calculations to determine breakeven points for a compact sedan and intermediate sedan:

Compact Sedan
MFR (12 Mos.) + MC (X) = SPOV (X)
$100 (12 Mos.) + $.21X = $.345X
$1200 + $.21X = $.345X
$1200 = $.345X - $.21X
$1200 = $.135X
Breakeven Point = 8,889 Miles Per Year
Minimum mileage charge is 9,000 per year.

Intermediate Sedan
MFR (12 Mos.) + MC (X) = SPOV (X)
$100 (12 Mos.) + $.23X = $.345X
$1200 + $.23X = $.345X
$1200 = $.345X - $.23X
$1200 = $.115X
Breakeven Point =10,435 Miles Per Year
Minimum mileage charge is 9,000 per year.

Because SFM has a minimum mileage charge per year currently set at 9,000 miles

(750 miles per month), the breakeven point is the greater of the minimum mileage charge or breakeven point as determined through the above calculations. As illustrated above, despite what the calculation reveals, the breakeven point for the compact equates to the minimum mileage threshold because agencies will incur per-mile charges up to that threshold even if the compact is only operated 8,889 miles. Higher per-mile charges for the intermediate sedan pushed its breakeven point above the minimum mileage threshold; therefore, for jobs that require use of an intermediate sedan and for which POV mileage is anticipated to exceed 10,435 miles per year, it is more cost-effective for the employee to drive a permanently assigned vehicle than to receive reimbursement.

To determine the fiscal impact of leasing cars for employees who drive their personal vehicles extensively on state business, we compared the breakeven point for a compact sedan to individual drivers' mileages in the POV database. Because cost savings are marginal at or near the break-even mileage and rates will likely change as a result of this study, we focused our analysis on employees who drove more than 10,000 miles during the year.

Eighteen agencies reported that 490 employees drove their personal vehicles more than 10,000 miles on state business during FY04. Among those drivers, the average FY04 mileage for which reimbursement was claimed was 12,077 and average annual reimbursement was $4,131.12.

High-Mileage POV Drivers Summary by Agency

Agency	# High-Mile Drivers (10,000 miles+)	High-Mile Miles	High-Mile Reimbursement	Avg. Reim. Per Mile	Total Agency Miles	Total Agency Reimbursement	High-Mile as Percent of Total Miles	High-Mile as Percent of Total Reim.
DHEC	281	2,747,256	$937,089.83	$0.341	10,854,110	$3,689,555.87	25.31%	25.40%
LLR	36	556,613	$191,783.05	$0.345	1,437,691	$496,003.40	38.72%	38.67%
Dept. Employment Sec.	35	566,992	$193,756.41	$0.342	1,391,361	$472,830.89	40.75%	40.98%
Dept. of Agriculture	26	377,957	$130,195.86	$0.344	572,120	$196,685.19	66.06%	66.20%
Lottery	22	337,898	$116,251.89	$0.344	672,195	$231,765.90	50.27%	50.16%
Dept. of Social Services	16	245,838	$85,773.21	$0.349	1,986,916	$697,343.90	12.37%	12.30%
Forestry	14	191,673	$67,524.31	$0.352	467,850	$159,263.70	40.97%	42.40%
Tech-Ed	14	230,728	$79,601.11	$0.345	391,084	$134,923.89	59.00%	59.00%
Dept. of Mental Health	11	133,737	$45,737.90	$0.342	*	$550,744.49		8.30%
Budget & Control Board	8	111,238	$36,234.23	$0.326	315,163	$103,237.38	35.30%	35.10%
Parks & Recreation	8	149,140	$51,006.05	$0.342	*	$110,701.38		46.08%
University of South Carolina	7	87,813	$30,032.03	$0.342	*	$714,691.34		4.20%
School for the Deaf & Blind	3	43,378	$15,240.21	$0.351	*	$97,109.45		15.69%
Executive OfficeGovernor	3	44,584	$14,045.10	$0.315	278,139	$92,326.84	16.03%	15.21%
Dept. of Commerce	2	26,240	$8,003.20	$0.305	151,414	$46,977.48	17.33%	17.04%
Commission for the Blind	2	27,205	$8,297.54	$0.305	99,910	$30,658.47	27.23%	27.06%
Lander University	1	16,197	$5,587.91	$0.345	87,383	$30,146.98	18.54%	18.54%
Dept. of Natural Resources	1	23,452	$8,090.95	$0.345	84,603	$28,337.69	27.72%	28.55%
Estimated applying high-mileage average rate per mile because mileage not reported by agency								
Avg. Rate is higher than allowed by law…likely some other travel expenses incorrected coded as POV mileage were included, e.g., tolls/parking								
Total High-Mileage Drivers	**490**	**5,917,939**	**$2,024,250.79**					
Average miles/reimbursement		**12,077**	**$4,131.12**					
Total State Mileage Reimbursement		**37,718,127**	**$12,865,653.11**					
High-Mileage as Percent of Total		**15.69%**	**15.73%**					

We then estimated the vehicle classes to be apportioned at 80% compact and 20% intermediate to account for some employees who may require larger vehicles to carry out their duties. Therefore, when converting 490 POV drivers to assigned vehicles, 392 would receive compact vehicles and 98 would receive intermediate-sized vehicles.

Applying current lease rates to the average annual mileage driven by the high-mileage drivers, we estimate that by converting high-mileage POV drivers to the more economical leased vehicles will produce a net savings of $187,747 during the first year.

Estimated Annual Savings from Converting
High-Mileage POV Drivers to Assigned Vehicles

	Compact	Intermediate
Annual POV Miles	12,077	12,077
Avg. Monthly Miles	1,006	1,006
Flat Rate	$100.00	$100.00
Mileage Rate	$0.21	$0.23
Annual Lease Rate	$3,735.12	$3,976.56
Annual POV Charge	$4,166.57	$4,166.57
Less Annual Lease Rate	$3,735.12	$3,976.56
Net Savings	$431.45	$190.01
x Number of Vehicles	392	98
Annual Savings	$169,126.44	$18,620.49
Total Annual Savings	**$187,746.93**	

Factored over the lifecycles of the vehicles, the savings of shifting 490 POV drivers to assigned vehicles would exceed $1.5 million.

Estimated Savings Over Lifecycle from Converting
High-Mileage POV Drivers to Assigned Vehicles

	Compact	Intermediate
Life Cycle (miles)	100,000	110,000
Yrs. At 12,077 per yr	8.28	9.11
Annual Savings	$169,126.44	$18,620.49
Savings Over Life of Vehicle	$1,400,401.09	$169,599.56
Total Savings Over Lifecycle	**$1,570,000.65**	

We provide alternative savings scenarios to illustrate a range of savings that may occur depending on the number of POV drivers who opt for assigned vehicles and/or the types of assigned vehicles drivers require.

Sensitivity Analysis
High/Low Savings Estimates from Converting
High-Mileage POV Drivers to Assigned Vehicles

Scenario	Number/Type Vehicle	First Year	Life of Vehicle
20% increase in number of conversions	470Compact/112 Intermediate	$215,269.74	$1,884,000.78
All convert to compact vehicle	490 Compact	$211,408.05	$1,750,501.37
Base Savings Estimate	**392 Compact/98 Intermediate**	**$187,746.93**	**$1,570,000.65**
All convert to intermediate vehicle	490 Intermediate	$93,102.45	$847,997.81
60% decrease in number of conversion, all convert to intermediate vehicle	200 Intermediate	$86,289.00	$714,490.35

Breakeven models can also be used to identify situations in which motor pool rentals or commercial rentals would be more cost-effective than POV reimbursement.

Breakeven Analysis to Compare POV Reimbursement
Rates with Cost of Motor Pool Rental

Daily Vehicle Rentals (Motor Pool)- When a State Vehicle Is *Not* Available		
	Compact	**Full Sized**
Daily Lease Rate	$ 14.00	$ 17.00
Per Mile Rate	$ 0.1400	$ 0.1500
Standard Reimbursement Rate	$ 0.3450	$ 0.3450
If average Daily Mileage exceeds:	**68**	**87**
Then the State Vehicle provides the most cost effective transportation.		
Otherwise, paying standard mileage reimbursement offers a lower cost.		
Daily Vehicle Rentals (Motor Pool) - When A State Vehicle Is Available		
	Compact	**Full Sized**
Daily Flat Fee Rate	$ 14.00	$ 17.00
Per Mile Rate	$ 0.1400	$ 0.1500
Reduced Reimbursement Rate	$ 0.3050	$ 0.3050
If average Daily Mileage exceeds:	**85**	**110**
Then the State Vehicle provides the most cost effective transportation.		
Otherwise, paying reduced mileage reimbursement offers a lower cost.		

We reviewed a sampling of 500 trip records (that excluded trips of high-mileage drivers) and identified 48 trips, nearly 10%, that would have been more cost-effectively made via motor pool vehicle rather than by POV. SFM reports that motor pool rentals operate, on average, 110 miles per day.

Commercial rentals maybe a more cost-effective alternative when trips are short in duration, but high in mileage. As shown in the breakeven model below, a 3-day, 450-mile trip costs more in POV reimbursement than it would cost via commercial rental. Use of permanently assigned vehicles, when warranted, provide the best value for both shorter trips (75 miles per day) or longer trips (150 miles per day).

Breakeven Analysis of POV Reimbursement Compared with Commercial Rentals and Assigned Vehicles

Assigned Vehicles - When A State Vehicle Is *Not* Available				
		Compact		**Full-Sized Sedan***
Monthly Flat Fee Rate	$	100.00	$	100.00
Per Mile Rate	$	0.2100	$	.2300
Standard Reimbursement Rate	$	0.3450	$	.3450
Commercial Rental Cost per Day	$	36.50	$	40.50
If average Monthly Mileage exceeds:		**741**		**870**
Then an assigned State Vehicle provides is more cost effective than paying mileage. If the mileage is below, then paying standard mileage reimbursement offers a lower cost.				
Cost per Trip - When a State Vehicle Is *Not* Available				
		Compact		**Full-Sized Sedan***
State Vehicle				
Average Miles per Day		150		75
Number of Days Used Per Month		3		3
Mileage Reimbursement				
Standard Reimbursement Rate	$	0.3450	$	.3450
Commercial Rental				
Outside Daily Rental Charge	$	36.50	$	40.50
Outside Daily Rental - Fuel Cost per Mile	$	0.0839	$	.0910
		Compact		**Full-Sized Sedan***
Cost per Day of a State Assigned Vehicle	$	36.05	$	21.80
Cost per Day of Mileage Reimbursement	$	51.75	$	25.88
Cost per Day of Commercial Rental	$	49.09	$	47.33

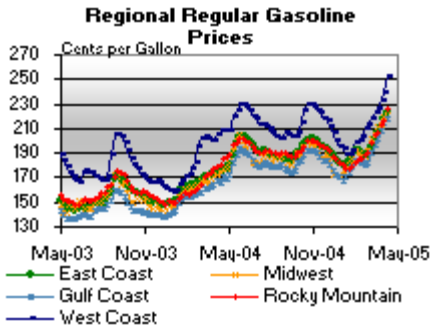
*Commercial car rental "full-sized" sedan is the equivalent of SFM's "intermediate" class vehicle

✓ *POV Reimbursement Thresholds:* Legally, the State cannot compel high-mileage POV drivers to use permanently assigned vehicles. Therefore, they may choose to continue to be reimbursed for driving their own vehicles, albeit at the reduced rate most likely. To prod stubborn high-mile POV drivers toward assigned vehicles and/or contain the cost of POV reimbursements, some states have imposed thresholds or mileage ceilings beyond which employees can not receive additional POV reimbursement. Following is a sample threshold policy from the State of Iowa:

> Personal Mileage Ceiling: Under authority of section 18.117, Code of Iowa, the Department of Administrative Services annually establishes the maximum number of miles departmental employees may be reimbursed for personal use of their automobiles. This mileage limitation is set at the current threshold where it is more economical to be assigned a state owned vehicle. Departments are urged to encourage their employees to carpool or to utilize departmental pool vehicles to avoid the mileage reimbursement limit. Obviously, departmental personnel should review their employee mileage reimbursement and underutilized vehicles prior to submitting their annual requests for vehicles.

Eliminating the reimbursement discourages employees from doing the jobs for which they were hired. Therefore, converting high-mileage POV users to assigned vehicles is the preferred approach to curtail out-of-line POV claims. Until/unless high-mileage POV drivers resist recommendations that they change to assigned vehicle status, thresholds are not necessary. However, this option should remain open until SFM can gauge agency and driver cooperation with other POV rightsizing efforts.

✓ *Alternative Mileage Reimbursement Rates*: In our endeavor to assist South Carolina in right-sizing POV reimbursements, we note that this rate should be right-sized as well to provide more equitable reimbursement to those who deserve it and to make the reduced rate more punitive. The current four-cent difference between the standard ($0.345) and reduced ($0.305) reimbursement rates is insufficient to spur more effective use of State vehicles.



Moreover, South Carolina has not adjusted the standard rate in four years, during which time fuel prices have skyrocketed and are expected to continue to increase. Therefore, employees who legitimately need to drive a POV in the course of State business are likely paying out-of-pocket to cover the increasing costs. Insufficiently reimbursing employees may deter driving employees from performing their duties as necessary.

We collected POV reimbursement rate data from 18 states. Compared with other states, South Carolina is in the middle of the pack. Notably, among states with dual-reimbursement rate structures North Carolina, Texas and Wisconsin specify rates for which the reduced rate is substantially lower than the standard rate. To be effective, the reduced rate must be sufficiently lower that employees can easily perceive the

difference. In our experience, a four-cent differential is not sufficient make a solid impression on POV drivers or their authorizing supervisors.

Comparison of States' POV Reimbursement Rates

State	Mileage Reimbursement Rate and (Non-Availability Rate) if Applicable
South Carolina	**$0.345 ($0.305)**
Arizona	$0.375
Arkansas	$0.34***
California	$0.34
Florida	$0.29*
Georgia	$0.28
New York	$0.405
Illinois	$0.37.5
Indiana	$0.34
Louisiana	$0.34**
Michigan	$0.405 ($0.328)
New Mexico	$0.32
North Carolina	$0.405 ($0.23)
Oklahoma	$0.405
Pennsylvania	$0.375
Tennessee	$0.38 ($0.35)
Texas	$0.35 ($0.25)
Virginia	$0.325 ($0.28)
Wisconsin	$0.325 ($0.22)

* Except for insurance examiners in the Department of Financial Services; their rate is pegged to the federal rate.
** Increased from 32 cents due to high gas prices, effective July 1, 2004.
*** Temporarily, will return to 31 cents per mile when gasoline price drops to $1.70 or lower.

As noted in our discussion of POV reimbursement policies, only 10% of FY04 POV miles were claimed at the reduced rate. Improved oversight, implementation of pre-travel authorizations and/or use of a best-value calculation tool should boost compliance with this policy and significantly increase the percentage of miles claimed at the reduced rate.

To estimate costs of adjusting the POV rates, we identified total POV mileage for the database and deducted the miles of high-mileage POV drivers (optimistically anticipating that in the future their miles will be generated in assigned vehicles rather than by POVs). Our cost analyses indicate that by lowering the reduced rate substantially, the State could increase the standard rate somewhat to bring it closer to the IRS standard rate at a relatively low or near cost-neutral price point (assuming compliance with the reduced rate policy remains at 10%). Improved compliance would result in overall cost–savings. We base the proposed reduced rates on the portion of the IRS standard mileage rate attributable to operating costs ($0.165) and a similarly constructed rate tailored to current vehicle operating costs in South Carolina ($0.20).

Alternative Reimbursement Rate Cost Projections

Total POV Mileage (less high-mileage drivers) = 31,120,722			
Standard Rate = $0.345/Reduced Rate = $0.305			
	90/10 compliance	**85/15 compliance**	**80/20 compliance**
@ $0.345	$9,660,707	$9,126,152	$8,589,319
@ $0.305	$948,929	$1,423,773	$1,898,364
Total Reimbursement	$10,609,636	$10,549,925	$10,487,683
Cost (-Savings)	$0	-$59,712	-$121,953
Standard Rate = $0.365/Reduced Rate = $0.165			
	90/10 compliance	**85/15 compliance**	**80/20 compliance**
@ $0.365	$10,223,157	$9,655,204	$9,087,251
@ $0.165	$513,492	$770,238	$1,026,984
Total Reimbursement	$10,736,649	$10,425,442	$10,114,235
Cost (-Savings)	$127,013	-$184,194	-$495,402
Standard Rate = $0.36/Reduced Rate = $0.20			
	90/10 compliance	**85/15 compliance**	**80/20 compliance**
@ $0.36	$10,083,114	$9,522,941	$8,962,768
@ $0.20	$622,414	$933,622	$1,244,829
Total Reimbursement	$10,705,528	$10,456,563	$10,207,597
Cost (-Savings)	$95,892	-$153,074	-$402,040

✓ *Data tracking and reporting:* As stated and re-stated throughout this section, consistent data tracking and reporting are essential to POV reimbursement rightsizing. As a strategic element, data analysis enables the State to establish the baseline costs and metrics necessary for knowing not just where you have been, but also where you are headed. Detailed data enables supervisors to query elements from several perspectives to improve route-setting, realign service territories, increase productivity, and provide a basis for program control and oversight.

To illustrate other applications for detailed POV assessment, we identified highest mileage drivers and analyzed mileage claims relative to workdays. We estimate that the highest mileage drivers average more than 100 miles per day driving in the course of State business; and, depending on average speed, spend at least one-fourth of each workday on the road. (Daily miles were estimated at 250 workdays per year.)

Top 10 Drivers with Highest Mileage Claims FY04

					Hours per Day @		
Dept	**Miles**	**Reimbursed Amt.**	**Avg. Rate**	**Daily Miles**	**55 mph**	**45 mph**	**30 mph**
LLR	40,804	$14,077.35	0.3450	163	3.0	3.6	5.4
LLR	38,840	$13,399.58	0.3450	155	2.8	3.5	5.2
DHEC	37,149	$12,816.37	0.3450	149	2.7	3.3	5.0
DES	31,475	$10,858.87	0.3450	126	2.3	2.8	4.2
Tech-Ed	31,422	$10,840.60	0.3450	126	2.3	2.8	4.2
DES	30,271	$10,375.18	0.3427	121	2.2	2.7	4.0
DHEC	29,746	$10,262.34	0.3450	119	2.2	2.6	4.0
DES	29,582	$10,205.82	0.3450	118	2.2	2.6	3.9
DHEC	29,318	$10,114.67	0.3450	117	2.1	2.6	3.9
DHEC	28,213	$9,733.46	0.3450	113	2.1	2.5	3.8
Total	**326,820**	**$112,684.24**	**0.3448**				

The traveler's POV claims history on the following page serves as an example of behaviors that likely would have been altered if this file had been reviewed by a supervisor who was aware of travel policy guidelines. Specifically, the reason most often provided for travel ("errands") is too vague and carries a negative connotation for government-paid travel by a government employee on government time. Additionally, the employee fails to document vicinity miles as suggested in the State travel regulations. And, finally, because most miles are local and often substantial, the employee should have used a pool vehicle or received reimbursement at the reduced rate. Notably, these areas for concern were only discernable because the agency provided detailed reports, which proves that not all non-compliance issues stem from poor quality data. Obviously, unless supervisors take time to review the data and know what to look for, even the most comprehensive dataset will not enable compliance and cost effective management. Although we single-out that

example, it is representative of the hundreds of similar inconsistencies we noted among the records of several agencies.

Date	Origin	Destination	Miles	Reim $	Purpose
20.36	Columbia	Columbia	59	20.36	Errands
17.25	Columbia	Columbia	50	20.02	Errands
7/2/2003	Columbia	Columbia	42	14.49	Errands
7/11/2003	Columbia	Columbia	57	19.67	Errands
7/17/2003	Columbia	Columbia	84	28.98	Errands
7/25/2003	Columbia	Columbia	51	17.60	Errands
8/4/2003	Columbia	Columbia	42	14.49	Errands
8/15/2003	Columbia	Columbia	64	22.08	Errands
8/22/2003	Columbia	Columbia	88	30.36	Errands
8/22/2003	Columbia	Columbia	14	4.83	Errands
9/2/2003	Columbia	Columbia	42	14.49	Errands
9/11/2003	Columbia	Columbia	77	26.57	Errands
9/23/2003	Columbia	Columbia	68	23.46	Errands
9/30/2003	Columbia	Columbia	41	14.15	Errands
10/1/2003	Columbia	Columbia	40	13.80	Errands
10/9/2003	Columbia	Columbia	66	22.77	Errands
10/20/2003	Columbia	Columbia	74	25.53	Errands
10/29/2003	Columbia	Columbia	59	20.36	Errands
11/12/2003	Columbia	Myrtle Beach	336	115.92	SCAGPO Conference-Procurement Trng
11/3/2003	Columbia	Columbia	90	31.05	Errands
11/18/2003	Columbia	Columbia	75	25.88	Errands
11/26/2003	Columbia	Columbia	14	4.83	Errands
1/20/2004	Columbia	Columbia	40	13.80	Errands
1/20/2004	Columbia	Columbia	32	11.04	Errands
1/6/2004	Columbia	Columbia	57	19.67	Errands
1/9/2004	Columbia	Columbia	71	24.50	Errands
1/16/2004	Columbia	Columbia	58	20.01	Errands
1/28/2004	Columbia	Columbia	36	12.42	Errands
4/16/2004	Columbia	Hilton Head	324	111.78	Heritage Golf Tournament
5/3/2004	Columbia	Columbia	74	25.53	Errands
5/11/2004	Columbia	Columbia	78	26.91	Errands
5/19/2004	Columbia	Columbia	86	29.67	Errands
2/2/2004	Columbia	Columbia	48	16.56	Errands
2/9/2004	Columbia	Columbia	52	17.94	Errands
2/19/2004	Columbia	Columbia	58	20.01	Errands
2/26/2004	Columbia	Columbia	36	12.42	Errands
10/30/2003	Columbia	Columbia	87	30.02	Errands

To our knowledge, the POV database compiled through this study represents the most complete aggregate picture of statewide mileage reimbursement costs and practices. As stated repeatedly, compiling data is arduous due to the State's decentralized travel claims processing; yet this study and the database provide a good start on which to build and shape an enforceable, manageable POV reimbursement program.

✓ Annual Savings Projections

We summarize potential budgetary and non-budgetary savings below. Non-budgetary savings derive from processes that will be eliminated through the POV reimbursement rightsizing initiatives. Although these savings are real and substantial, they translate to reduced workload spread over several agencies and, therefore, do not map directly to a reduction in positions.

Budgetary savings are hard-dollar savings that the State will realize through POV rightsizing endeavors. These include:

- Converting 490 high-mileage POV users to permanently assigned vehicles; average annual savings of approximately $380 per driver/vehicle.
- Use of the motor pool in lieu of POV reimbursement; conservatively projected at 500 fewer POV claims at a net savings of $9.47 per trip based on the average savings from a sampling of 200 trip records for which the "best-value calculator" indicated motor pool as the most cost-effective means of travel.
- Reduced POV claims through better compliance, conservatively estimated at 5% net reduction in POV costs (net POV costs after deducting costs of high-mileage POV users) through better communication of the costs of transportation alternatives and more diligent oversight that should lead to fewer overall claims and more accurately claimed miles (fewer over-stated miles).
- Reduced costs through implementation of alternative POV reimbursement rates; estimated using a reduced rate of $0.20 per mile, which deriveom s frapplying the IRS standard operating cost calculation method to current operating costs in South Carolina, off-set by a slight increase in the standard reimbursement rate (from $0.345 to $0.36 per mile.)

Potential Annual Savings

	POV Conversions/ Rate Change	Voucher Reduction	Admin. Savings (Voucher)
	Budgetary		**Non-Budgetary**
POV to Assigned	$187,747		
		490 x 26 weeks	$304,486
POV to Motor Pool	$4,735		
		500 Fewer trips	$11,950
POV Improved Compliance (5% net reduction)	$567,958		
Change Reimburs. Rates	$402,040		
Subtotal	***$1,162,480***		***$321,216***
Total		**$1,483,696**	

Within the scope of this study, we examined policies, processes and strategic elements only as they pertain to POV reimbursements. However, because of mileage reimbursement's cross-functional nature, many of our observations and findings apply to the State's travel policies, processes, and strategies as well.

Many gaps and shortfalls that plague the fleet area are also evident in the travel functional areas. South Carolina's decentralized approach to travel management perpetuates costly redundancies and inefficiencies in processes via inconsistent and/or antiquated systems. As evidenced through the POV data gathered for this study, the State's travel costs are not tracked consistently and monitored diligently, and therefore, they cannot be managed and controlled.

With the transportation cost data compiled through this study, the State has a head start on collecting travel cost data statewide. In fact, if POV reimbursements represent 40% to 60% of the State's travel budget, the data gathering aspect of a travel management study is likely 40% to 60% completed. Other derivatives from this fleet management study, such as understanding of State operations, contacts and relationships with statewide agencies, understanding of agencies' diverse processes and systems, would carry over to a travel management study if conducted at this time.

✓ Summary. A comprehensive fleet management strategy requires balancing the use of all viable alternatives for meeting the State's transportation needs: agency-owned vehicles, State-leased vehicles, motor pool rentals, commercial rentals, POV reimbursement and public transportation. In the course of this study, we aggregate

data, identify usage patterns and provide insights and recommendations for rightsizing and balancing utilization of agency and State-provided vehicles and POV reimbursements; through a prior study, we established commercial rental rates and recommendations for implementation. However, the data contained in these studies provides only a "snap-shot in time" picture of costs and savings.

To achieve and maintain the proper balance of fleet resource utilization, South Carolina must continue to collect and update cost data and usage patterns for the various transportation alternatives and adjust policies and practices to promote informed transportation choices by the decentralized agencies and facilitate diligent oversight by the Budget & Control Board.

Recommendations

10. *The State should assign primary responsibility for POV reimbursement oversight and enforcement to SFM, which should develop a plan for collecting detailed POV reimbursement data from all agencies at least once per year. Develop procedures and guidelines for reviewing data.*

11. *The State should develop a POV reimbursement expense management system to enable consistent entry of management information and data by agencies throughout the State.*

    Ideally, the system would also support:

    - a best-value calculation module to ensure consistent criteria, costs and methods are applied to facilitate analysis of transportation alternatives;
    - pre-travel authorization functionality;
    - expense claim functionality;
    - mileage auditing capability; and
    - ad hoc report capability for data analysis.

12. *The State should task SFM with the responsibility to provide agencies with a decision-making tool to ensure consistent criteria, costs and methods are applied in facilitating decisions among transportation options.*

13. *The State should develop and implement procedures to require that employees submit pre-travel authorizations to supervisors for approval prior to travel. A best-value transportation calculator should be attached, imbedded or linked to the pre-travel authorization document.*

14. *The State should modify State Travel Regulations and clarify policy directives to fill critical gaps identified in this report, specifically:*

    - *Requirement for Valid Driver's License*
    - *Responsibility of Agencies to Monitor Validity of Driver's Licenses*
    - *Requirement to Report Accidents and Follow Accident-Reporting Procedures*
    - *Requirement to Ensure POV Drivers Have Vehicle Insurance*
    - *Oversight for Ensuring POV Drivers Adhere to Safe-Driving Standards*

15. *The State should build on data and insights gathered through this study to analyze travel management policies, processes and costs to examine opportunities for cost-savings and process savings from centralizing travel management functions, applying travel management best practices and implementing travel management systems statewide.*

16. *The State should amend the State Travel Regulations and State Fleet Policy to require use of a revised (lower) reduced reimbursement rate when an employee opts to use a POV in lieu of a lower-cost alternative.*

17. *The State should communicate regulations, policy, and procedures regarding POV reimbursement compliance to agency and department heads and require they disseminate similar information to all travelers.*

18. *The State should instruct SFM's motor pool to begin tracking request turndowns and routinely issuing certificates of non-availability whenever they decline a request.*

    In implementing this recommendation SFM's motor pool should implement an online vehicle reservation system to track turndowns, facilitate motor pool management 'and improve data collection and analysis. Several initiatives recommended through this study are aimed toward increasing utilization of motor pool vehicles.

19. *The State should provide lists of high-mileage POV drivers to appropriate agencies and notify them of the expectation that these drivers will be assigned leased vehicles or will be reimbursed at the reduced mileage rate in the future.*

20. *The State should develop a more equitable dual-reimbursement rate structure that discourages high-POV claims by implementing a reduced reimbursement rate for employees who decline to use an available pool vehicle and by capping annual payments, but that also adequately compensates employees who must legitimately use their vehicles in the course of State business by raising the base rate to keep pace with escalating vehicle operating costs.*

OPPORTUNITIES TO COLLABORATE AND CENTRALIZE

Introduction

The State's fleet management activities are, for the most part, fragmented and decentralized. Multiple agencies provide duplicative services such as operation of maintenance and repair shops. There also is no central approach to replacing vehicles and motorized equipment. Rather, each agency makes its case for funding to the Legislature each year. As can be expected this has led to a very uneven situation where some agencies have done a better job of articulating their need for new vehicles than others. Thus the wide range in the age of fleets operated by various agencies reported in an earlier section of this report.

We do not mean to give the impression that there is no cooperation and collaboration on fleet management issues in the State. Many examples of collaboration exist including many agencies obtaining services from SFM, the Department of Corrections providing fleet maintenance services to multiple agencies located along Broad River Road, and most agencies participating in the centralized fleet fueling program. Still, among state governments, South Carolina has one of the more decentralized fleet management programs in the country.

Centralization Theory

During this review of centralization opportunities, it is important to remember these two basic precepts; 1) fleet maintenance is a *service* activity whose foremost goal is to meet the needs of fleet users and 2) strategies such as centralization, which are aimed at lowering the costs of providing services, should never lose sight of the impact they may have on service quality. If anything, an organization should be prepared to sacrifice gains in cost efficiency in the interest of preserving an adequate degree of service effectiveness.

This is not to say that cost efficiency and effectiveness are mutually exclusive goals, one of which cannot be advanced except at the expense of the other. On the contrary, the economies of scale which centralization makes possible often provide agencies with access to service-enhancing resources and tools; modern maintenance facilities; management information systems; technical training and support; etc. which they otherwise would not be able to afford, thereby providing a higher level of service and lower costs. Nevertheless, cost efficiency and effectiveness are potentially conflicting goals which must be balanced against one another.

Another realization is that property assigned to a particular department or agency is not the private property of that organization. Rather, the property (light duty vehicles) is ultimately the property of the State and what is the best value and approach from the State's perspective should outweigh the wishes of individual agencies as long as service delivery is not sacrificed.

The "philosophical" foundation, then, on which this review was based, is the belief that centralization is not an end in itself, but a means to an end. Accordingly, the goal of this report was not to set out to recommend *how* State fleet management activities should be consolidated. Rather, the objective was to determine *whether, and if so, how* such activities should be consolidated. The distinction is important because there is a significant difference between the theoretical benefits of centralization and the existence of real centralization opportunities in the State of South Carolina.

Centralization recommendations which make sense are those that will lead to real cost savings and/or real service improvements relative to actual, current service delivery approaches. The State is not starting with a clean slate on which it can design a network of maintenance facilities which optimize fleet maintenance efficiency and effectiveness. Therefore, it must be content with an incremental approach to fleet maintenance management centralization which, while perhaps disappointing relative to the *theoretical* benefits of consolidated fleet maintenance, nevertheless offers some significant cost saving and service improvement opportunities.

A review of centralization opportunities cannot be governed solely by ideas about how fleet centralization should or should not affect the State's fleet users. Such ideas are no more than overriding goals which must be able to be translated into real strategies and actions. Evaluating fleet centralization hinges on understanding what kinds of actions constitute centralization and understanding the potential costs and benefits of these actions.

Types of Centralization

In the area of fleet maintenance, the type of centralization which often first comes to mind is the *physical* integration of people, facilities, vehicles and equipment from disparate locations into a singe location. This is the most dramatic form of centralization in that it typically involves considerable modification to established work routines, not only as a result of the physical relocation of maintenance activities, but as a result of the organizational, managerial, and administrative changes which necessarily accompany such relocation. The prospect of such disruption along with fear of losing control over integral resources, are the primary causes of resistance to the idea of fleet centralization.

There are several other types of fleet centralization approaches including partial physical centralization where separate departments or agencies share a maintenance facility but remain independent in their reporting relationships. For example, if the SFM and USC shared a common maintenance facility but the mechanics that work on SFM vehicles and equipment remained employees the B&CB and continue to have reporting relationships through their department (and likewise for USC employees), then this would be an example of physical centralization.

Another type of centralization is organizational centralization. Under this approach, a single agency (i.e., SFM) would be responsible for the fleet maintenance activities for any number of agencies. For example, if SFM took over Clemson University's fleet maintenance program, the maintenance facility and motor pool would most likely remain operational on campus. However, the employees would become employees of SFM and have direct reporting relationships to SFM managers.

Additionally, there is managerial centralization of fleet activities. Under this approach, a single agency (i.e., SFM) would have authority to develop fleet policies and regulations, centralize management reporting, establish fleet performance benchmarks, require agencies to use a common fleet management information system, etc., but the employees and maintenance facilities would not necessarily become those of the managing agency.

Potential Benefits of Centralization

The recommendations presented in this report were developed on the basis of assessments of the potential benefits and costs of consolidating fleet maintenance/management activities.

Cost Savings. Perhaps the most widely anticipated benefit of centralization is the realization of cost savings as a result of eliminating redundant fleet maintenance resources and activities. For example, the fact that SFM, SCDOT, ETV, and the University of South Carolina all have vehicle maintenance facilities within a few miles of each other suggests that there is duplication of fleet maintenance capabilities and activities, and that cost savings therefore could be achieved by consolidating the maintenance operations of these four departments.

Eliminating redundant automotive technicians (to the extent that there are any) is irrelevant because staffing levels can always be streamlined without consolidating maintenance operations. The costs which can be reduced through centralization are primarily those indirect costs associated with land acquisition, facilities construction, acquisition of major equipment, and provision of support activities. The theory is that centralization lowers the cost of providing maintenance and repair services by enabling these fixed costs to be spread over larger numbers of billable units of service produced – labor hours, parts costs, sublet activity, etc. That is, centralization improves the utilization of indirect maintenance resources.

It is important to recognize, however, that indirect costs and "sunk" capital costs are not always avoidable. Consequently, the potential for the centralization of redundant maintenance programs to produce real cost savings tends to be exaggerated. For example, unless one of the four shops from our example above, was significantly underutilized and could accommodate large numbers of additional vehicles, the State

would have to build a new single facility that had the capacity to handle all of the units currently serviced at the three separate locations in order to avoid incurring the redundant fleet maintenance costs of having three shops within a few miles of each other. Since most of these costs are *sunk* and were incurred several years ago, eliminating them would not yield sufficient cash savings to justify the costs of new facility construction.

This type of physical centralization would produce meaningful costs savings only if the State was in a position to avoid prospective, as opposed to *sunk* costs of redundant facilities. This could occur if there was a need to build a new SFM garage in Columbia, for example. Another is when the existing properties occupied by a maintenance operation can be sold for sufficient money to build a more cost effective maintenance complex elsewhere. A third is when the property can be put to some other use by the State, thereby making funds which would otherwise be spent on land acquisition and construction available, again, to build a better fleet maintenance complex elsewhere.

Even in instances of centralization that are much less extreme than the physical integration of maintenance operations, it must be recognized that redundant fleet maintenance costs cannot always be avoided. For instance, many of the smaller fleet maintenance programs across the State are managed and administered by individuals whose positions would not be abolished if responsibility for the fleet maintenance activities they oversee were transferred to another agency. This is because fleet maintenance oversight represents only a portion of their responsibilities and that an "agency representative" is usually required to coordinate vehicle replacement, maintenance, etc. even if their fleet was managed by another agency.

Except to the extent that time currently devoted to such oversight can be used productively for other purposes, the costs these agencies incur in overseeing fleet maintenance activities would not necessarily be eliminated through centralization. That is, they are not avoidable costs. There may be good reasons to consolidate these types of operations, but direct cost savings associated with reducing duplication of effort often is not one of them. In fact, many agencies act under the belief that their in-house decentralized fleet programs are significantly less costly than if they were to procure services from SFM. This belief stems, in our view, from a pervasive erroneous application of cost allocation principles. In short, agencies in South Carolina significantly understate the real cost of operating an in-house fleet management program and, therefore, draw invalid conclusions about outsourcing, centralization, and vehicle replacement timing. The number of agencies that report "fully burdened" shop labor rates of under $40 per hour (about one-half the prevailing market rate in Columbia) is proof of this situation.

Management Improvements. Fleet management is not the primary mission of any department or agency within the State with the exception of SFM. Many of these other organizations find it difficult to invest in the development of sound maintenance

management systems and controls. It is impractical to assign a professional, full-time fleet manager to a small fleet of a dozen or so vehicles. Therefore, management of these small fleets tends to fall on an employee as a cursory duty. These employees typically do not have the technical training or experience to actively manage a fleet of vehicles.

This was evident during this study when many of the agencies (even some of the larger departments) had difficulty in providing very basic inventory, utilization, and cost data about their passenger fleets.

The move toward centralization can be traced to the increasing complexity and cost of fleet management endeavors over the last 20 years or so and to a simultaneous increase in emphasis on governmental efficiency – particularly in the face of competition from contract providers of fleet management services. During this period, developments in such areas as information technology, human resources management and professional development, risk management, regulation of environmental protection and occupational safety and health, and automotive technology have essentially changed the definition of "effective" fleet management, making it prohibitively expensive for many small, independent fleet management organizations to keep up. In short, the complexity of fleet management today produces significant economies of scale which often can be captured only through collective effort.

Centralized fleet ownership and management provides consistent management of all fleet assets and provides greater opportunities to pool and share vehicles. This is especially true of general purpose administrative sedans and construction type equipment which is very costly but may not necessarily be used daily by a single operating department.

The benefits associated with centralized ownership of vehicles/equipment are often not as easy to recognize for most fleet users. Department managers do not like to give up “ownership” of their fleet of vehicles and equipment for fear of decreased flexibility and increased bureaucracy. This, however, is not the case. We know this from observations made at several hundred municipalities - our clients across the nation. Public property assigned to a manager is not the private domain of that manager. Responsibility for arranging preventive maintenance inspections, performing repairs, planning replacement, maintaining a right-sized fleet, monitoring utilization, and standardizing the fleet are all management issues that can best be attended to when the fleet is centrally managed.

Service Improvements. Consolidating the maintenance and repair activities of a fleet under a single department often leads to improvements in service delivery to the end user. Centralization has the potential to significantly improve the management of maintenance activities by providing smaller departments with access to maintenance management capabilities which they otherwise would be unable to afford.

One of the principal causes of resistance to fleet maintenance centralization is the belief that the attenuation of lines of communication between fleet users and fleet maintenance providers impairs service effectiveness by making it more difficult for the former to convey their wishes and desires to the latter and to hold the latter accountable for their responsiveness to these demands.

It is entirely understandable for fleet users to want to exert direct control over the care and upkeep of their vehicles and equipment. Indeed, this desire usually is a sign of the seriousness with which an agency views its service delivery responsibilities and its appreciation of the importance of controlling the resources on which effective service delivery depends.

Effective service level agreements and performance monitoring and reporting can go a long way in satisfying customer concerns and managing expectations

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Potential Costs of Centralization

Whereas there is a potential to reduce costs and improve service delivery under a consolidated fleet management approach, there is also to potential of increased costs. If the hosting agency (i.e., SFM) had the existing capacity to absorb the management of other department's light duty passenger fleets without adding administrative or maintenance staff, or developing and implementing (or extending) data capture and financial management procedures/systems, then the potential costs of centralization would be minimal and would consist of staff time to develop the centralization strategy and implement the actual centralization. If, however, SFM, in this example, did not have the capacity and had to add administrative costs to manage more vehicles, then these costs would have to be identified. Based on our review of SFM operations, it has been determined that they could absorb some additional vehicles under current operational levels.

* * *

In summary, centralization can affect fleet users in a myriad of ways. The benefits which some people ascribe to centralization are not always readily attainable. On the other hand, those who vigorously oppose the loss of direct control over fleet maintenance activities often gloss over the very significant limitations of, and even risks posed by, marginal, under-managed fleet maintenance programs. The question is then not whether centralization is good or bad, rather will centralization result in net improvements in fleet maintenance activities to the State as a whole in the form of improved cost-recognition, lower overall costs to the State, improved service, and better management of the States fleet assets.

Analysis & Findings

- ✓ The State has a largely decentralized fleet management program. Only 2,000 of the State's 17,000 vehicles (12%) are under a central management program through SFM. The remaining vehicles are managed directly by various agencies, although all use SFM services to some degree (e.g. the State fuel program, the CVRP program, SFM's motor pool). Many agencies provide some services internally and acquire others from SFM. Agencies will also often mix service provision strategies such as by owning some vehicles directly and leasing others from SFM. There often does not seem to be a rational business reason behind these decisions. The following points illustrate this issue:
  - 19 agencies acquire all of their vehicles and fleet support services from SFM;
  - Five agencies own at least some of their vehicles directly but use SFM exclusively for maintenance services;
  - 15 agencies do not use SFM at all or to a very minimum extent (such as participating in the central fuel program);
  - 26 agencies employ a mix ownership/service model
  - 17 agencies operate maintenance garages.
  - Three agencies have radio installation shops in Columbia.
  - Two agencies operate equipment rebuilding and outfitting shops in Columbia.

  The following table illustrates the decentralized nature of the State's fleet management program:

Agency	Acquire All Vehicles and Services From SFM	Acquire Few/No Vehicles Or Services From SFM	Mix		Agency	Acquire All Vehicles and Services From SFM	Acquire Few/No Vehicles Or Services From SFM	Mix
Adjutant General			X		Francis Marion University		X	
Agriculture Dept		X			Governors Office	X		
Archives and History			X		John de la Howe School		X	
Arts Commission	X				Labor, Licensing and Regulation			X
Attorney General's Office	X				Lander			X
Blind Commission			X		Lottery Commission			X
Board of Financial Institutions		X			Lt. Governor			X
Budget and Control Board			X		Minority Affairs	X		
Citadel			X		MUSC			X
Clemson University			X		Parks, Recreation and Tourism		X	
Coastal Carolina University			X		Patients Compensation Fund		X	
College Charleston		X			Patriot's Point		X	
Commission on Higher Education	X				Public Service Commission	X		
DAODAS	X				SC Administrative Law Court	X		
DDSN			X		SC Dept of Agriculture		X	
Department of Consumer Affairs	X				SC Dept. of Public Safety			X

Agency	Acquire All Vehicles and Services From SFM	Acquire Few/No Vehicles Or Services From SFM	Mix		Agency	Acquire All Vehicles and Services From SFM	Acquire Few/No Vehicles Or Services From SFM	Mix
Department of Corrections			X		SC State University			X
Department of Education		X			School for the Deaf and Blind			X
Department of Health and Human Services	X				Sea Grant Consortium	X		
Department of Juvenile Justice			X		SLED		X	
Department of Mental Health			X		State Accident Fund	X		
Department of Natural Resources			X		State Auditor		X	
Department of Revenue	X				State Housing Authority	X		
Department of Social Services			X		State Library	X		
Department of Transportation		X			State Museum	X		
Dept. of Commerce			X		State Treasurer's Office	X		
DHEC			X		Technical College System			X
DMV			X		Tuition Grants Commission			X
Election Commission			X		University of South Carolina		X	
Employment Security			X		Vocational Rehabilitation			X
Ethics Commission	X				Will Lou Gray Opportunity School			X

Agency	Acquire All Vehicles and Services From SFM	Acquire Few/No Vehicles Or Services From SFM	Mix		Agency	Acquire All Vehicles and Services From SFM	Acquire Few/No Vehicles Or Services From SFM	Mix
ETV			X		Winthrop University			X
Forestry		X			Workers' Compensation Commission	X		

- ✓ The only agencies that have full-time fleet management staff (not counting mechanics or other maintenance personnel) are SFM, DOE, Clemson, and SCDOT. Some other agencies have staff for which fleet management is one of their primary responsibilities (such as a University Transportation Manager who is responsible for transit, parking, and fleet). However, most agencies do not have professional fleet management staff but instead rely on general administrative or clerical personnel to manage fleet activities.

- ✓ Most State agencies do not have accurate and complete information about their fleet operations. Many agencies struggled to provide us with information about their fleet management operations including where vehicles were assigned, utilization levels, costs, and reimbursement of personal mileage. It is no coincidence that three agencies that provided the most complete and timely reply to our request for information – SFM, DOE, and SCDOT – have the most centralized and professional fleet management programs.

- ✓ All agencies, with the notable exception of SFM, do not accurately track fleet related costs. The major problem with cost reporting in the State is that agencies do not accurately allocate indirect and overhead costs. Many do not allocate any of these costs to their fleet program at all. As a result, every agency that operates a maintenance garage, with the exception of SFM, understated their mechanic hourly labor rate – often by more than 100%.

- ✓ SFM's latest annual Fleet Management Review Report (currently in draft form) Appendix I states that maintenance costs per mile as reported by agencies in 2004 totaled $18 million for just over 15,000 vehicles and pieces of equipment (this figure includes sedans, police vehicles, pickups, utility vehicles, vans and vehicles over 10,000 GVWR). We are confident that the reported total costs are understated to a significant degree. Our work with hundreds of fleets has shown that maintenance and repair costs range from an average of $1,500 to $2,500 per vehicle/piece of equipment per year. Given the mix and age of vehicles in the State's fleet we believe that an average of $2,000 per unit is a good estimate. At this average,

actual annual maintenance and repair costs for the State's fleet could be as high as $30 million when costs are fully burdened and accurately reported.

- ✓ Most agencies also do not account for fleet depreciation costs. Agencies confuse the concept of amortization (i.e. there is no car payment) with depreciation (the concept that assets lose value over time). Consequently, we heard time after time that vehicles were not costing the State anything so why turn them in (even they were underutilized).

- ✓ The absence of a centralized fleet management information system that all agencies use (or at least a centralized fleet reporting tool) and no standardized procedures for collecting fleet data and cost information, are the major causes of the problems with cost reporting.

- ✓ Since agencies do not have accurate fleet cost information, they are not making appropriate management decisions. For instance, many agencies that operate their own maintenance garages do so because they believe it is a less costly approach. However, if these agencies were forced to confront the full and accurate cost of operating an in-house maintenance shop, they might well arrive at a different opinion.

- ✓ Many agencies that do not lease vehicles from SFM or use their other services assert that to do so would be more costly. We believe that this is also a function of agencies not understanding their own cost structure. It is also the result of SFM's employing a system for charging costs back to customers that co-mingles service and capital costs, causes the cross subsidization of costs between vehicle types and customers, is difficult for customers to understand, and does not promote cost-recognition and control.

- ✓ State agencies operate 15 vehicle maintenance shops in Columbia. With a few exceptions, there is little collaboration among agencies in the use of shops. That is, most shops are limited to the exclusive of the agency that operates them. Following is a list of State owned shops in Columbia (not including Lexington, where there are three additional State shops).

    - SCDOT has three shops;
    - The Department of Mental Health has two shops;
    - The Department of Public Safety has two shops;
    - The Department of Education has one shop;
    - The B&CB (SFM) has one shop;
    - The Department of Corrections has one shop;
    - DHEC has one shop;

- SLED has one shop;
- ETV has one shop;
- The Department of Forestry has one shop; and
- USC has one shop.

SCDOT and DOE also each have one shop in Lexington.

✓ Several agencies operate maintenance shops in close proximity to each other in the vicinity of Broad River Road. The Department of Corrections (DOC) has a large shop that was constructed in 1996. This shop services all of DOC's' vehicles in the area as well as a number of other agencies' vehicles (including the Department of Juvenile Justice). A total of 1,100 vehicles are supported at this facility. This shop has 13 full-time salaried employees and also uses inmate labor as part of DOC's prisoner rehabilitation program.

The State Law Enforcement Division (SLED) also operates a shop in this area that is literally on the other side of the fence from the DOC shop. SLED's shop is older and in a building that was not originally designed as a maintenance shop. Consequently, the shop does not promote efficient operation for the two full-time salaried staff and one inmate laborer who work there. This shop supports all of SLED's 551 vehicles throughout the State, although much of the actual work is performed by vendors selected by SLED (i.e. SLED does not use the SFM's CVRP program).

The Department of Public Safety (DPS) also operates a shop in the Broad River Road area at its driver training facility. This shop exists only to keep the small fleet of training vehicles in good repair. This is necessary because the training vehicles are all older vehicles that have come out of service from patrol duties. Other states that we have worked with use brand new vehicles for training and rotate them into service in other areas after one year. This minimizes the amount of maintenance required for training vehicles (basically a check of brakes and tires before training sessions) and obviates the need for an on-site shop.

Forestry also operates a shop in the Broad River Road area approximately one-half mile from the DOC shop. This facility maintains approximately 69 vehicles and has two staff. This facility also prepares new trucks and construction equipment for fire suppression service by installing mounted equipment and customized protective shields.

✓ Several agencies operate maintenance shops in the vicinity of downtown Columbia included SFM, the University of South Carolina (USC), the Department of Mental Health (DMH), and SCDOT.

SFM and USC have very similar operations that are currently located less than one-quarter mile from each other. Both organizations operate a repair shop and a daily

rental motor pool from their facilities. USC also has a parking lot for its shuttle bus operation, a fuel station, and a general purpose warehouse. SFM has office space for its administrative staff in addition to a motor pool and shop. The State has sold SFM's facility and it must be vacated by the fall of 2005. USC is also considering replacement of its shop facility and has agreed to explore co-location (but separate operation) of a new facility with SFM.

ETV operates a small shop at its headquarters complex approximately 2 miles south of the State capital and 1 mile from the SCDOT Depot on Shop Road. This shop has two personnel and supports approximately 67 vehicles.

SCDOT's shop near downtown Columbia is known as the Equipment Depot and is located on Shop Road. The primary function of this shop is as an in-service and decommission facility. All new SCDOT vehicles are delivered to this facility and prepared for service. For light-duty vehicles this may be limited to a brief inspection and installation of decals. However, this facility also performs complicated upfitting activities such as installation of dump bodies on heavy-duty truck chassis, fabrication of racks and custom enclosures, and installation of lights and other electronics. Radios are installed at an adjacent radio shop. The Depot also refurbishes trucks and construction equipment that are then placed back in service in a SCDOT operating district. The facility also includes a body and paint shop for repair of accident damage. The Depot also decommissions old SCDOT's vehicles and prepares them for auction. Sales are held at this site on a periodic basis. In the past, this shop also used to maintain Highway Patrol vehicles before the creation of DPS, and, therefore, has capacity to take on additional work – especially as the shop currently operates only one shift.

DPS operates a small shop across field from DOT's Equipment Depot. This shop performs no regular maintenance and is used exclusively for upfitting new patrol cars for service. The facility also installs radios and other electronics such as light bars and video cameras. This service is also offered to other law enforcement agencies throughout the state.

The Department of Mental Health operates a shop just off Bull Street in Columbia. This shop is in an older facility in back of the main headquarters building of DMH. There are four staff supporting around 500 vehicles and pieces of equipment. The shop provides a full range of services only to DMH personnel. DMH's campus on Bull Street has been sold and must be vacated. DMH has budgeted $90,000 to remodel its Farrow Road facility as part of a project to move consolidate operations from Bull Street.

- ✓ There are four shops located in the northern part of Columbia including the Richland DOT shop, the Richland DOE bus maintenance shop, a shop operated by DHEC (located on the other side of the State Park from the DOE shop), and a small shop operated my DMH. The DHEC shop also provides services to a few other small

agencies in the area. We note that this shop is actually almost eight miles from DHEC's main facility. SFM's current location is less than 2.5 miles from DHEC's main offices.

- ✓ Section 1-11-300 of the Code of Laws of South Carolina specifically states that the Budget and Control Board should not allow duplicating maintenance services within a reasonable distance that is not in the best interest of the State.

- ✓ Except for State Fleet Management, no agency's core mission is to own and operate a fleet. Even DOT's mission is to maintain highways, not repair vehicles. Consequently, we believe that the State should give preference to SFM rather than agencies operating fleet service programs.

- ✓ Consolidation of certain maintenance operations in the Columbia area would produce savings in the form of opportunities to reduce the number of personnel involved. We believe that implementation of our consolidation recommendations would enable to following position reductions:

  - 1 FTE at ETV-Mechanic lll
  - 1 FTE at Forestry-Mechanic lll
  - 1 FTE from CJA-Mechanic
  - 3 FTE from Mental Health-Mechanic lll
  - 1 FTE from SLED-Trade Spec V
  - 2 FTE from DHEC-Mechanic lll

  Using an average salary and benefit rate of $30,000 per year, eliminating these positions will produce savings of $240,000 per year.

- ✓ Consolidation will also enable avoidance of facility upgrade and construction costs such as that planned by DMH (a minimum of $60,000) and construction of a new SFM shop in downtown Columbia (estimated at $ 2 to $3 million).

Recommendations

Centralization of certain fleet activities and processes will undoubtedly save the State money and improve service levels. However, whole-sale centralization of all activities is not in the State's best interests. For example, it is difficult to make the case that SFM is in a better position to maintain heavy trucks and construction equipment than is SCDOT. Moreover, SFM certainly does not have the experience or management infrastructure to take over operation of SCDOT's field shops throughout the State.

We believe that the opportunities available to the State to improve its fleet management program through centralization lie mainly in standardizing administrative and financial procedures. Targeted centralization of maintenance activities in Columbia also exist as do opportunities for further collaboration between some agencies in other parts of South Carolina. Our recommendations relative to centralization are as follows:

21. *The basic business model employed by SFM follows industry best practices and should be replicated to the greatest extent practical across all agencies.*

22. *The State should centralize the acquisition of light-duty vehicles (generally those under 14,000 lbs gross vehicle weight). State agencies should immediately relinquish "ownership" of these vehicles and transfer their management to SFM.*

23. *SFM should lease these vehicles back to agencies by charging incremental depreciation costs (except for those vehicles purchased with proprietary funds or federal grants), insurance costs, and a management fee.*

24. *As vehicles are replaced, SFM should lease new light-duty vehicles to agencies based on a mutually agreed upon depreciation and retention cycles that minimize life-cycle costs.*

25. *The State should develop a standardized cost accounting method for fleet activities including full allocation of indirect and overhead costs. Implementation and use of a centralized fleet management information system would aid in the effort to generate complete and consistent fleet cost information.*

26. *Agencies that retain fleet activities in-house (e.g. DOT, DOE, Forestry), should establish an Internal Service Fund to fully account for program costs and revenues.*

27. *All agencies should use SFM's CVRP program when vendor maintenance is required on light-duty vehicles.*

28. *SFM should take over operation of the maintenance shop currently run by the Department of Corrections in the Broad River Road area. Existing staff should be transferred to SFM.*

29. *SLED should close their maintenance shop on Broad River Road and transfer staff to the SFM shop at Corrections.*

30. *DHEC should close their shop in the State Park area. If existing employees are not needed at a SFM or SCDOT shop, then they should be transferred to other duties. Vehicles should be maintained at other State shops or through the CVRP program. If the State Park property ever becomes a health services campus for the State, the shop could be reactivated under SFM management.*

31. *Mental Health should close their shop in the Bull Street area. If existing employees are not needed at an SFM or SCDOT shop, they should be transferred to other duties. Vehicles should be maintained at other State shops or through the CVRP program.*

32. *SFM should take over operation of the maintenance shop currently run by the Department of Public Safety at the training academy. Existing staff should be transferred to SFM. Consideration should be given to closing this shop once DPS replaces existing older training vehicles with new ones. SFM would then provide maintenance support from the Broad River Road Shop.*

33. *SFM and USC should proceed with their plans to co-locate their fleet operations in a shared facility (old City garage). Ultimately, SFM and USC should combine operations under SFM's management. However, SFM should not build a new fleet repair shop in Columbia before completing a cost-benefit study of using the SCDOT Depot shop for maintenance of vehicles in the downtown Columbia area.*

34. *SCDOT should provide maintenance services to other State agencies throughout South Carolina on a cost reimbursement basis.*

35. *DPS should perform radio installations for SLED and SCDOT from its Shop Road facility in Columbia.*

36. *Forestry should close its equipment upfitting and rebuild shop in Columbia and acquire these services from SCDOT at its Shop Road facility.*

37. *SCDOT and DOE should develop a detailed shop consolidation plan and close unneeded facilities.*

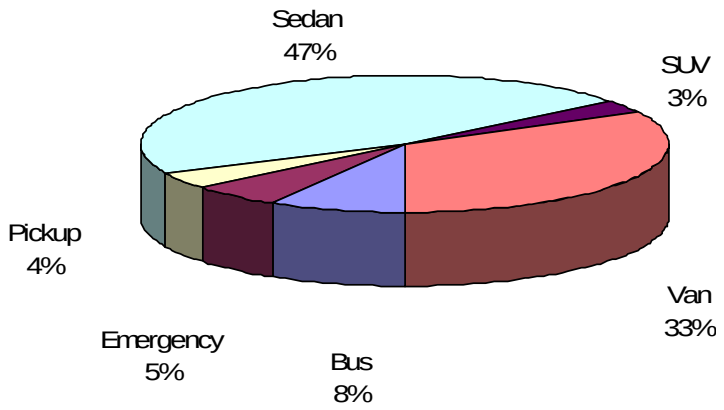
OTHER IMPROVEMENT OPPORTUNITIES

SFM Fleet Replacement and Financing Plan

This section of the report presents the results of Mercury Associates' evaluation of the methods currently used by State Fleet Management (SFM) to plan for the replacement of fleet assets and to allocate funds to meet replacement requirements. Specifically, we assessed the adequacy of established replacement cycles; projected future vehicle replacement dates and costs for vehicles in the SFM fleet; and evaluated replacement financing alternatives for the SFM fleet. A comprehensive discussion of fleet replacement planning and funding approaches is provided in an earlier section of this report and is not duplicated here.

SFM owns approximately 2,200 vehicles, which it leases to various State agencies. The distribution of assets in this fleet by asset type is shown in the graph below. As can be seen, sedans and vans comprise more than three-quarters of the SFM fleet.

Distribution of Fleet by Asset Type
(2,209 Units)



The estimated replacement cost of these assets, in today's dollars, is $35.9 million or an average of $16,300 apiece. This cost estimate is based on the distribution of vehicles by type of asset and on purchase prices for FY 2005 for each class furnished to us by SFM. The average age of these units, based on in-service dates provided by SFM, is 4.71 years[14.] Based on this average age, the imputed replacement cycle for the fleet is 9.42 years, or twice the average age.

Based on the total gross replacement cost of the fleet ($35.9 million[15)] and the weighted average replacement cycle for all units in the fleet (6.83 years), SFM should spend an average of approximately $5.3 million annually to renew the fleet in accordance with the newly established replacement criteria presented in the following paragraphs. SFM has fallen short of this level of funding by about $1 million per year and has averaged spending approximately $4.3 million per year from FY 2000 through 2004.

Failure to adequately renew the SFM fleet has resulted in a fleet that is somewhat old (average age of 4.7 years), considering the fleet is comprised of mostly light duty vehicles.

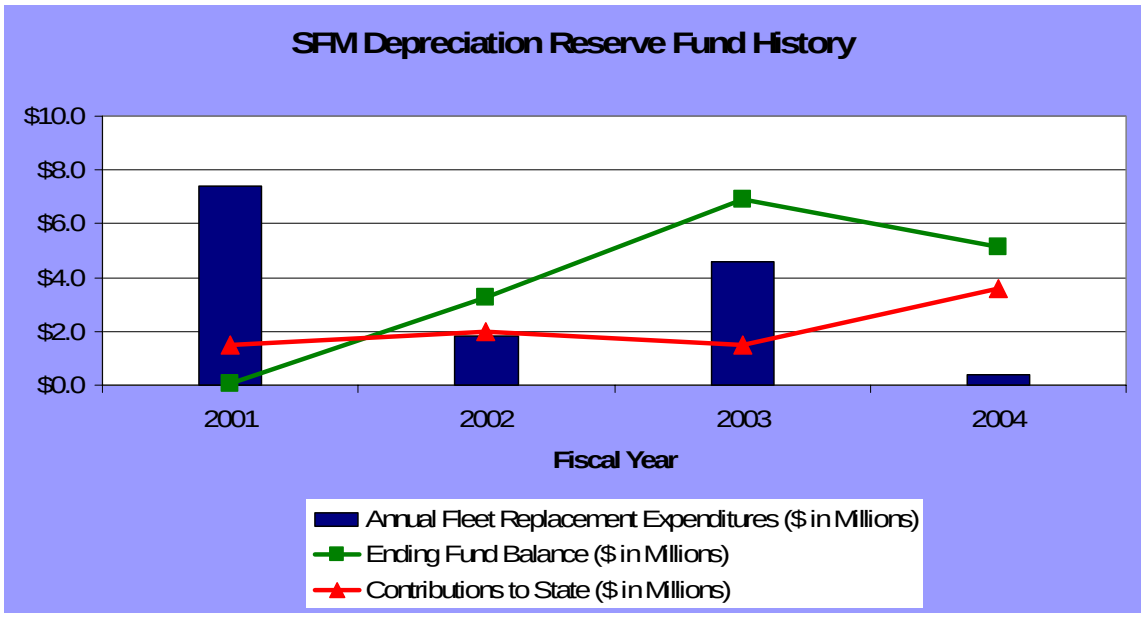
SFM finances vehicle replacement through the use of a reserve fund. The fund, called the Depreciation Reserve Fund, is used to provide a mechanism to acquire necessary reserves to replace fleet assets as they reach the end of their useful life.

[14] Units in the inventory that did not have in-service dates or had assignment dates rather than in-service dates were given an in-service date of January 1st of the vehicle's model year for the purposes of estimating the average age of the fleet.
[15] Does not include replacement costs for certain handicapped vans, which are funded directly by HHS.

SFM has been able to maintain a positive fund balance (beginning cash + operating transfers lease rates + vehicle sale proceeds– vehicle purchases – contributions to the State) in the Depreciation Reserve Fund even considering the $8.6 million in additional contributions back to the State from FY 2001-2004. These ad-hoc contributions back to the state represent 32 percent of the total revenue generated by the fund through vehicle rates and vehicle disposal proceeds during this period.

Fiscal Year	Ending Fund Balance ($ in millions)	Contributions to the State ($ in millions)
2001	$0.027	$1.50
2002	$3.27	$2.00
2003	$6.90	$1.50
2004	$5.13	$3.60

Recent history of the Depreciation Reserve Fund is illustrated in the following chart.



We note that the fund is not credited with the interest earned on cash balances. This is a normal source of revenue for an Internal Service Fund and we urge the State to adjust current policy so that interest earnings accrue to the reserve account. SFM will have to raise its rates if interest earnings are not credited to the fund. Please note that we have assumed that the fund will receive interest earnings in the new lease rates that we calculated for SFM.

Policy Directives issued by the State Budget and Control Board delegates administrative authority to the State Fleet Manager to develop and administer a comprehensive fleet management program for the state's vehicles[16]. In accordance with the provisions of this Policy Directive, SFM developed minimum usage criteria for vehicle replacement.

SFM has defined 95 vehicle and equipment classes for categorizing the assets in the fleet, and has established minimum mileage criteria for replacement for the general categories of vehicles. These are provided in the tables below:

Vehicle Class Passenger Carrying Vehicles	Minimum Mileage
Compact Sedans	100,000
Intermediate Sedans	110,000
Full-size Sedans	125,000
All Station Wagons	125,000
Mini Vans	125,000
Full-size Vans	150,000
Intermediate Utility Vehicles	125,000
Full-size Utility Vehicles	150,000
14 passenger Mini Bus	175,000
Handicap Bas	200,000

Vehicle Class Non-Passenger Carrying Vehicles	Minimum Mileage
Full-size Police Sedans	125,000
All Other Police Sedans	110,000
Compact Trucks	125,000
Trucks < 10,500 GVWR	150,000
Trucks > 10,500 GVWR	175,000
Mini Cargo Van	125,000
Full-size Cargo Van	150,000
Bus (other than school)	200,000
Truck Tractor, Diesel	300,000
Scooter, 3-wheel	12,000

As illustrated by the tables above, SFM utilizes a single replacement parameter (mileage) to determine when a vehicle is eligible for replacement. Exceptions to these minimum usage criteria are allowed in special circumstances such as when the cost of repairing the vehicle is determined to not be cost effective.

[16] Policy Directives - State Budget and Control Board Office of General Services Motor Vehicle Management Section, Subarticle 1.

In our view, an effective replacement program relies on more than a single replacement criterion such as mileage to trigger replacement. Therefore, during the development of the replacement plan for SFM we developed new replacement criteria for all applicable classes of vehicles represented in SFM's fleet.

Development of the Replacement Plan

The first step in developing a long-term fleet replacement plan for the SFM fleet was to obtain a current inventory of all vehicles and equipment in the fleet. Required information for each vehicle included a unique identification number; description of the unit, agency name, year, make and model; in-service date, original, purchase price, and latest meter reading and date taken.

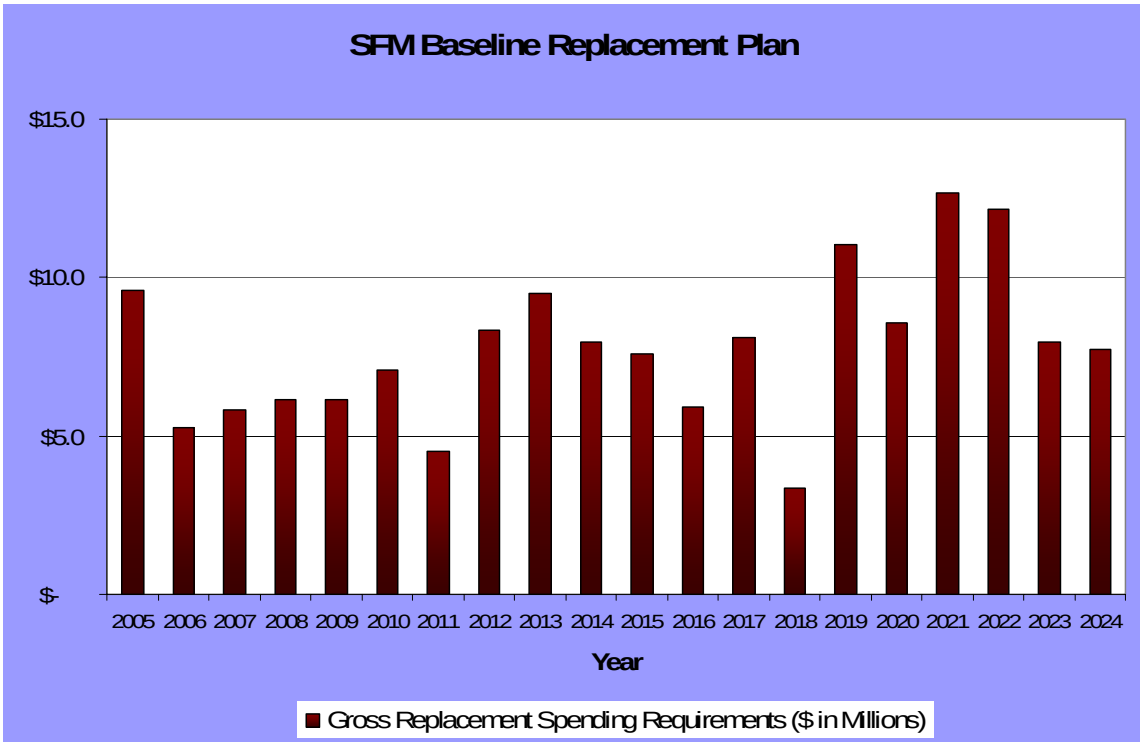
The next step was to develop class-specific replacement planning parameters. Establishment of detailed replacement criteria based on the age of the unit and the life-to-date utilization (miles or engine hours) will enable SFM to better plan for replacing the various types of fleet assets at the most economical point during their useful life. Therefore, once a complete and accurate listing of the fleet assets was compiled, we developed replacement cycles (in years and/or miles of service) and other planning parameters for each of approximately 24 different classes of vehicles that were represented in the SFM fleet. We developed these parameters through consultation with SFM staff, an analysis of utilization trends of these vehicles, and also drew on our experience in developing replacement plans for dozens of other State and local government clients across the nation. It is important to develop fleet replacement parameters that are reasonable and implementable for the specific organization. A sample of the replacement cycle parameters that were established though this process is provided in the table below.[17]

Description	Replacement Age (Months)	Replacement Usage (Miles or Hours)
Midsize Sedan	84	110,000
Police Patrol Sedan	48	125,000
½-ton Pickup Truck	120	150,000
Sport Utility Vehicle	84	125,000
Minivan	84	125,000
Hi-cube Van	120	150,000

[17] A complete table of planning parameters used in developing SFM's fleet replacement plan is provided as Appendix H to this report.

Once the fleet inventory was obtained and the replacement criteria established for the various vehicle and equipment classes in SFM's fleet, we input this information to our computerized fleet replacement planning and cost analysis program. This program is a Microsoft *Excel*™-based simulation program called *CARCAP* (*Capital Asset Replacement Cost Analysis Program*). This program is designed to assist organizations in projecting near and long-term vehicle (and/or other fixed asset) replacement costs, depreciation costs, residual values and funding requirements. *CARCAP* is also used to determine the best way to finance the replacement of capital assets such as vehicles and motorized equipment, and to assist organizations in managing a systematic asset replacement program on an ongoing basis.

As expected, given the average age of the vehicles in SFM's fleet, the initial, or baseline, plan we developed reflected a backlog of vehicle replacement needs. This plan is shown in the following graph. As can be seen, nearly $9.6 million worth of assets would need to be replaced during the first year if this plan were followed.

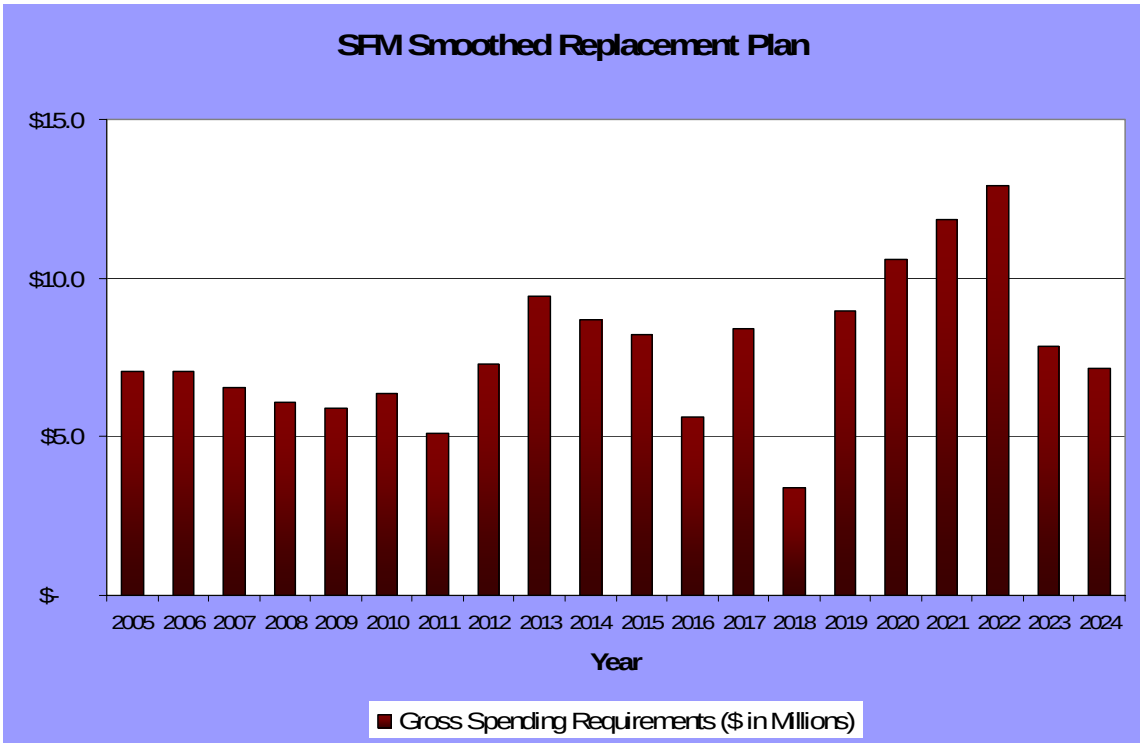


As this chart illustrates, the long-term costs of replacing a fleet comprised of vehicles and equipment of varying replacement costs and varying replacement cycles (from 48 months to 120 months), are inherently volatile. These peaks and valleys make funding requirements difficult to predict and fulfill annually.

The next step in the planning process was to develop a more realistic and implementable "smoothed" replacement plan that would better meet SFM's objectives.

Based on input from SFM staff, we smoothed the plan by extending the replacement cycles of certain classes of vehicles and by deferring the replacement of individual vehicles throughout the plan. This allowed us to reduce total replacement funding requirements for the first year of the plan to a level that is more reasonable and to provide a long term replacement plan that has more predictable spending requirements throughout.

The smoothed plan is presented in the following chart.



This chart reflects the cash spending requirements if the State used ad hoc cash appropriations to fund vehicle and equipment replacement. Details of this plan are included in the Appendix.

It should be noted that if the recommendations presented in the Mileage Reimbursement section of the report that identify the need for approximately 400 additional permanently assigned lease vehicles, the gross spending requirement for the first year of the plan would be increased significantly. A breakdown of additional fleet replacement needs, in this scenario, is provided in the following table.

Vehicle Type	Number of Vehicles	2005 Projected Cost
Compact Sedan	320	$3.16 million
Midsize Sedan	80	$0.97 million

Leveraging the cash available in SFM's reserve fund by financing the purchase of these additional vehicles through the Treasurer's lease-purchase program, as discussed in the following section of this report, would provide the working capital required to add these vehicles to the lease fleet.

Fleet Replacement Financing Alternatives

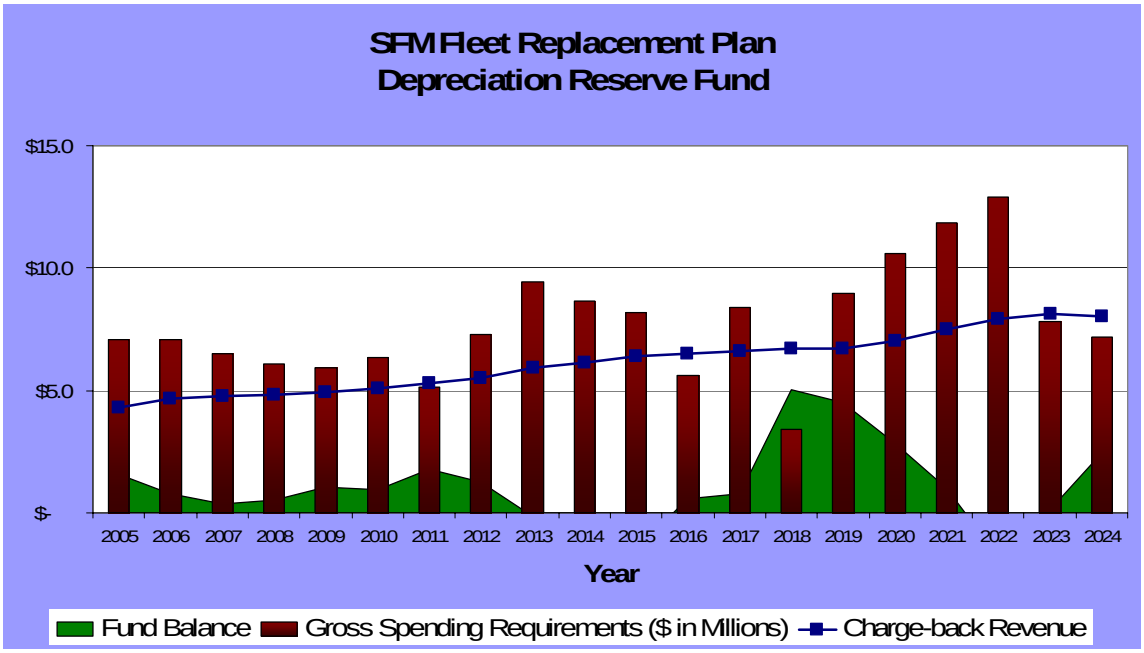
As previously discussed in this report, the three basic options SFM has for financing fleet replacement costs are cash from ad hoc appropriations (shown above); a replacement reserve fund into which payments are made (preferably by individual fleet users agencies on a monthly basis); and debt or lease purchasing.

The charts on the preceding page represent total gross spending requirements if SFM were to use ad-hoc appropriations of cash to finance vehicle replacement. While we have been able to control the size and volatility of replacement funding requirements in the near term by manipulating the timing of the replacement of individual vehicles, this clearly is not a long-term solution. Moreover, vehicle replacement decisions ideally should be driven by the life cycle cost minimization goal discussed earlier, not by year-to-year swings in total fleet replacement funding availability. Clearly, reliance on ad hoc appropriations makes it unlikely that SFM would be able to replace all of its fleet assets in a timely manner.

There is also a cost of using cash that can be put to uses other than the purchase of vehicles. At a minimum, this "opportunity cost" is forgone interest earnings on the cash. To the extent that the cash can be used for other State purposes for which funds might otherwise be difficult to come by, this opportunity cost could be much higher. It is important to recognize that the use of cash from the State treasury is not free – any more than the use of cash from a leasing company, commercial bank, or bond holders is free.

Consequently, we turned our attention to the other two financing approaches. The next approach we investigated is the continued use of a fleet replacement reserve fund and charge-back system – the current method used by SFM. Under this financing approach, a fixed monthly (or annual) amount is contributed to the Depreciation Reserve Fund each year, and the proceeds of these contributions, coupled with salvage proceeds from the sale of used vehicles and any interest earnings on the fund balance, would provide the cash needed to defray each year's fleet replacement costs.

The following chart illustrates this financing approach for SFM's fleet using the final smoothed replacement plan. We have assumed the beginning fund balance for the first year at $2.0 million.



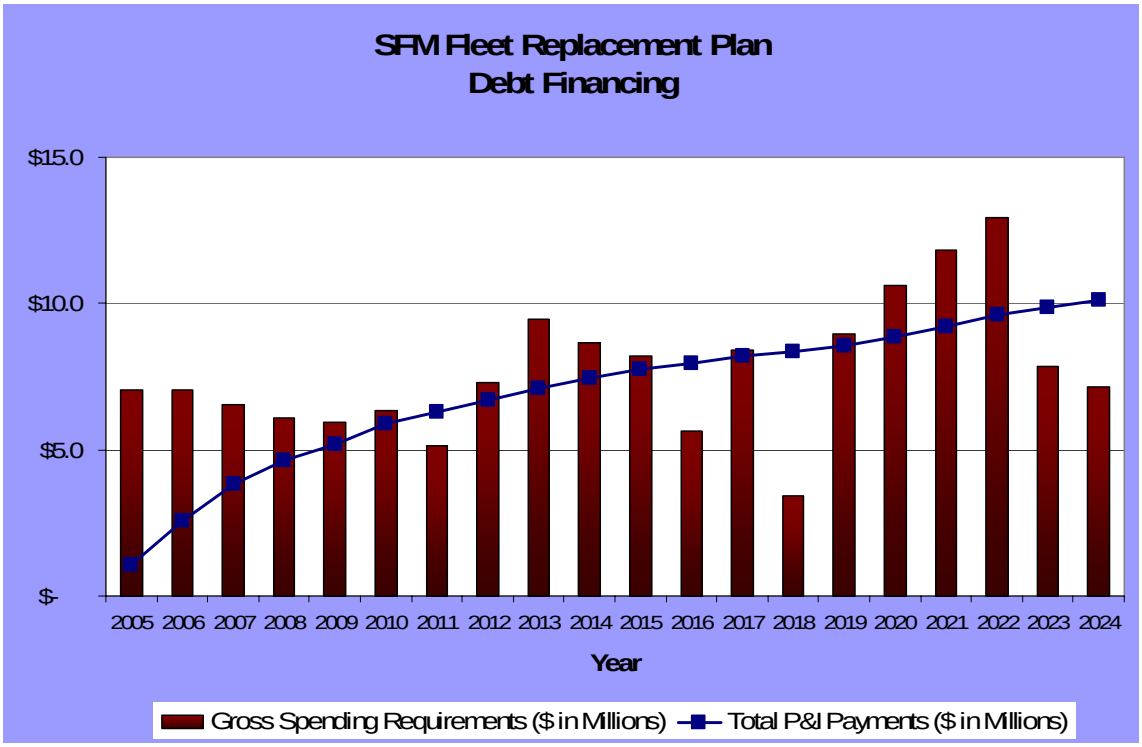
In this chart, as in all the previous ones, the red bars represent year-to-year fleet replacement spending needs. The blue line illustrates annual contributions to the reserve fund, and the green shaded area represents the replacement fund balance.

As can be seen, future funding requirements are relatively smooth and thus much more predictable under this fleet replacement financing approach. This is made possible by, again, spreading the capital costs of each vehicle over its expected service life by making regular contributions to a reserve fund. Most jurisdictions that use this approach to finance fleet replacement costs (and there are many) obtain these contributions by charging a fixed monthly amount for each vehicle to the agency that uses the vehicle. These internal lease charges consist of the following components: a depreciation charge that is tied to the original purchase price of the vehicle and its projected residual value at the end of its useful life, and a replacement surcharge, which is computed based on the difference between reserve fund income from depreciation charges and salvage proceeds and reserve fund outflows for replacement purchases.

A major drawback is that the proper use of a sinking fund requires considerable administrative effort and fiscal discipline. As the fund balance grows to accommodate higher future outlay requirements the potential for the Depreciation Reserve Fund to be raided increases because of the perception of an unnecessary large fund balance of

"available" cash. This is, in fact, what has been happening to the SFM Depreciation Reserve Fund.

The following chart illustrates the long-term fleet replacement funding requirements (from the revised "smoothed" plan) associated with financing replacement expenditures using debt financing. (In quantifying financing costs, we used financing periods for each asset in the fleet equal to its recommended replacement cycle or 10 years, whichever was less, and an interest rate of 3.75 percent, a rate that was provided by the State Treasurer).



As can be seen, future funding requirements are substantially lower over the first several years under this approach than under either of the other two. This reflects the fact that switching from cash to debt financing would allow SFM to defer much of the cost of a new vehicle to future years of its service life. This contrasts with the requirement, under a cash financing approach, that the entire cost of a new vehicle be paid in the year in which it is acquired. Thus, for example, financing the purchase of a $21,000 vehicle over 7 years requires an annual funding requirement of approximately $3,500 for each of the 7 years, rather than $21,000 in the first year followed by $0 in the next 6.

In the above plan, SFM could purchase $7.06 million worth of vehicles and equipment in 2005 and would be required to make the first year payment of approximately $1.06 for principal and interest. This does not account for any fees or costs associated with

securing the necessary funding. The following table estimates the total debt service costs (principal and interest) using the base assumptions provided herein. More accurate projections can only be provided after actual financing rates are secured and financing terms are negotiated. Therefore, this table is provided for illustrative purposes only. The State has indicated that financing terms for vehicles may be set at a maximum of five years. This would impact the total debt service cost as well.

Year	Amount Financed	Total Debt Service Cost
1	$7.06	$1.06
2	$7.07	$2.58
3	$6.53	$3.80
4	$6.08	$4.65
5	$5.92	$5.17
6	$6.35	$5.89
7	$5.12	$6.30
8	$7.29	$6.68
9	$9.45	$7.11
10	$8.68	$7.45

Rather than accumulating reserves to pay for vehicles, however, this approach involves borrowing money from the capital markets and repaying it after vehicles have been placed in service. Debt financing instruments take many forms, including certificates of participation and other bond programs in which a government jurisdiction issues its own securities for sale to investors; revolving lines of credit and fixed-term loans available through banks and other commercial finance companies; and leases offered by fleet management companies and the financing arms of major vehicle and equipment manufacturers.

One of the perceived disadvantages of this financing approach is the cost of borrowing money; i.e., real or imputed interest charges. There is a perception among many people that it is fiscally irresponsible to use debt to finance the purchase of fixed assets such as vehicles that are “used up” relatively quickly. There is no question that interest charges increase the total purchase price of a vehicle. However, to the extent that debt financing enables an organization to replace vehicles that it otherwise would keep in service for excessive periods of time due to its inability to accommodate all fleet replacement funding requests each year, interest payments may actually result in *lower* vehicle life-cycle costs. In other words, interest expenses may be more than offset by higher vehicle residual values and lower vehicle operating costs.

If the State is prohibited from borrowing money for periods longer than five years, even when the projected useful life of the asset is beyond five years, then a hybrid financing approach should be considered. By using a reserve fund in addition to debt financing (with a limited term), customer payments can be calculated to match the projected

useful life of the vehicle. However, charge-back rates cannot be calculated until actual financing rates are secured, vehicle replacements are approved, and the funding mechanism is implemented. Mercury Associates will provide recommended first year lease rates once financing is put in place. If the State elects to implement our recommendation to have SFM assume "ownership" of all light-duty vehicles and lease them back to Sate agencies, then additional work that is outside the scope of this project will be required to calculate appropriate lease rates for these additional vehicles.

Recommendations

38. SFM should implement a hybrid financing approach by using the State Treasurer's Master Lease program to finance new vehicle purchases. The current reserve fund should be retained so that lease terms can be matched to customer specific needs.

39. SFM should implement the recommended capital lease structure that will establish individual lease rates for each vehicle in the fleet.

SFM Charge Back Rate System

In this section of the report we reviewed the charge-back system used by SFM to distribute fleet service costs back to customer agencies. Our focus in this part of the study was developing a methodology to recover SFM's operating costs – those cost associated with the maintenance, repair, and fueling of vehicles that SFM leases. Capital charge back rates were addressed in a previous section of this report.

There are basically two ways that *operating* funds can be provided to a fleet management organization to support the management, maintenance, and fueling of a fleet: through direct appropriations to the organization or through the use of a charge-back system which recovers the organization's costs through charges to other organizations for the goods and services it provides them.

Similarly, there are two ways that *capital* funds can be provided to support the acquisition of new and replacement vehicles: lump-sum amounts can be appropriated to the fleet management organization or to the departments it serves on an ad hoc basis, or capital costs can be amortized over the lives of the vehicles in the fleet through the use of a reserve fund and charge-back system or a debt financing arrangement such as a lease-purchase program.

There are three reasons why the use of a cost charge-back system is preferable to the direct appropriation of funds to a fleet management organization, a fleet user department, or some combination of the two. One is that properly designed charge-back systems improve the consumption and provision of fleet resources by 1) illustrating linkages between the behavior of vehicle users and the costs of the vehicles and related services they consume; and 2) encouraging fleet users to hold fleet management

organizations accountable for the quality and costs of the goods and services the latter provide.

The second reason for implementing a charge-back system is to promote equitable treatment of fleet users. Since users pay only for the resources they consume, there is no cross-subsidization of fleet costs under a properly designed and implemented charge-back system. One of the implications of this benefit is that fee-supported departments and programs pay the full cost of the fleet resources they consume and do not receive any subsidies from the general fund, which often occurs when a fleet management organization is part of the General Fund.

The third reason for implementing a charge-back system is to ensure the timely replacement of capital assets. Using a charge-back system to accumulate replacement funds allows for vehicle capital costs to be amortized over several years thereby making it easier to accommodate peaks in annual fleet replacement spending requirements which usually cannot be accommodated by (generally static) operating revenue sources.

Since using a charge-back system to finance a fleet operation means *selling* vehicles and related services rather than *giving* them away, fleet users behave much more cost effectively than they do when such resources are given to them. For the same reason, users also put much more pressure on fleet management organizations to charge competitive (with comparable organizations and the private sector) prices for goods and services than they do when they receive these resources free of charge.

In implementing a charge-back system, the significance of customer pressure needs to be fully understood because this pressure can become counterproductive to improving fleet organization performance. Unlike a private fleet services company, a governmental fleet management organization does not always have the ability to make required investments (in facilities or employee training, for example), compensate employees on the basis of their performance and contributions to the bottom line, or cut costs (of people or overhead costs, for example) in the face of changing customer demand. Nonetheless, in a charge-back environment fleet users will expect an in-house organization to perform at or near the level of alternative service providers in the private sector.

The use of charge-back rates is often associated with establishment of an Internal Service Fund. These funds are used by state and local governments to account for the financing of goods and services provided by one department or agency to other departments or agencies, and to other government jurisdictions, on a cost-reimbursement basis. The use of Internal Service Funds has the following advantages:

- Promotes the ability to identify the total cost of a support activity, including the depreciation of capital assets;

- Facilitates costing and pricing of support services;
- Allows for the accumulation of funds for equipment replacement; and
- Allows the allocation of General Fund overhead costs to the Internal Service Funds for redistribution to the benefiting programs.

The design and management of ISFs and charge-back systems should comply with the guidelines of the Federal Office of Management and Budget (OMB) *Circular A-87*. OMB A-87 establishes principles and standards for determining costs for federal awards carried out through grants, cost reimbursement contracts, and other agreements with state and local governments. The purpose of OMB A-87 is to provide a uniform approach for determining allowable costs incurred by local governments. To the extent that the State of South Carolina receives any federal funding, either directly or on a pass-through basis, the guidelines of OMB A-87 must be followed – at least for calculating the fleet service costs that are charged to federally subsidized programs. Even where no federal funding is involved, many cities have adopted OMB A-87 guidelines as the de facto standard for the design of charge-back systems and the management of internal service funds.

Basic principles articulated in this circular (and OMB *Circular A-21* for institutions of higher education) require that charge-back-funded organizations (they need not be classified as internal service funds) operate on a break-even basis; recover only allowable costs from federally funded customer organizations; make adjustments for under and over recovery of costs (preferably through adjustments to future billing rates); bill all users at the same rate for similar services; utilize billing units which represent services provided or benefits received;, and not improperly utilize revenues generated by one type of service to finance the delivery of another type of service.

ISF's are permitted to have fund balances (reserves) that are being accrued for the purpose of asset replacement as well as to finance near-term working capital requirements. Any reserves being accumulated for financing operations are limited to three months' worth of operating expenditures by OMB A-87 guidelines.

There are four basic types of cost charge-back systems used by fleet service organizations, as described below:

- *Proportional Cost Allocation Systems* – these systems distribute fleet costs to customers by prorating the fleet service organization's costs to customer organizations. This is normally done on an annual basis and is calculated by an allocation statistic such as the percentage of the total fleet that is assigned to each customer agency.

  These systems have the advantage of being simple to calculate; easy to administer; and also provide budget certainty for customer organizations. The principal disadvantage of these systems is that they do not promote cost

recognition (capital and operating costs are mingled together, and it is nearly impossible for customers to understand and measure their costs against market comparables). They also are not equitable because everyone is charged the same regardless of their driving behavior and actual costs.

- *Time Based Systems* – these systems charge the cost of fleet services activities to customers on some increment of time, the most common of which is monthly. Costs are normally grouped into vehicle classes and charges to customers are based on the average unit cost in each class.

  The advantages of these types of systems are that they work well for fixed fleet costs such as vehicle depreciation (which are time based) and they also provide budget certainty for customer organizations. The principal disadvantages of these systems are that they are difficult to calculate and administer; they result in cross subsidization between customers and funds (because low cost units subsidize high cost ones); they do not facilitate cost recognition (capital and operating costs are mingled together; it is nearly impossible for customers to understand and measure their costs against market comparables); and they are not equitable (because everyone is charged the same regardless of their driving behavior and actual costs).

- *Usage Based Systems* – these systems allocate fleet costs to users based on the number of miles (or engine hours) that are driven in a defined period of time (normally monthly). As with time based systems, class average rental rates are calculated.

  The advantages of these types of systems are that they work well for variable (but not fixed) fleet costs and they also provide budget certainty for customer organizations. The principal disadvantages of these systems are that they are difficult to calculate and administer; like time based systems they result in cross subsidization between customers and funds; they do not facilitate cost recognition; and they are not equitable (because everyone is charged the same regardless of their driving behavior and actual costs). Another disadvantage of usage based systems is that fleet management organizations are forced into the position of being the "usage reporting police" and are required to hound customers each month to complete mileage reporting forms.

- *Service Based Systems* – These charge-back systems operate much like those used by commercial repair shops and car leasing/rental companies. Fully allocated charge-back rates are calculated for each line of business in which the fleet management organization engages (such as maintenance and repair labor, asset acquisition and disposal, parts, fuel services, etc.). Customers are then charged for actual services consumed, such as hours of labor (at a fully burdened rate per hour).

The advantages of these systems are that they are intuitively understandable; they are equitable in that customers pay only for the specific goods and services that they consume; and there is limited cross subsidization between customers and funds. The principal disadvantages of these systems are that they are somewhat complex to design and maintain; they are very dependent on the quality of data captured on the shop floor and at the parts counter; they can cause customers to experience fluctuations in fleet-related expenditures from month to month and year to year (and so accurate budgeting can be difficult); they may encourage customers who run out of funds at the end of a fiscal year to defer vehicle maintenance in order to stay within budget; and they encourage customers to scrutinize and question the rates used and prices charged by the fleet management organization (which we consider to be an advantage of these systems).

The purpose of a charge-back system is not merely to recover the costs of providing a good or service. If it were, this objective could be achieved far more easily by appropriating all of the funds needed to operate a fleet to one agency, which would then be responsible for delivering fleet resources to whomever needed them (that is, by financing fleet operations the old-fashioned way). Internal service funds and charge-back systems were invented, first and foremost, to promote cost recognition and control. In other words, fleet cost charge-back systems should be designed to enable and encourage fleet users to see, care about, and control fleet costs (for example, to purchase the least costly vehicle for a given job, to keep the size of their fleet to the minimum size possible, and to care for vehicles properly). This requires that the rate structure and billing process clearly illustrate the linkage between fleet user behavior and fleet costs.

Usage and time-based systems (such as SFM's current charge-back system) do a poor job of illustrating this linkage because they treat vehicle costs as either entirely fixed (in the case of time-based rates) or entirely variable (in the case of usage-based rates), when some vehicle costs are fixed while others are variable. In addition, they base charge-back rates on the costs of an average vehicle, which few individuals or agencies actually operate. The development of rates by class often results in inequitably high rates for new assets and inequitably low rates for older assets, which usually require more maintenance and repair. Users are thus misled as to the appropriateness of replacing older, higher maintenance assets in a timely manner.

Service-based charge-back rates make it easier for both fleet users and fleet management service providers to see how much specific goods and services cost. Insofar as transaction-specific costs are itemized on customer bills, this type of rate structure encourages the efficient provision and consumption of fleet resources and services. Time and usage-based rates, in contrast, make it difficult to discern what portion of a user agency's monthly charges is attributable to vehicle maintenance, fuel, other fleet management services, and so forth.

A good charge-back system promotes efficiencies in both the provision and consumption of fleet resources. Conversely, a poorly designed charge-back system is a constant irritant, and will do nothing to allay concerns about the legitimacy of SFM's user charges, the efficiency of its employees, and the cost competitiveness of its services.

Analysis and Findings

- ✓ SFM currently employs a hybrid cost charge-back system with a $100 per month fixed monthly charge (that covers insurance and some administrative costs) along with mileage charges to cover depreciation, maintenance, and repair costs. A minimum charge equal to 750 miles is levied each month. Fuel costs are billed directly and include a markup that covers fuel program administrative costs and regulatory program costs (i.e. activities mandated by statute such as the shop certification program and annual management review report).

- ✓ SFM also offers a "Golden Cars" program that provides reduced rates for vehicles that have been fully amortized but are still in service. Current vehicle lease rates are shown in the following table:

Long-Term Lease Rates

Vehicle Class	Life Cycle Mileage	Monthly Flat Rate	Minimum Mileage Threshold	In Life Cycle Per Mile Rate	Golden Car$ Per Mile Rate
OA2-COMP SED	100,000	$100	750	$0.21	$0.12
OA3-INT SED	110,000	$100	750	$0.23	$0.14
OA4-F.S.SED	125,000	$100	750	$0.27	$0.15
OA5-EXEC. SED	125,000	$100	750	$0.32	$0.15
OB4-F.S.POLICE SED	125,000	$100	750	$0.28	$0.16
OC3-INT S/W	125,000	$100	750	$0.25	$0.15
OD1-MINI PASS VAN	125,000	$100	750	$0.26	$0.16
8D3 / 8D4-12 / 15 PASS VAN	150,000	$100	750	$0.31	$0.22
OE1-MINI CARGO VAN	125,000	$100	750	$0.28	$0.18
8E3-F.S.CARGO VAN	150,000	$100	750	$0.25	$0.18
OG1-INT UTIL 4X2	125,000	$100	750	$0.25	$0.13
OG2-INT UTIL 4X4	125,000	$100	750	$0.28	$0.15
OG3 / OG4 F.S UTIL. 4X2 / 4X4	150,000	$100	750	$0.36	$0.23
OHA COMP P/U	125,000	$100	750	$0.19	$0.12
OHB F.S.1/2 T P/U	150,000	$100	750	$0.21	$0.15
8HC-F.S 3/4T P/U 4X2	150,000	$100	750	$0.27	$0.19

8H3-F.S 3/4T P/U 4X4	150,000	$100	750	$0.27	$0.15
HL3-H.C. VAN 30K GVWR	175,000	$100	750	$0.41	$0.29
8V7-HANDICAP BUS	200,000	$100	750	$0.51	$0.36
8V8-14 PASS MINI-BUS	175,000	$100	750	$0.50	$0.35

- ✓ SFM's current rates are inaccurate and over-recover program costs. As previously described in this report, $8.6 million has been diverted from SFM's Internal Service Fund to other purposes over the past four years. Since SFM has still been able to fund its operations, the logical conclusion is that current charge back rates are too high and are producing excess revenue. Since the current rates co-mingle operating and capital costs, it is not possible to know if excess revenue comes from inaccurate depreciation, overhead, or operating rate calculations. However, we note that SFM has consistently argued against the cash transfers and has lengthened vehicles replacement cycles in order to adjust for the diminished cash in its Internal Service Fund.

- ✓ The State is vulnerable to a demand for rebates and fines from the Federal Government due to past diversions of cash from SFM's Internal Service Fund. Since State governments receive considerable participation from the Federal Government in funding for a number of programs, they are required to comply with the requirements of OMB Circular A-87 (A-21 for institutions of higher education). One of the core principles of theses circulars is that cost charge-back rates recover only allowable costs. Revenues collected are also limited to the amount required to cover the cost of providing a particular good or service. As South Carolina has diverted millions of dollars from SFM's internal service fund, Federal auditors would likely conclude that fleet charge-back rates have been set too high and, therefore, fleet costs charged to federally subvented projects have been overstated.

  Federal auditors have demanded refunds and levied fines against dozens of state and local governments in the past when funds have been diverted from fleet internal service funds and/or cost charge-back rates have been set too high. We have another state government client that was recently audited by the Federal Government because their fleet internal service fund has accumulated a large fund balance. This state was required to return 40% of the fund balance to the Federal government, plus interest and penalties. We suspect South Carolina would find itself in a similar position if audited, and the amount of the payment demanded by the Federal government would likely exceed $4 million from SFM's operations alone. We also suspect that additional rebates and penalties would be required from other State agencies as well, because charge-back methodologies we reviewed were poorly documented across the board. This is particularly the case with the University of South Carolina, which also appears to be over charging for fleet services. Many other agencies appear to be under charging fleet costs, and thus the State is missing out on legitimate higher reimbursements from the Federal

government. This is particularly an issue with DHEC and SCDOT given the high relative fleet costs in these agencies.

The State would be well served to conduct a comprehensive charge-back rate study covering all agencies with fleet operations. A standard methodology that is compliant with the requirements of OMB Circulars A-87 and A-21 should be developed and implemented. Annual audits of internal service funds and other charge-back rate supported fleet accounts should also be conducted to insure continued compliance with appropriate accounting practices.

- ✓ SFM's current rates are not equitable. SFM's current charges are derived by blending the costs of all units in a particular class of vehicles to arrive at an average unit cost, which all customers who are assigned such a vehicle are billed each accounting period. The process of calculating averages, of course, necessarily involves low values and high values being amalgamated into an average billing rate. Consequently, low-cost vehicles are subsidizing high-cost vehicles. This means that those agencies that replace vehicles in a timely fashion and take steps to insure that drivers care for State vehicles as if they were their own, do not receive all of the benefits due them from exercising appropriate management controls and good judgment. Rather, they are subsidizing other agencies that do not enforce good fleet management practices. Not only is this inequitable and results in cross-subsidization among programs and funds, it also sets up a system that does not provide incentives for good behavior.

- ✓ We have designed a new service based cost charge-back system for SFM[18]. As discussed in the introduction to this section of the report, service based rates have a number of significant advantages over other rate methodologies including simplicity, clarity, and promotion of cost recognition for both SFM and its customers.

  In the system we are recommending customers will be charged a monthly lease rate that recovers asset depreciation (plus a replacement surcharge to cover the impacts of inflation); a fleet management fee (to cover the cost of asset management, vehicle engineering, licensing/titling activities, etc); a regulatory fee (to cover the cost of activities mandated by the State Legislature such as the annual Management Review report); a fully burdened labor rate, markups on fuel, parts, and commercial vendor services; and an hourly/daily charge for motor pool services.
  Under such a system, customers would not have an incentive to hold on to older vehicles in order to avoid making a new car payment because they would be exposed to spikes in repair bills that come with operating older vehicles. Since most customers pay only for the average cost of a vehicle class under the current system, they are not confronted with the pain of paying large repair bills. In fact, they do not see the repair bills at all and so, we believe, are under the false impression that high

[18] The specific rates that we have recommended for implementation by SFM were still being reviewed at the time of publication of this report.

repair bills are "free". At best they may understand that high repair bills will eventually cause an increase in a vehicle class operating rate. However, if they are astute, they also realize that they will only have to pay a small portion of the high repair bills for vehicles that they operate because these costs will be spread over all rate payers. In other words, operators of new vehicles greatly subsidize operators of older vehicles under the current cost charge-back methodology and this produces counterproductive behavior by fleet users.

SFM should monitor its costs and revenues by line of business (i.e. service) on a monthly basis. All adjustments required to rates should be fully documented and customers should be notified before rates are changed. An analysis of SFM's costs, revenues, and charge-back system should be included in the annual fleet program Management Review report.

Recommendations

40. *SFM should implement a revised cost charge-back system that ties charges to specific services that are provided to each customer. Charges should be levied on a transaction basis so customers pay the actual cost of the products and services that they pay and receive frequent price signals so they are consistently confronted with the cost consequences of their fleet related decisions.*
41. *The State should develop a standardized cost charge-back methodology (modeled on our recommend system for SFM) that is compliant with Federal costing standards. This system should be implemented in all State agencies including institutions of higher learning, and annual audits should be conducted to insure compliance with standardized accounting practices.*

SFM Commercial Vendor Repair Program

In our work with dozens of large government owned fleets, we frequently find that the use of private sector vendors in specific repair services achieves the most cost effective maintenance possible. In some areas the use of private vendors is directed at completing specific functions such as body repairs, glass replacement, major component rebuilds and other tasks that can be done more effectively by specialists in the field. Also, in situations where a fleet is very widespread and services cannot be economically provided by the central fleet operation (such as a state owned fleet), the use of private vendors can be highly effective. By establishing a managed network of service providers, the central fleet operation can ensure that vehicle users have convenient access to necessary services while maintaining control of costs and service quality.

SFM implemented the Commercial Vendor Repair Program (CVRP) over 15 years ago, establishing service and pricing agreements with commercial vendors statewide for SFM owned vehicle users. Later, SFM expanded this service by offering it to other

agencies that directly own vehicles. In FY04 SFM had more than 600 vendors in South Carolina covering all 46 counties, making it convenient to obtain repairs or service anywhere in the State. The program handled almost 27,000 sublet transactions worth more than $4.6 million in FY04.

At the end of FY04, 34 agencies, both State and local government, were participating in the Commercial Vendor Repair Program. The table below identifies these CVRP customers and dollar volume for FY04:

AGENCY	FY04	AGENCY	FY04
GOVERNORS OFF-O E P P	$839	STATE BOARD OF TECH AND COMP EDUC	$151
STATE ELECTION COMMISSION	$360	SC EDUCATIONAL TELEVISION NETWORK	$15,169
OGS - IMS	$5,634	VOCATIONAL REHABILITATION DEPARTM	$152,183
OGS - CENTRAL SUPPLY & WAREHOUSE	$747	SC DEPARTMENT OF ARCHIVES AND HIS	$ 199
OGS - STATEWIDE BUILDING SERVICES	$12,411	SC STATE LIBRARY	$2,522
RESEARCH & STATS., OFFICE OF	$2,736	SC DEPARTMENT OF HEALTH AND HUMAN	$63,116
OGS/FM/BUILDING MAINT.	$3,826	SC DEPT OF HEALTH AND ENVIRONMENT	$196,656
OGS/FM/BUILDING SYSTEMS	$2,453	SC DEPARTMENT OF MENTAL HEALTH	$112,691
OGS/FM/CUSTODIAL DEPT	$3,896	SC DEPT OF DISABILITIES AND SPECI	$88,860
OGS/FM/HORTICULTURE	$4,031	SC DEPARTMENT OF PUBLIC SAFETY	$2,628,979
B&C BD-STATE FLEET MANAGEMENT	$ 1,546,078	SOCIAL SERVICES, DEPARTMENT OF	$640
CLEMSON UNIVERSITY	$ 32,747	SC COMM FOR THE BLIND	$4,946
COASTAL CAROLINA UNIVERSITY	$8,611	DEPT OF NATURAL RESOURCES	$71,421
SC STATE UNIVERSITY	$51,281	SC DEPT OF PARKS, RECREATION AND	$ 656
SCSU 1890 RESEARCH	$ 9,482	SC LABOR, LICENSING AND REGULATIO	$ 2,638
UNIVERSITY OF SOUTH CAROLINA	$1,794	DEPARTMENT OF MOTOR VEHICLES	$ 1,102
MEDICAL UNIVERSITY OF SC	$87,996	SC EMPLOYMENT SECURITY COMMISSION	$4,359
COLLEGE OF CHARLESTON	$64	SC DEPARTMENT OF AGRICULTURE	$19,360

SFM solicits bids from vendors statewide, awarding bids based on competitiveness rather than a single low bid in any particular area of the state. Bids that are not competitive are rejected, and the bidder is notified and encouraged to bid in future

solicitations. SFM bid these services in April 2003 for agreements covering the next three years.

The program is completely self-supporting. CVRP charges a 16% administrative fee on services provided with a minimum charge of $5.50 and a maximum fee of $80. For FY04, this fee averaged 12.8-percent on all purchases. The average fee per transaction is $21.69 (includes SFM transactions).

All invoices are reviewed to insure that services performed were authorized and that the pricing is in accordance with the particular vendor's pricing commitment.

CVRP has the following staff positions:

Team Leader
CVRP Technician, coordinates repairs and issues PO's
CVRP Technician, coordinates repairs and issues PO's
CVRP Technician, coordinates repairs and issues PO's
CVRP Technician, coordinates repairs and issues PO's
Body Repair Program Coordinator, issues PO's
Clerk, processes invoices for payment and updates files
Image Program Coordinator

CVRP also provides a centralized process for focusing on warranty recovery. Having all vehicles and services in a central data base allows CVRP to easily identify potential warranty issues, both from an OEM or from an independent shop. In many instances, the vehicle manufacturer has extended warranties to the State because of the historical information available to CVRP. The single data base also allows CVRP staff to identify and avoid unnecessary repairs by providing accurate, detailed data that indicates whether a potential service is reasonable based on previous activity history and trends.

Benefits from using CVRP include:

- Eliminating costs for repairs covered under factory warranties because of current knowledge of frequently changing warranty programs;
- Confirming field repairs are necessary before repairing;
- Directing the vehicle operator to the most responsive facility, best value and convenient location for the services needed;
- Accurately tracking all repairs electronically by using standard repair codes in SCEMIS, allowing instant access to vehicle repair information;
- Using the repair history from SCEMIS to approve or decline repairs;
- Reducing administrative workload by agencies fully participating in the program;

- Providing instant access to repair services statewide, for vehicle operators traveling away from their home office through the CVRP toll free 800 number;
- Providing timely handling of recalls and Technical Service Bulletins (TSB) when vehicles are in for service or repair work; and

Agencies also benefit from the number of transactions handled by CVRP and the capacity to identify inherent vehicle problems, saving costs in avoiding expensive diagnostic time.

According to records provided by SFM, CVRP saved the State over $2,860,000 in maintenance costs for the 4,377 vehicles supported on a full time basis last year. There was also an additional savings of $164,000 in the Accident Repair Program.

CVRP also saves the State money by reducing the number of vouchers processed for payment for vehicle repairs. If individual agencies handled each of the over 17,000 work orders processed by CVRP on their behalf, agencies would incur costs about the same as total CVRP fees – without the accompanying benefits of maintenance management services. This is based on the State's estimate that it costs about $22 to process a payment voucher. Certainly, handling these vouchers centrally significantly reduces the number of vouchers, thus saving the State up to $400,000 annually. This savings does not take into account the time that would be needed by agency staff to handle the individual authorization process prior to processing any invoice.

Analysis and Findings

- ✓ Overall, the CVRP appears to be effective in terms of convenience to user agencies and in managing vehicle repair costs. Our analysis shows that the CVRP is achieving savings of 10 to 20-percent below "national account" pricing.

- ✓ The average cost of a work order processed through CVRP last year was $191.05 (includes CVRP fees). We have another state client which uses the maintenance management program of a leasing program. The average cost of a work order processed through this program of was $257.07 last year - about 25 percent higher than CVRP.

- ✓ The average invoice cost including CVRP fees for a Highway Patrol car last year was $210.34. The average for our other state client was $250.57 – 20 percent higher than CVRP. Neither cost includes accidents.

- ✓ Virtually all of the agencies that lease vehicles from SFM use the program and are satisfied with the results. Some agencies that own their own vehicles also use the program with satisfactory results.

- ✓ Agencies that operate their own shops ordinarily do not use CVRP for work contracted out to private vendors. During our interviews with these agencies they claimed vendors offer them the same pricing that is available through the CVRP. However, our conversations with vendors indicate that this is not always the case.

- ✓ Several agencies we interviewed choose not to use the CVRP based on the fact that SFM charges a mark-up to recover its costs from customers. However, our conversations with agencies reveal most do not recognize or calculate the internal cost of processing repair requests themselves. It is likely that they are actually paying a higher internal cost while duplicating an existing service less the benefit of certified mechanics. Since no costs are tracked, it is difficult to make any direct comparisons.

- ✓ In some of our interviews agencies indicated they would like to use the CVRP more fully but in some remote areas, the distance to a vendor was too great for some vehicle operator to access easily. In these situations, agencies have granted the operator authority to obtain services more locally and invoices are sent directly to the agency. In all of these cases, the vehicles are owned by the agency. The problem in these situations is that there is no way to ascertain if the repairs completed were actually appropriate, whether or not the cost of repairs are fair and reasonable. Often as not, records for the vehicle are not properly recorded. SFM should take steps to add vendors in remote areas even they do not offer the State price discounts in order to extend the program to rural areas.

- ✓ Some vendors may be reluctant to participate in the CVRP due to the “paperwork” involved, their inability to offer discounts, and the lengthy processes to receive payments. This particularly true of smaller vendors in remote areas. Interviews with CVRP staff indicate the required documentation follows State purchasing guidelines and invoice payments are normally processed in 7-10 days after receipt. Use of purchasing cards by CVRP likely would solve this issue.

- ✓ CVRP is a well managed section, meeting or exceeding industry best practices. The program has properly identified costs associated with its operation and has based rates on recovering these costs. For the most part, other agencies owning and operating fleets have not identified these costs within their own organization. Thus, there is an assumption that CVRP is too costly.

- ✓ The most common comparison agencies make is that they can obtain the same services at the same price, or in some cases, less. This comparison is based on the invoice price of the vendor and the price CVRP bills for the same service. To the casual observer, this may sound legitimate. However, this is not an ‘apples to apples’ comparison. A simple comparison of these two situations points out some significant differences. First, the cost from CVRP is all inclusive. For the price charged , the agency receives:

- A recommended repair facility capable of making the anticipated repair;
- Repair authorization by a highly trained technician who reviews the repair diagnosis and evaluates the information based on the specific vehicle's previous repair history;
- Review of the repair history of the particular unit and similar models;
- Approval of the repair (or denies the repair based on one or more of the previous criteria);
- Handling of additional repair requests for the same vehicle, acting appropriately;
- Issuance of a purchase order;
- Entry of all pertinent information into a Fleet Maintenance Information System (FMIS) capable of accurately tracking and storing all vehicle activity, in this case SCEMIS;
- Receipt and verification that the invoice is properly priced and for authorized services only; and
- Processing of the invoice for payment.

Based on FY04figures, all these services cost an agency only about $18 per transaction (average CVRP cost to agencies who own their own vehicles).

✓ Most agencies in South Carolina greatly understate their cost of processing vendor repairs on their own. It is unrealistic to think that an agency can duplicate CVRP services for less cost per transaction given SFM's volume, experience, and expertise. Adding the costs of processing payments to the mix just makes the case for centralization of this activity stronger. Since SFM can consolidate payments to reduce processing costs, it can save the State money on the estimated $22 it costs to process a payment voucher.

Recommendations

42. All State agencies should be required to use the Commercial Vendor Repair Program for light-duty vehicle repairs outsourced to commercial vendors, regardless of whether or not the vehicle is leased from SFM, or owned by the agency or if the agency has "in-house" repair operations.

This step will provide the State with the following benefits:

- Overall costs to agencies will be lower resulting in significant savings for the State based on volume pricing and better control of services rendered;
- Agencies will benefit from greater use of warranties;

- Record keeping will be standardized and more complete, thus allowing better analysis if vehicle costs and better reporting capability;
- Agencies will benefit from the superior knowledge and expertise available through the CVRP staff and will avoid duplication of effort;
- Greater agency participation will likely result in lower cost per transaction due to higher volume of work;
- Agencies will be relieved of the administrative burden of managing outsourced vehicle repairs and thus free up time to focus on core mission activities.

43. *Agencies that operate buses, heavy trucks, construction equipment, and other specialized units should use CVRP at their own discretion.*

    CVRP employees generally do not have specialized knowledge with these types of units and SFM does not have a good network of truck vendors. However, copies of all commercial shop invoices should be forwarded to CVRP for input into SCEMIS, unless the involved agency has its own fleet management software system (e.g. DHEC, DOE, DOT, and Clemson University) until such time as a statewide fleet management information system is implemented, as recommended in a later section of this report.

44. *As business increases, CVRP should be allowed to add staff and resources appropriate with the growth in business activity.*

45. *CVRP should continue to benchmark its costs against National Account prices on an annual basis to insure that it remains competitive with alternative service providers such as fleet leasing companies...*

46. *CVRP should encourage existing staff to become certified by ASE (Automotive Service Excellence). This should be a mandatory requirement for future hires.*

SFM Shop Certification Program

State Fleet Management has developed a shop certification program as part of its activities to meet the requirements of Section 1-11-220 of the South Carolina Code of Laws. Section 1-11-290 states:

> *"The Board in consultation with the agencies operating maintenance facilities shall study the cost-effectiveness of such facilities versus commercial alternatives and shall develop a plan for maximally cost-effective vehicle maintenance. The Budget and Control Board shall promulgate rules and regulations governing vehicle maintenance to effectuate the plan*.'"

This section of law stipulates that the State vehicle maintenance program shall include:

- Purchasing of supplies and parts;
- An effective inventory control system;
- A uniform work order and record-keeping system assigning actual maintenance cost to each vehicle
- Preventive maintenance programs for all types of vehicles;
- Cost-effective facility operations;
- OSHA and EPA standards; and
- Shop Safety.

As directed by Section 1-11-220, SFM developed maintenance policies and procedures applicable to all agencies operating State vehicles, *regardless of whether the agency has its own maintenance facility*.

In June 1985, the General Assembly adopted regulations 19-630 through 19-633, now replaced by the South Carolina Budget and Control Board Policy Directives, Subarticles 2-1 through 2-4 to ensure that agencies *operating State vehicle maintenance facilities* were complying with the minimum requirements of the Act. These regulations directed the development of a manual for the operation and certification of all State vehicle maintenance facilities. SFM developed the manual, including the *South Carolina Maintenance Facility Certification Program,* which is available on line at MFCPM.pdf. State-owned Maintenance Facilities monitored by SFM supported over 20,000 pieces of equipment in FY04 with a reported cost of about $28 million.

SFM performs annual reviews for maintenance compliance in two ways:

- Agencies not operating maintenance facilities are reviewed during the annual Management Review process. SFM conducts this review by questionnaire.
- Agencies operating State vehicle maintenance facilities, which must also comply with the requirements of the South Carolina Maintenance Facility Certification Program, are scheduled for review at various times throughout the fiscal year.

For agencies with maintenance facilities, SFM uses the following criteria for conducting these annual reviews:

- On-site reviews for*:*
    1. All facilities that received a rating of borderline meets or unsatisfactory the prior year.
    2. All other facilities not receiving a rating of meets standards or outstanding for the last three years. This will include any new facility.

3. Other facilities where there is a new shop supervisor since the last on-site review.
4. Each year, at least one third of the remaining facilities (randomly selected) will receive an on-site review.

- Review via questionnaire for:
    1. Facilities not included in on-site reviews.

According to established policies, facilities that meet the requirements of the program may continue to operate. If a facility fails to meet program standards, a courtesy review is scheduled within six months. The courtesy review is a review that does not count toward certification, but provides assistance to the agency to help the shop achieve compliance with certification standards. However, if the courtesy review finds the facility has corrected all deficiencies, it may be changed to an actual review. If such a review takes place within the same fiscal year as the previous unsatisfactory review, the rating for the year can also be changed to reflect the improvements. The facility will be scheduled for an onsite review the following year. If a facility receives an unsatisfactory on the second review, the Board may withdraw the facility's certification and/or take other action.

During FY03, all of the 84 State facilities were certified or recertified. SFM conducted 42 on-site reviews, while 42 facilities were certified via the questionnaires. No agency received an unsatisfactory rating.

The annual review for FY04 had not been finalized by the time this document was prepared. Therefore, specific agency findings for last year are not available.

For a facility to receive an overall rating of outstanding (exceeds requirements), it must receive an on-site review with no prominent deficiencies noted. Some of the most common problems found in each area during FY04 were:

- Incorrect mileage or no mileage entered on work orders;
- Inventory balances did not agree with the physical inventory;
- Maintenance facility personnel not using the State Contract for Miscellaneous Vehicle/Automotive Replacement Parts or personnel not verifying prices to ensure the State was receiving the correct discounts;
- Preventive maintenance or lubrication services not performed within the agency or manufacturer's guidelines (over 15% error rate is cause for failure in this area);
- The charges on work orders are not covering the agency cost of operating the facility; and

- Material Safety Data Sheets (MSDS) not being properly maintained at the maintenance facility.

Analysis and Findings

- ✓ As is with the CVRP program, the Maintenance Facility Certification Program is an industry best practice and provides significant value to the State.
- ✓ The most pervasive problem noted by SFM during its reviews is that most agencies have not established appropriate accounting procedures in their shops and, therefore, typically understate their maintenance and repair costs. While SFM notes this problem each and every year, the problem persists. An example of this is that for FY04, 53 of the 83 (64 percent) maintenance facilities under collected direct shop personnel costs. Moreover, based on our review few operations accurately include all staff associated with maintenance operations including support and overhead positions. All the same, SFM generally gives passing grades to all shops.
- ✓ In gathering data for the Maintenance Facility Personnel and Cost Information section of the annual review mandated standards of data collection and reporting should be established and enforced. Reviewing this document and in follow up conversations with agency staff, we found the following inconsistencies:

  - Number of technicians were not calculated consistently;
  - Shop personnel do not include management positions above a Shop Supervisor level in cost data and rate calculations, for all but a few agencies;
  - Total equipment supported has no standard. Most agencies count all vehicles and equipment in the fleet, not what actually had repairs in the facility. SFM needs to develop a formula for calculating this value;
  - Parts cost should be actual invoice cost;
  - Parts charged to work orders should include any parts markup;
  - Labor hours performed by inmate labor should be counted separately and clearly identified. These hours should not be used in calculating shop staff productivity; and
  - Costs associated with inmate labor such as transportation to work site, staff time to pick up and deliver inmates and tools, uniforms or training costs need to be included in hourly shop rates.

- ✓ SFM's current maintenance evaluation process covers the basics for evaluating the effectiveness of State maintenance facilities. However, these basic elements should be expanded to include the following additional critical factors and considerations:

- An internal service fund and/or a cost charge-back system is used to account for all of the direct and indirect costs of operating an internal repair shop;
- Work orders are used to track all repair activities;
- All technician hours are recorded and accounted for on a daily basis;
- A standard exists for direct billable time for each technician and this is monitored at least on a quarterly basis and is also part of the performance review process;
- Formal work (i.e. time) standards are in place to monitor technician repair productivity. These standards are used to identify training needs and as part of the annual performance review process;
- A minimum 90 percent PM compliance standard is met;
- A formal quality assurance process is in place that includes monitoring of comeback rates and periodic random inspection of work completed by technicians;
- A formal performance measurement process exists for maintenance and repair activities and actual performance compares reasonably well to established industry benchmarks;
- Technicians receive an appropriate level of training (normally at least 40 hours per year) in order to remain current with changes in the fleet industry;
- Supervisors also receive at least 40 hours of training each year in mechanical, supervisory, and administrative subject matters;
- Technicians are encouraged to obtain ASE certification through the use of financial incentives and/or by tying advancement to ASE certifications;
- Shops are in good condition, are appropriately sized, and promote efficient productivity with features such as appropriate lighting, engine exhaust systems, vehicle lifts, and fluid dispensing systems;
- Shops have an appropriate industry standard compliment of productivity enhancing tools and equipment such as pneumatic impact wrenches, fluid flushing machines, tire machines, specialty tools, etc.;
- Shops make appropriate use of technology including access to a fleet management system on the shop floor for use by technicians, electronic engine analyzers/scan tools, and electronic parts and service manuals;
- Technician to vehicle ratios are reasonable and fall within established guidelines (the amount of outsourcing should be included in this calculation);
- The ratio of technicians to supervisor and support positions is reasonable and falls within established guidelines; and

- Maintenance and repair costs are reasonable and fall within established guidelines.

✓ Agencies should be mandated to meet these criteria to continue operating maintenance facilities. Agencies not in compliance should be given a reasonable amount of time to correct shortcomings (not to exceed twelve months) or be closed. Every shop should receive a full scale on-site evaluation every three years and at least a partial evaluation every year.

✓ While SFM has completed these annual reviews in an unbiased as possible manner, there is the perception by other agencies that SFM is not impartial. The State should consider outsourcing these reviews to an independent third-party.

✓ A total of 17 different agencies operate the 84 maintenance and repair facilities across the State. It is our view that this is too many and no additional facilities should be constructed. The opportunity to procure equivalent, cost effective services through the private sector negates the necessity of additional State facilities. Even the relocation or significant renovation of a facility should be scrutinized for viability.

RECOMMENDATIONS

47. *SFM should strengthen and expand the criteria included in the Shop Certification Program, as detailed in this report;*

48. *Facilities that do not meet all of the revised more stringent standards for certification should be closed if they fail to meet standards after a reasonable period of time;*

49. *There should be no additional maintenance facilities constructed or purchased by State agencies. Relocation or significant renovation should be approved by the B&CB;*

50. *The State should consider using an independent third party to perform future shop certification reviews.*

Fleet Information Systems

As part of our review, we visited four State agencies to perform a high-level assessment of their fleet data systems. We concentrated on several factors, including functionality, technology, and user satisfaction. As expected, we found a common functional core among the systems, such as maintaining vehicle master records and tracking maintenance activities. We also found significant differences in their technical foundations (from desktop architecture to enterprise mainframe applications), business processes supported by the system (from basic fleet management to support areas such as reservation and dispatching), and how support is delivered to users (from using

agency experts to 3rd party support from the office of the State CIO). Each of the four systems is profiled below.

Budget and Control Board State Fleet Management

SFM operates a large-scale integrated system known as SCEMIS (South Carolina Equipment Management Information System). Its major modules and functions are:

- Equipment Management – includes functions for maintaining the master records for equipment used on public roads.
- Other Equipment Management[19] – includes functions for maintaining the master records for equipment outside the scope of the Equipment Management module. "Other equipment" ranges from weed whackers to earthmovers. The Forestry Commission and Department of Mental Health use this module to track information on their non-license- plated equipment.
- Purchasing and Disposition – handles the acquisition and disposition of every State vehicle. SFM holds the titles for all State vehicles; this module facilitates their management.
- Reservations and Dispatch – manages reservations and dispatch for the SFM motor pool.
- Service Orders – the shop management module, including parts inventory control.
- Commercial Vendor Repair – a module to handle CVRP invoices.
- Billing – allows SFM to bill client agencies for its services, including leasing, CVRP (commercial vendor repair program), and vehicle maintenance. It has extensive capabilities for adjustments and interfaces with the Comptroller General's financial data system.
- Reporting – produces hard-copy reports.
- Notepad – integrated with other system modules; used to record free-form text to extend or explain a wide range of system activity.
- Control – system administration module; manages user, access, locations, and printers.

Approximately 40 users from SFM and 230 from other agencies use SCEMIS.

[19] Because SFM is not obligated by law is not obligated to keep track of non-license-plated equipment the OM module is considerably less strict than the EM module. SFM provides this module as a service to its client agencies to make SCEMIS more useful for them. Among its benefits is that it tracks technicians' time on unlicensed equipment which would not be possible within SCEMIS without this module.

Technical Assessment. SCEMIS was developed by the SC Division of State Office of the Chief Information Officer (CIO) and went into production in 1995, starting with Purchasing and Service Orders. It is written in Software AG's Natural language and uses ADABAS as the database manager. The CIO operates the hardware platform and continues to support the software. The CIO charges SFM $250,000 per year for support of SCEMIS.

SCEMIS runs on an IBM 2806-250 mainframe (which replaced a Hitachi Pilot 67 in Feb 2005). The operating system is OS390 version 2 release 10, which will be replaced by ZOS 1.4 by the end of 2005. Communication is TCP/IPX.

The system uses both real-time and batch processes, all utilizing Natural. The system interfaces with (1) Mansfield for credit card and fuel purchases via FTP and (2) GAFRS for processing invoices to pay F16 and CVRP vendors. Mileage reports are submitted through the Internet and passed to Adabas via its EntireX XML integration engine.

User Assessment of System. SCEMIS meets the needs of SFM quite well; however, the system needs extensions and some rework for the benefit of other agencies. SCEMIS provides comprehensive control of information and credible results, especially cost per mile. The interface, however, is dated; there are significant problems with generating printed output: it is difficult to find reports based on title; there is no "print preview" or page selection capability, which forces users to physically print an entire report even if it turns out to be the wrong report or if they only need a few pages of a report; and the table structure is inflexible. The SCEMIS Matrix Team has plans to review the reporting module and identify reports that are no longer useful as well as those needing modification.

Ad Hoc reports also cannot be generated directly by users, which has caused a number of agencies to keep parallel duplicative systems (such as Microsoft Access) to track basic information about their fleets (including lists of vehicles, drivers, and maintenance invoices).

Plans have been made (but not implemented) to migrate the system to a different architecture, to make the system completely web-based, or to purchase a commercial system. SFM is currently reviewing SCEMIS from "top to bottom" to assist in determining the direction for the future.

Distributing the System to Users. As a mainframe system, there is no need to distribute system media to users or to collect data from remote databases. Authorized users need 3270 terminal emulation software and a connection to the host.

Department of Transportation (DOT)

Overview. DOT's business spans 7 districts, 46 counties, 49 shops and a depot. Approximately 95 percent of fleet equipment enters the fleet through the depot and is disposed through the depot. There are 8,500 active units: 40 percent are vehicles; the remainder is construction equipment.

DOT operates the following fleet-related systems:

- ECS (Equipment Control System) - addresses the fleet assets and their administration. Fuel use and expense is tracked in ECS. A third-party vendor administers non-bulk fuel use and provides electronic files each month with quantities and costs.
- SWIPS (Shop Work-in-Process System) – the maintenance management system used by all shops and the depot to enter and manage equipment repairs. Users enter job tickets, attach labor (supported by more than 300 task codes), parts, and equipment (including its visual condition) to fully document each repair. SWIPS has an internal parts inventory module that interfaces with an external PO system, which controls purchases. Tires are treated as a commodity; they are not managed by casing.
- TERMS (Transportation Equipment Replacement Management System) – a workstation based replacement analysis tool.
- EOS (Equipment Order System) – administers the equipment ordering process.
- Cost per Mile – used to report annual equipment cost per mile.
- HMMS (Highway Maintenance Management System) – work management system for highway construction and maintenance projects.

Warranty is kept on file at the depot, but not managed in any system; dealers perform the warranty work, either at the dealership or in a State shop.

In 1990 and before, DOT systems managed all State "public safety elements" – including the highway patrol. DOT systems continue to store historical data for these vehicles.

All DOT fleet systems are supported by the Information Technology Manager (Mr. José Valdivieso) and a team of 3 programmers. The State Budget and Control Board owns the mainframe and charges departments for usage.

Approximately 400 users interact with DOT systems on a daily basis.

Technical Assessment. ECS and SWIPS are tightly integrated mainframe systems, developed in-house and deployed in the early 90s. They are written in Software AG's Natural language and use ADABAS as the database manager. (Software AG products

are used throughout SCDOT.) Both ECS and SWIPS are real-time systems. There is no batch processing. There is approximately 15 years of data in ECS and SWIPS.

Users access ECS and SWIPS from workstations running Software AGs 3270 terminal emulator. To produce printed reports, these systems return a text file to the user's workstation and execute a Visual Basic program that actually prints the reports.

TERMS, obtained from the State of Texas, is written in SAS, a powerful decision support and statistical analysis tool. TERMS output is a table to which other data is appended as necessary (like HMMS hours) to support analyses. Currently, DOT is working on incorporating a rental rate module into TERMS, since it contains all the necessary data.

EOS is a server-based system written in Microsoft Access that integrates data from ECS, SWIPS, and TERMS.

HMMS is a mainframe system, obtained from the State of Georgia, who got it from the State of New Mexico where it was originally developed. Booz Allen Hamilton managed the SCDOT implementation in July of 2002. The State took over responsibility for the system early in 2003 (Booz Allen continues to support the New Mexico and Georgia implementations). HMMS is an integrated Oracle application (database, Oracle Forms, Oracle Reports, and Discover for executive-level reporting).

ECS interfaces with HMMS providing data about the equipment used to perform service on a DOT project. ECS also ties to the accounting system, providing expenses and depreciation.

Key reports include: comparison of actual utilization vs. projected; cost-per-mile reports, and service ticket analysis. If another agency requests data for comparison purposes, there is some ability to do ad hoc queries, but for the most part, because the data is hard to get to, a programmer on staff does the work.

User Assessment of System. Users report a high degree of satisfaction with the system and the support they receive. They believe that they get what they need to effectively manage the fleet and produce reports. The system is stable and dependable and support is readily available.

Recently the DOT Director of Maintenance expressed a desire to move to a more modern technology (Windows or web). A recommendation has been made to migrate everything under the HMMS "umbrella." It has been estimated that this project would require a team of 6-8 analysts and programmers, working 80% of their time, for 18-20 months.

Distributing the System to Users. As a mainframe system, there is no need to distribute system media to users or to collect data from remote databases. Authorized users need 3270 terminal emulation software and a connection to the host.

Department of Education (DOE)

Overview. SDE developed and operates a system known as BSMIS primarily to manage their fleet of 5,600 school buses, which are outside the scope of the this study. However, since the system is also used to maintain records for the support fleet, it has been included in our review of state fleet systems.

BSMIS addresses common fleet management functions such as equipment and parts inventories, repair and maintenance, and fueling. Most are specialized to meet the specific needs and culture of SDE. For example, there is a function to support "Thomas Warranty Parts" and others that are specifically designed to capture brake pad/shoe and rotor/drum thicknesses.

"Job Tickets" are used to record the work done to each bus. However, SDE does not track labor and there are no repair codes, such as SCEMIS codes, that might be used to support repair or cost analyses within SDE or comparisons with other agencies.

Documentation is on-line and available via the network to all users. There is an Access database that manages access to the documentation.

BSMIS has been under continuous development by SDE since 1993.

There are approximately 450 system users: 150 perform data entry and reporting; the remaining 300 view information only.

User Assessment of System. Users report a high degree of satisfaction with the system. They believe that they get what they need and want to effectively manage the fleet and produce reports. It is functionally rich, well documented, and easy to modify.

Technical Assessment. BSMIS is a Microsoft Access database system. From the looks of the system, the developer has only cursory knowledge of database design and Access programming. A single "mdb" file contains all system objects (tables, queries, forms, reports, and macros). An application of this importance should be developed with total separation of the data and the remaining system objects: forms, queries, reports, and macros are in a compiled "front-end" database, linked to a "back-end" database containing only the data tables.

There is no security or logging of use or activity on master records. From the standard user interface, it was possible to modify the system itself. A user can easily modify and

even delete system objects. It possible to access the data tables directly, modify their structure, update records with no validation, and delete records at will.

Most forms have full access (insert, update, delete) to every record in the underlying table. This allows a user to change historical data as far back as desired. For example, a user can easily display a job ticket that was entered 4 days ago (4 months ago, 4 years ago, etc.), update any field on the form and save it without leaving an audit trail of any kind.

Many of the data tables are poorly designed. The most important table in the system is "Bus" which contains the master records for each vehicle. Instead of using a class code that points to a set of common specifications, each bus record has at least 10 fields for this type of information, requiring common data to be stored repetitively throughout the table.

There are many examples of data types that are inappropriate for type of data in the field. For example, in the Requisition Numbers table, the Requisition Number field is a double precision floating point field; however, the data is integer. Many table designs violate even the most elementary normalization rules (e.g., they contain repeating fields where normalization requires a detail table). In order to do an analysis of brake measurements, three separate tables are involved: ANNUAL (has records for each annual inspection with brake measurements for front and rear); BRAKE DATA FRONT (front brake data only); and BRAKE DATA REAR (rear brake data only). A normalized approach would use one table for all brake measurements, unconstrained by position or axle so that it could support any vehicle configuration.

Throughout the system, there are no naming conventions, especially on tables, to differentiate base tables, reference (lookup) tables, transactions, and temporary tables.

The system depends heavily on "macros" to manipulate data tables and exposes all of the Access warnings, which encourages new users to accidentally corrupt an update in progress. This sort of processing should be done with VBA code in "silent" mode to prevent a user from aborting a process in midstream.

Distributing the System to Users. Originally, BSMIS was "shop specific" and SDE had no department-wide data except for monthly extracts. Users now run a central system accessed with Citrix client software. The main benefit is timeliness of data. Internet access costs $1,100 per month ($25 for each of the 44 sites).

Department of Health and Environmental Control (DHEC)

Overview. DHEC began the development of their system in 1996 as a "user-friendly data source for SCEMIS" (not as a replacement)[20]. The system uses SCEMIS codes, PM intervals, and so forth to facilitate passing an ASCII to SCEMIS. DHEC planned to use FTP to move data frequently to SCEMIS; however, to date FTP has not functioned as planned and data passes electronically "a couple of times a year." A single Information Resource Consultant maintains the system.

The DHEC system began with shop management functions and grew into a full-feature application. Its functions mirror the missions of the using agencies. Development in the last couple of years has focused on the trip management.

In addition to basic shop management functions, the system tracks fuel expenses and commercial repairs. The system performs PM projections by first analyzing trip records, then fuel records. CVRP repairs are administered by State Fleet, who sends a bill each month to DHEC where it is manually entered into the system. There also is a rudimentary accident entry form, a reservation system with which vehicle coordinators manage the reservations, and a new text field on the vehicle table with warranty parameters.

Major development includes a new dispatch log like a taxi service: users can reserve a car for a block of time and track all the stops (A to B to C to D etc.). This was built for Mental Health to replace an Access-based system. DOC uses it as well.

DHEC provides the system at no charge to members of the South Carolina Government Fleet Management Association. DHEC presents the program at SCGFMA meetings.

Approximately 60 users interact with the system on a daily basis.

User Assessment of System. Users report a high degree of satisfaction with the system and the support they receive. They believe that they get what they need to effectively manage the fleet and produce reports. The system is stable and dependable and support is readily available.

Technical Assessment. The DHEC fleet system is a desktop application written in xHarbour, an open source extended Clipper language preprocessor and compiler that also includes many libraries of highly optimized routines, written in standard C. Data is stored on a file server in DBF/CDX files compatible with FoxPro. There are approximately 40 tables in the data model.

[20] During our visit with SFM, SCEMIS users in administration, maintenance, and dispatch demonstrated proficiency and made no reference to a problem with "user-friendliness" related to their use of the system. They did identify problems with reporting, as documented elsewhere in this report.

The system is a “single sign-on” application. It extracts the logged user from the workstation and passes it to the application for authentication, simplifying access to the system. Users with “update” authority are managed in the database. The vehicles in the user’s scope determine what can be seen.

The system manages data by storing agency-specific DBF files in separate directories. Common data resides in higher-level directories. This replication of tables is transparent to the user and to the reports that need data from each of the separate agency directories.

The server is an Advantage Database Server by Extended Systems, Inc. As everything is CRC checked, there have been no reported problems with index corruption, a common problem with many DBF/CDX databases.

Distributing the System to Users. New users receive an installation disk, which extracts all necessary objects and copies them to the appropriate directories. There are no dependencies or registry entries to manage. The system determines which agency-specific tables are needed and generates them automatically.

Analysis & Findings

From the perspective of each of the individual agencies, there is a relatively high level of satisfaction, despite the reported weaknesses with some of the systems, such as the printing problems with SCEMIS and the dependence on a programmer to service many of the ad hoc reporting requests for SCDOT.

The databases, screens, and reports are stylized to support the unique requirements of each agency. This makes it relatively easy for new users to relate to a system, because the “culture” of the organization is reflected in the design.

From the perspective of promotion of good fleet management in the State, however, disparate systems pose a number of challenges:

- Data Models – All of the systems we reviewed have their own, unique data structures and file management strategies. Without a shared data model, it is virtually impossible to combine information into a master database for statewide reporting and analysis.
- Hardware Technology – In a review of only four systems, we encountered significantly different hardware platforms for operating the core systems. The skill sets required to support these systems are equally diverse.
- Software Technology – We encountered totally different software development choices for the fleet systems, ranging from open source xHarbour to highly proprietary Adabas. Only one agency, SFM, uses another State agency for

development and support. The others we reviewed have their own in-house experts to maintain their systems.

- Standard Codes – Three of the systems use some or all of the SCEMIS codes. Without common codes for classifying assets and repair activities, it is extremely difficult to compare interagency data without a significant data mapping effort. Most modern fleet systems rely on standard codes to ensure consistency in the data and to facilitate comparative analysis.
- Formal Closing Process – At least one of the systems lacks a formal closing process, allowing users to change or even delete historical data after the end of an accounting period. A well-designed fleet system operates much like an accounting system by "closing" records and maintaining an audit trail on changes to key values.
- Labor Tracking – There are significant differences in the way agencies collect labor information, a key cost element in any fleet. Some ignore labor entirely; others allow the user to enter actual time or flat-rate time (but not both), skewing any labor time or cost analysis that might be conducted. The recommended practice is to record the actual clock time for each labor operation and, if appropriate, the associated flat-rate time from a common source used by every state agency. At a minimum, labor cost should be based on a burdened rate that recovers the direct compensation of the mechanics plus benefits and overhead costs associated with the facility in which they work.

Recommendations

The number of disparate systems used by State agencies to manage fleet assets hinders the collection of uniform fleet statistics; results in duplication of effort; and hinders good fleet management decision-making by agencies, SFM, and elected officials. Moreover, we do not believe that there are any counter balancing benefits realized from each major agency have their own customized system.

Recognizing opportunities and problems with their current systems, both SCDOT and SFM are considering expensive alternatives (developing or purchasing a new system). The State is also pursuing purchase and implementation of the South Carolina Enterprise Information System (SCEIS). This system, which uses SAP software, is designed to standardize and improve the financial, procurement, budget, and human resource methods of State agencies. SCEIS will not, however, meet the State's fleet management information requirements. Since we have evaluated SAP for use as a fleet management information system in the recent past for two clients (including for NASA last year) we are confident in the accuracy of this statement.

It would be counter-productive for the State to allow agencies to pursue expensive system development projects to move forward on their own without investigating the

costs and benefits of collective action. Therefore, we have the following recommendations relative to State fleet management information systems:

51. *The State should investigate the benefits of acquiring a commercial off-the-shelf fleet management system for use by all State agencies. Agencies requiring unique functional features (such as transit dispatch functions) should purchase or develop these features outboard of the main system so that core functions remain uniform and consistent across all agencies.*

    In implementing this recommendation the State should:

    - *Convene a fleet system project team;*
    - *Fully document its fleet management business practices and supporting system needs;*
    - *Investigate proven commercial systems and observe their use other states' fleet operations;*
    - *Select and acquire the one system that fits best;*
    - *Craft an implementation plan with milestones and economic payback goals;*
    - *Implement the system in a pilot agency, using it "as is" for a period of at least six months;*
    - *Develop appropriate interfaces to SCEIS; and*
    - *Certify the implementation (functional adequacy and achievement of payback); "tweak" the system as necessary, and roll it out to other State agencies.*

52. *If the State decides not to develop a statewide fleet management information system, then at a minimum a standard automated data collection and reporting tool should be developed to streamline the collection of data relative to fleet activities and to provide ready access to reports so that all stakeholders can improve their ability to analyze costs, performance levels, and fleet utilization.*

APPENDIX

A) STATE VEHICLE COUNT

B) PROFILE OF STATE AGENCY FLEET PROGRAMS

C) STATE STATUTES GOVERNING VEHICLE USE

D) B&CB POLICIES GOVERNING VEHICLE USE

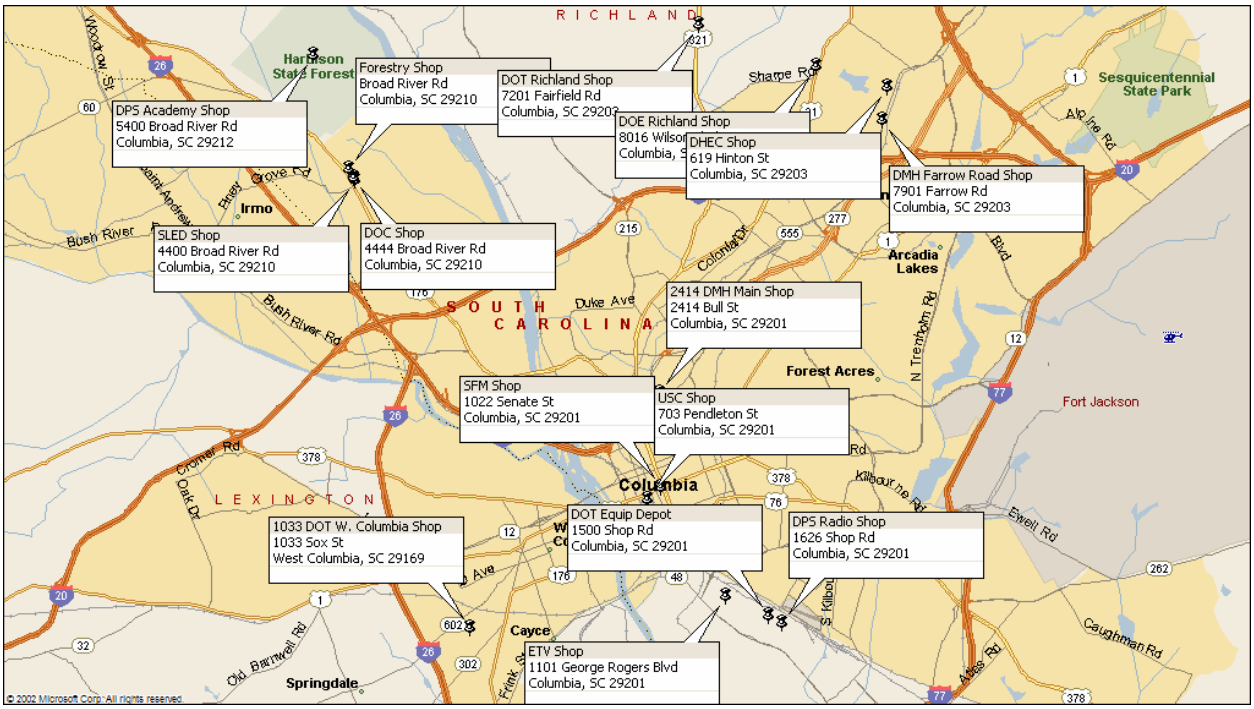
E) LIST OF VEHICLES FOR TURN-IN BY AGENCIES

F) POV REIMBURSEMENT BY AGENCY

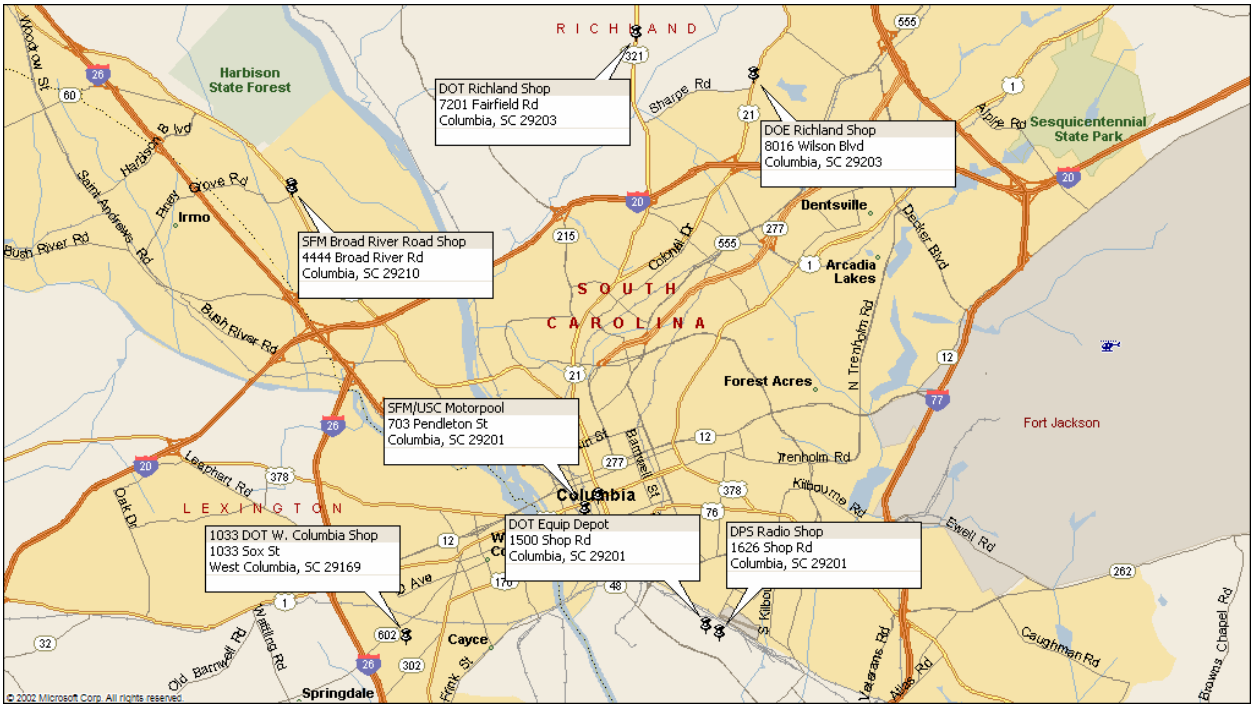
G) CURRENT AND RECOMMENDED SHOPS IN COLUMBIA

H) RECOMMENDED REPLACEMENT CRITERIA FOR SFM VEHICLES

EXISITING STATE SHOPS IN COLUMBIA



RECOMMENDED STATE SHOPS IN COLUMBIA



SOUTH CAROLINA
APPENDIX A
STATEWIDE MOTOR VEHICLE INVENTORY

DATE / AGENCY	CODE	NUMBER OF VEHICLES OWNED BY TYPE															
		SEDANS	POLICE	STA / WAG	VAN PAX	VAN PANEL	UTILITY	PICKUPS	VAN OTHER	CAB & CHAS	TKS W/BODIES	CYCLE/SCOOT	BUSSES	SPE PURPOSE	TRAILERS	OTHER	TOTALS
CABINET AGENCIES																	
GOVERNORS OFFICE - SLED	D10	7	339			5	67	82	2		10				5		**517**
GOVERNORS OFFICE - OEPP	D17	3			1												**4**
DEPARTMENT OF PUBLIC SAFETY	K05	21	1427	1	11	6	65	46	5		5	18	7		21		**1633**
DEPARTMENT OF SOCIAL SERVICES	L04	2		1	1												**4**
CORRECTIONS DEPARTMENT	N04	184	13	3	315	24	25	198	6		42		32		95		**937**
JUVENILE JUSTICE	N12	89	5	1	48	7	2	18	2		5		12				**189**
PARKS RECREATION AND TOURISM	P28	2		17	10	5	20	139	1	4	14			6	12		**230**
COMMERCE DEPARTMENT	P32		2				2	3			1				4		**12**
LABOR, LICENSING, & REG	R36	11			2		5	8	1		9		4		33		**73**
GOVERNORS OFFICE - DMV	R40	45	16				2				1		1		1		**66**
SUBTOTALS-CABINET AGENCIES		**364**	**1802**	**23**	**388**	**47**	**188**	**494**	**17**	**4**	**87**	**18**	**56**	**6**	**171**	**0**	**3665**
NON CABINET AGENCIES																	
LIEUTENANT GOVERNOR'S OFFICE	E04	1															**1**
ADJUTANT GENERAL	E24	5			7	1	3	19	1		3		2		11		**52**
ELECTION COMMISSION	E28			3													**3**
B&CB - DIVISION OF OPERATIONS	F07	2			11	12		5	2		2	5			6		**45**
B&CB - DIVISION OF BUDGET	F09						6	4									**10**
B&CB FACILITY MANAGEMENT	F12	1			4	7		47	1		6				1		**67**
B&CB OGS - STATE FLEET MANAGEMENT	F16	896	120	168	699	40	74	98	8		1	1	185				**2290**
EDUCATION DEPTARTMENT *	H63												5721			498	**6219**
EDUCATIONAL TELEVISION	H67			3	19	14	9	17	2	1	3						**68**
WIL LOU GRAY OPPORTUNITY SCHOOL	H71				7	1	1	5	1		1		4				**20**
VOCATIONAL REHABILITATION	H73	2			90	26		2	47		10						**177**
SCHOOL FOR THE DEAF & BLIND	H75	16		1	11	3	1	11	2		1		25				**71**
ARCHIVES & HISTORY	H79			3	1	1		1									**6**
STATE LIBRARY	H87	1			1	1											**3**
MUSEUM COMMISSION	H95								1								**1**
HEALTH & ENVIROMENTAL CONTROL	J04	122	29	67	35	49	138	121	7	2	3		2	2	11		**588**
MENTAL HEALTH DEPARTMENT	J12	268	33	43	360	40	7	46	24		3		11		1		**836**
DISABILITIES & SPECIAL NEEDS	J16	57		1	93	14	1	44	15		4	2	21	10	3		**265**
JOHN DE LA HOWE	L12	1			3			7			2		4		1		**18**
COMMISSION FOR THE BLIND	L24				7	1		1									**9**
FORESTRY COMMISSION	P12				5	5	19	117			196		1		61		**404**
AGRICULTURE DEPARTMENT	P16	9		4	1		1	16			4				2		**37**
DEPT OF NATURAL RESOURCES	P24	15	42	4	18	10	96	516	1		28		1		57		**788**
PATRIOTS POINT	P36										2				1		**3**
EMPLOYMENT SECURITY COMMISION	R60	6	2	1	3	3			1		1						**17**
DEPT OF TRANSPORTATION	U12	307	1	17	46	67	503	1133	2	297	1204		1	39	336		**3953**
S C LOTTERY COMMISSION	Y20	1															**1**
SPRINGDALE RACE TRACK	Z01				1			1			3				1		**6**
SUBTOTALS-NON CABINET AGENCIES		**1710**	**227**	**315**	**1422**	**295**	**859**	**2211**	**115**	**300**	**1477**	**8**	**5978**	**51**	**492**	**498**	**15958**
HIGHER EDUCATION AGENCIES																	
CITADEL	H09	4			2	6	1	20	3		2	1	1		1		**41**
CLEMSON UNIVERSITY	H12	101	20	6	129	64	95	409	18		61	1	5	2	66		**977**
CHARLESTON UNIVERSITY	H15	3	7	1	7	4	1	8	4		1	7			3		**46**
COASTAL CAROLINA UNIVERSITY	H17	6	9	1	19	9	2	18	1		2						**67**
FRANCIS MARION UNIVERSITY	H18	1	2		3	8		9	5	2	1				1		**32**
LANDER UNIVERSITY	H21	2			5	6		6									**19**
SOUTH CAROLINA STATE UNIVERSITY	H24	15	14	1	8	12	7	27	1		4	1	8		1		**99**
UNIVERSITY OF SOUTH CAROLINA	H27	68	21	10	65	70	31	148	14	3	18	16	17		4		**485**
WINTHROP UNIVERSITY	H47	3	5	3	8	13		23	3		3		1		2		**64**
MEDICAL UNIVERSITY	H51	9	6		25	5	2	15	11		4	3	20		3		**103**
MEDICAL UNIVERSITY HOSPITAL AUTHORITY	H52				3	1	1	1	2				1				**9**
TECH & COMP EDUCATION	H59	4	2		4	1	1	9			15		2		6		**44**
SUBTOTALS-HIGHER EDUCATION AGENCIES		**216**	**86**	**22**	**278**	**199**	**141**	**693**	**62**	**5**	**111**	**29**	**55**	**2**	**87**	**0**	**1986**
TOTALS-ALL AGENCIES		**2290**	**2115**	**360**	**2088**	**541**	**1188**	**3398**	**194**	**309**	**1675**	**55**	**6089**	**59**	**750**	**498**	**21609**

***** SFM does not collect detailed data for Education

CABINET
HIGHER ED
NON CABINET

Appendix B

Agency Profiles

Agency Profiles are listed in this appendix. The purpose of presenting the profiles is to provide a snapshot of each agency and information related their fleet operations. The information was developed through interviews with each agency. Not all agencies are included in this appendix. Some smaller agencies were purposively omitted and profiles fro a few others were not completed by the publication deadline of this report.

A number of agencies do not have a comprehensive cost structure in place for their fleet operation, particularly with respect to allocation of overhead costs. Where overhead cost information was not provided, we have used our best judgment in estimating a reasonable amount to be allocated to the fleet program based on the agency's overall cost structure.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Office of the Adjutant General

Overview:

The South Carolina Office of the Adjutant General (TAG) provides oversight and management for the National Guard units for the State of South Carolina.

Their mission is threefold:

- Provide combat-ready units to the US Army and US Air Force.
- Provide planning, coordination and military capabilities in response to State emergencies.
- Add value to State and Nation with community-based organizations, soldiers and airmen.

Agency Background

The agency is comprised of three major sections; The Air National Guard, Army National Guard, and the Emergency Management Division. The South Carolina Army National Guard can trace its origin to 1670 as the Colonial Militia. The Air National Guard was created in 1946 and the Emergency Management Division in 1979.

Personnel are distributed among the following:

State Employees: 317 – Federal and State Funding
Federal Employees (Technicians): 974 – Federal Funding
Active Guard Reserve: 769 – Federal Funding
Traditional Guard: 10,225 – Federal Funding

The agency has 74 armories located around the state, and personnel at several federal military sites in South Carolina.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
53	23	76	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	13	$53,900	$75,357	$0
2003	10	$0	$124,006	$0
2004	0	$0	$0	$0

Fleet Operation:

The Office of the Adjutant General has a combination of state and federal facilities that their fleet operates. Vehicles are maintained by Federal Employee mechanics working at the federal government sites. Most funding of the agency is federal funding. The agency owns about two thirds of their vehicles, and leases one third from the State Fleet Management organization. The average age of the fleet is 8.2 years.

The actual cost data available is for SFM charges and mileage reimbursement.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0	$15,000	$119,000	$21,265	$155,265

Maintenance Operation:

TAG does not have a maintenance facility. Federally funded vehicles are maintained on the Federal military site at the Air National Guard base. Vehicles leased from the SFM are maintained at the SFM shop.

TAG does not use the Commercial Vehicle Repair Program (CVRP) administered by State Fleet. TAG sets up separate Commercial vendor contracts on their own for private repair facilities next to their guard bases and makes use of state contracts for the purchase of fuel, tires, and parts.

TAG relies on information from SFM and SCHEMIS for information about their leased vehicle costs.

TAG rents heavy equipment from private vendors on an as needed basis. Total annual cost of these rentals is about $16,000.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Archives and History

Overview:

The South Carolina Department of Archives and History is an independent state agency whose mission is to preserve and promote the documentary and cultural heritage of the Palmetto State. The department houses one of the most comprehensive state archival collections in the nation, spanning more than 325 years of South Carolina history. The agency's mission encompasses:

0. Archives and records management
0. History education
0. Historic preservation

Agency Background

The Agency reports to the South Carolina State Historical Records Advisory Board whose members are appointed by the Governor.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
6	0	6	0

The current fleet listed below averages 5.5 years in age and an average mileage of just over 85,000 miles with three units over 100,000. In FY 2003-2004 they purchased one replacement vehicle. For FY 2004-05 the Department did not receive any funding for vehicle replacements.

Vehicle Age and Mileage

Year	Make	Model	Mileage
2003	Ford	Taurus Wagon	34,835
2001	Ford	Taurus Wagon	68,475
1999	Ford	Taurus Wagon	118,382
1998	Chevrolet	Pick-up	144,100
1999	Plymouth	Van	108,211
1997	Dodge	Cargo Van	36,018

Fleet Operation:

The Department does not have its own maintenance facilities and relatively little overhead costs to manage and coordinate maintenance and repair of their fleet. Their annual cost per vehicle is averaging $0.22 per mile that includes depreciation over sixty months plus maintenance and repair. They indicate that State Fleet's charges are in the $0.32-.34 per mile cost.

Their overhead cost represents .3 FTE

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$2,464	$1,073	$497	$8,343	$198	$1,541	$14,118

Maintenance Operation:

The Department of Archives and History utilizes the fleet and repair services from the South Carolina Department of Mental Health's maintenance center on Farrow Road. The in-house labor costs and parts cost in the chart above reflect charges from the Department of Mental Health. The commercial repair charges are for tires purchased under the state contract. They will utilize State Fleet's CVRP when necessary for out of town repairs.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Commission for the Blind

Overview:

The South Carolina Commission for the Blind a state agency created to provide rehabilitation services, adjustment to blindness training, prevention of blindness, independent living services and various other services to blind and severely visually impaired citizens of South Carolina. These services are made available with state and Federal funding, and there is no charge to consumers for services. As such, the agency's mission is:

- To provide quality, individualized vocational rehabilitation services,
- To provide independent living services, and
- To promote the blindness prevention services

Agency Background

The Commission has 10 district offices; its administrative office is combined with its District One office and is located at Ellen Beach Mack Rehabilitation Center at 1430 Confederate Avenue in Columbia. The Commission also has an 85,000 sq. ft. campus which includes four buildings and can house approximately 40 rehabilitation residents at a time.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
8	31	39	0

The fleet consists mostly of sedans used by case workers located throughout the state and minivans for transporting clients for rehabilitative outings to locales in the Columbia area. The Commission currently owns two 15-passenger vans, but per State guidance, the vehicles haul a maximum of 10 passengers. Because of the limited occupancy, ongoing safety concerns and high fuel costs, the agency hopes to eliminate the 15-passenger vans and replace them with additional minivans.

Overview of Fleet Mix

Class	# Leased	# Owned	Total
Sedan	27	0	27
Minivan	2	4	6

Class	# Leased	# Owned	Total
Cargo Van	1	0	1
Pickup Truck	1	1	3
15-Passenger Van	0	2	2
12-Passenger Van	0	1	1
Total	31	8	39

The Commission supplements its fleet with the use of the State Fleet motor pool occasionally. In 2004, State Fleet invoiced the Commission $2,503.03 for motor pool rentals. They rarely use the State contract for commercial rentals (Enterprise). They have no other supplemental vehicles (e.g., golf carts).

Electronic files were not provided for the fleet and, therefore, we do not have average age or mileage for this agency's vehicles. In FY 2003-2004 they purchased "a few" new vehicles (Dodge Neons for case workers) with funds saved by reducing the fleet size and minimizing POV reimbursements (which they reduced by nearly 40% during the last two years).

Fleet Operation:

The Commission does not have its own maintenance facilities and relatively little overhead costs to manage and coordinate maintenance and repair of their fleet. Their overhead cost represents .25 FTE

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0	$29,600	$123,358	$30,445	$183,403

Maintenance Operation:

The Commission for the Blind uses State Fleet's maintenance and repair services for vehicles based in and around Columbia. They use State Fleet's CVRP when necessary for out of town repairs.

All agency vehicles utilize the State fuel card for the purchase of fuel. The Commission does not have any fuel tanks of its own. The Commission does not have any alternative fuel vehicles that Mr. Bruce is aware of at this time.

Data Tracking/Reporting:

The Commission uses SCEMIS to track all fleet operational data. POV mileage is reported on travel vouchers which are submitted to the Finance Office. If vehicles aren't available upon request, Mr. Bruce issues a certificate of non-availability. However, he says many "don't mess with getting the certificate anymore" and claims the reduced reimbursement rate. Some employees obtain doctor's excuses that declare the employee is physically unable to use a state vehicle so employees can claim the higher reimbursement rate.

State of South Carolina Fleet Management Study
Agency Profiles

South Carolina
Budget & Control Board
We Make Government Better

Agency: South Carolina Budget & Control Board

Overview:

The South Carolina Budget and Control Board (B&CB) is the Central Administrative agency for the state. It provides a broad range of services including; state fleet services, supply service, agency mail services, voice and data services, printing services, surplus property, and state employee retirement systems.

The agency is divided into eight divisions; Budget and Analyses, General Services, Retirement Systems, Insurance & Grants Services, Internal Audit & Performance Review, Procurement Services, State CIO, Office of the Executive Director.

Agency Background

The Board is made up of the Governor, the Treasurer, the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways & Means Committee. It was created in 1950 to merge existing function under a single administrative organization and create several new groups including a State Personnel group. Later evolution of the Budget & Control Board included addition of the State Motor Pool and a Technology Division.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
0	34	34	8

Fleet Operation:

B&CB leases all their vehicles from State Fleet.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$ N/A	$ N/A	$ 21,528	N/A	$226,165	$103,237	$350,930

Maintenance Operation:

B&CB has one section State Fleet Management (SFM) that does maintain a vehicle maintenance facility. That facility will be discussed along with all of SFM's activities in a separate agency profile for SFM.

State of South Carolina Fleet Management Study
Agency Profiles

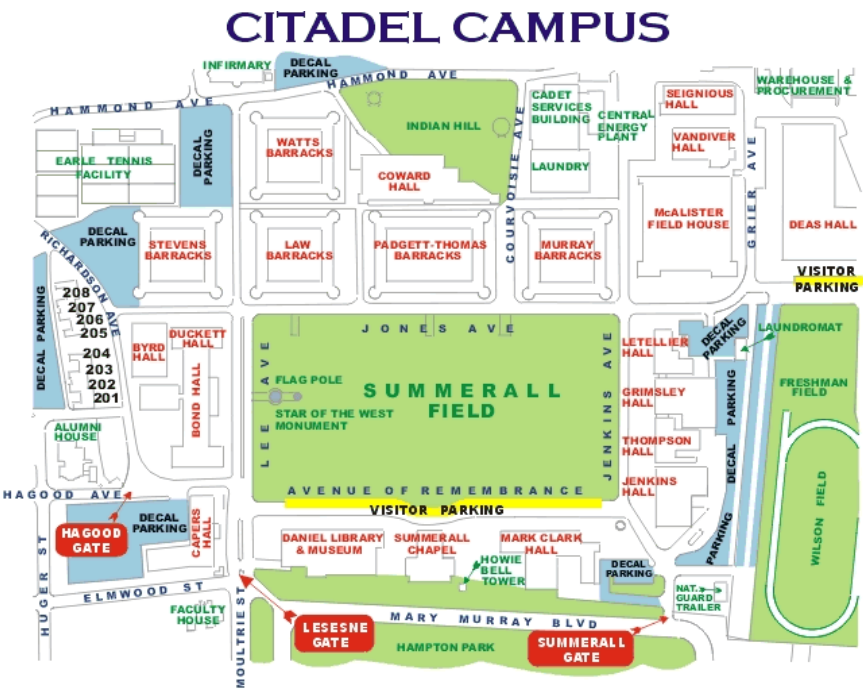
Agency: The Citadel, The Military College of South Carolina

Overview:

- The Citadel, The Military College of South Carolina, is a public institution with the mission of "educating principled leaders through its Corps of Cadets and College of Graduate and Professional Studies programs."

- Located in Charleston, S.C., The Citadel sits on a 300-acre tract of land on the Ashley River. Its campus includes 27 buildings grouped around a large (10 acre) parade ground. The buildings around the parade ground include 10 classroom buildings, an administrative building, four barracks, a student activities building, infirmary, chapel, stadium, field house, and library. Just off the main campus are the football stadium, baseball stadium, and alumni center.

- Fleet operations at the Citadel are administered through the Operations Division under the school's Vice President of Facilities and Engineering and are housed in the "Warehouse & Procurement" area in the northeast area of the campus.



- The Citadel manages and administers a motor pool on behalf of State Fleet that is available to its faculty and students as well as other State of South Carolina agencies in the Charleston vicinity. The motor pool currently consists of 14 vehicles (all of which are attributed to State Fleet and, therefore, are not included on Citadel's vehicle roster)

- The Citadel maintains a fleet of 50 vehicles and one trailer. The vehicles include:

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
39	11	50	NA

- Owned vehicles are typically used for campus-based maintenance, repairs, refurbishment, custodial services and other on-campus activities, e.g., mail pick-up/delivery, IT servicing, event set-up, printing, etc.

- Leased vehicles are typically used for off-campus activities for which newer or more reliable vehicles are necessary.

- The Citadel has three staff persons involved with fleet management activities. Per the survey submitted by The Citadel in December 2004, the time commitment of the staff to fleet responsibilities is equivalent to 2.3 full-time positions. Since then, however, a mechanic has been redeployed to electrical

operations and is no longer involved in fleet activities. Operations have no plans to replace him and now estimate the time commitment for fleet duties at 2 FTEs. Staff and time allocation include:

- ✓ Bill Brannock, Manager, Operational Services and Motor Pool (.8 FTE)
- ✓ Ron Doyle, Motor Pool, Chief of Grounds and Operational Services (.2 FTE) (Mr. Brannock reports to Mr. Doyle.)
- ✓ John Colson, Shop head for the Motor Pool and the only mechanic on staff (1.0 FTE)

- The Citadel has tried repeatedly to use SCEMIS but, because it would not print reports, The Citadel eventually gave up and created systems for managing the motor pool and its fleet operations in-house. The motor pool system is web-based and enables users to reserve vehicles online; it was developed by The Citadel's IT group. Fleet operations are tracked on an Excel-based customized spreadsheet developed by Mr. Brannock. For tracking purposes, the maintenance shop enters repair, maintenance and warranty data into the Excel spreadsheet. Additionally, the maintenance shop uses a second program that interfaces with State Fleet software (but not SCEMIS) to track work orders, parts, and repairs for all vehicles (fleet and motor pool) so the data can be reported to State Fleet; therefore, Mr. Colson typically has to enter data into two different systems for all repairs and maintenance activities. They have access to the program designed by DHEC but are unable to use it.

- No vehicles are assigned to individual users. Most units are assigned to departments or reserved for specific tasks.

- The Citadel has eight flex-fuel Ford Taurus's; however, because ethanol is not easily accessible, the vehicles operate on unleaded fuel most of the time. The nearest location for acquiring ethanol is at DHEC's Charleston facility. The only other alternative fuel vehicle is an electric GM car.

- The Citadel typically replaces campus-bound vehicles with vehicles acquired from State or Federal Surplus. They did not purchase any new vehicles in FY04. They buy off State Contract when not purchasing surplus or leasing.

- The Citadel does not have a formal vehicle replacement plan; however, they maintain a list of vehicles to be replaced that are prioritized and plan to obtain replacements as funds are available. Replacement funds, "what little there are" would be included in the Physical Plant budget.

- The Citadel operates its own maintenance shop. They do not use CVRP. They do their own sublet and parts procurement. The shop uses the State parts contract to purchase automotive materials and supplies. They utilize the State's fuel contract for their fuel purchases

- The Citadel operates a daily rental motor pool in Charleston that is used by Citadel personnel as well as by other State agencies in the Charleston area. Following are the posted rental rates for The Citadel rental pool:

Charleston Motor Pool Rental Rates

Vehicle	Daily Rate	Mileage Charge	Notes
Mini Bus (25 Passenger)	$50.00	$0.50	Includes driver*
Pickup Full Size	$27.00	$0.35	
Pickup Compact	$20.00	$0.25	
Utility Truck Step Van	$30.00	$0.35	
Van 15 Passenger	18.00	$0.20	Based on State Fleet's Rate
Van 7 Passenger	13.00	$0.16	Based on State Fleet's Rate
Sedan Midsized	17.00	$0.15	
Sedan Compact	14.00	$0.14	

* Does not include driver hourly charge of $13.75, driver meals, hotel accommodations, etc., which are the responsibility of the department renting the mini bus.

- The Citadel uses State fuel cards for all leased vehicles. It has both unleaded and diesel above-ground fuel tanks for its owned vehicles. Motor pool users are expected to refill vehicles with the State fuel card prior to return.

Costs and Staffing:

- Through FY04, the Citadel calculated its labor rates incorrectly. At the direction of State Fleet, The Citadel changed its labor rate to be more inclusive. Although we note FY04 labor costs below, those rates are significantly lower than the rates currently being applied.
- The Business Manager calculates the shop labor rates based on personnel costs including benefits at $36.74.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$67,000	$20,000	$ 7,000	$35,891[1]	$49,565	$49,972	$229.428

Maintenance Shop:

In FY04, The Citadel employed two mechanics who completed 668 work orders and attributed 2938 hours to maintenance and repairs.

[1] O/H estimated at 25% of direct cost

State of South Carolina Fleet Management Study
Agency Profiles

Agency: Clemson University

Overview:

Clemson University was founded in 1889, a legacy of Thomas Green Clemson, who willed his Fort Hill plantation home, its surrounding farmlands and forest, and other property to the state of South Carolina to establish a technical and scientific institution for South Carolina. Clemson opened its doors to 446 students as a military college in 1893.

Today, Clemson is classified by the Carnegie Foundation as a Doctoral/Research University-Extensive, a category comprising less than 4 percent of all universities in America. More than 16,000 students select from undergraduate and graduate degree programs in more than 70 fields of study offered by five colleges: Agriculture, Forestry and Life Sciences; Architecture, Arts and Humanities; Business and Behavioral Science; Engineering and Science; and Health, Education and Human Development.

Fleet Operation:

Transportation Services provides vehicles to meet transportation needs of University staff and students in the form of permanently assigned vehicles and short term rentals. Additionally, the Department maintains and repairs university vehicles and provides fuel management for campus vehicles. Transportation Services has the ability (and does to some extent) offer maintenance and repair services to other State agencies. Transportation Services establishes vehicle operating and maintenance policy for the University.

Transportation Services owns 166 vehicles – 71 of which are permanently assigned to specific departments. The remainder of the vehicles is available for short term rental. Other University departments own other vehicles.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
865	0	865	0

Fleet Size:

A breakdown of the fleet by class is provided in the following chart:

Type	Sedans	Patrol	Sta. Wagon	P Van	C Van	SUV	P/U	Misc. HD

Number	110	21	7	130	63	94	407	100

Age of Fleet:

The average age of the fleet is 7.1 years.

Maintenance Facilities:

Transportation Services operates two separate facilities. There are six maintenance bays in the primary shop; 1.5 bays in a nearby auxiliary facility; 1 outdoor maintenance bay. Maintenance shop areas are well organized and clean. Layout in the primary facility is drive-in bays with adequate bay size for maintaining light duty vehicles. Ceiling height is limited. Lighting is provided by fluorescent bulbs and is average. There are no shop support areas such as a separate break room (area designated between maintenance bays for a table and chairs); no separate locker/changing rooms; and no parts room.

All stock parts and supplies are provided by the Maintenance Stores located in a nearby facility. Non-stock parts are procured directly by the maintenance shop employees. This staff does not report to the Fleet Manager.

Clemson University has a total of eight maintenance facilities, as listed below, most of which support remote agricultural facilities.

Maintenance Facility[2]	Shop Tech	Total Staff	Number of Equip[3]	Number of Vehicles
Clemson AG & BIO Eng. Dept.	0	0.5	42	12
Clemson Coastal Research	0	0.25	61	11
Clemson Edisto Rec.	0.5	0.75	179	28
Clemson Forestry HQ	0.6	0.6	111	21
Clemson Maintenance	4.66	6.36	586	566
Clemson Sandhill	0.5	0.5	60	7
Clemson Simpson Station	1	1.7	65	220
Totals	7.26	10.66	1104	865

Fleet Costs:

The Transportation Services Shop has developed service based operating rates and is responsible for recovering all of the costs of the operation. Their current hourly shop labor rate is $46 an hour.

Fleet Management Information System:

The FASTER fleet management information system was installed in 1992. The version of the system in place is an older BOS based version and should be updated to the latest iteration of FASTER C/S. Workstations are provided for all mechanics. The

[2] Taken from SFM data for FY 04 review

[3] Includes non-plated auxiliary equipment

system appears to be well utilized. The motor pool module is used to track and bill rental vehicles.

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2004	56	$829,170	$133,942	

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$373,221	$207,750	$97,944	In Labor Costs	$37,796*	$1,421,480	$2,138,191

* CVRP charges of $32,747 and lease/rental charges of $5,049

State of South Carolina Fleet Management Study
Agency Profiles

Agency: Coastal Carolina University

Overview:

Coastal Carolina University is a public mid-sized, comprehensive liberal arts institution offering baccalaureate degrees in the traditional liberal arts and sciences, interdisciplinary studies, and professional schools, along with Master's degrees in several specialized areas. Coastal Carolina is located in Conway, South Carolina, just nine miles from the Atlantic coast resort Myrtle Beach. The university also offers courses at the Coastal Carolina University Higher Education Center in Myrtle Beach and the Georgetown County Higher Education Center.

Agency Background

Coastal Carolina's main campus comprises 41 buildings on 260 acres including the Center for Marine and Wetland Studies in the Atlantic Center on Highway 501. Waites Island, 1,062 acres of pristine barrier island on the Atlantic coast, is a natural laboratory for extensive study in marine science and wetlands biology. Most vehicles are used for maintaining the buildings and grounds and for operational activities (e.g., mail delivery, package delivery/pick-up, computer servicing, etc.).

Summary of University Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
60	0	60	0

Per the 2004 Statewide Motor Vehicle Inventory report, Coast Carolina's fleet is comprised of the following vehicle types:

Among Coastal Carolina's vehicles, the average age is 10.8 years, with about 20% of the vehicles being 15 year old or older. The average mileage among vehicles in the fleet is 68,408 miles – which is relatively low considering the vehicles' ages, but not surprising considering that most vehicles are used exclusively on campus. The fleet consists mostly of midsized sedans used by security personnel, pickups and cargo vans used for maintenance of campus buildings and grounds and large passenger vans (12- and 15-passenger) for transporting students to marine and wetlands study areas.

The Commission supplements its fleet with a few golf carts. Personnel occasionally use commercial rentals (Enterprise) and the university has needed to rent larger equipment

or specialized vehicles on occasion, e.g., boom truck or hi-cube. No motor pool is available in the Conway area except, perhaps, at SCDOT.

As is evident from the age of this fleet, Coast Carolina does not have a formal replacement plan. In FY 2003-2004 they purchased one new vehicles (a Dodge Stratus) which is assigned to the athletic department. Otherwise, four model year 2000 vehicles are the newest in this fleet. Vehicles are acquired almost exclusively from State Surplus.

Fleet Operation:

Coastal Carolina has its own maintenance facilities with one service bay and two fulltime mechanics. The University provided only the vehicle spreadsheet and did not provide POV mileage or vehicle maintenance, repair or cost data.

Per the interview, they attribute 2.25 FTE to fleet activities. This includes two fulltime mechanics and one-fourth of an administrator's time.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$	$	$	$	$18,611	Not provided	$18,611[4]

Maintenance Operation:

Coast Caroline's in-house shop takes care of most maintenance and minor repairs. They use State Fleet's CVRP when necessary for major repairs.

For fuel, all vehicles use the State fuel card. Coastal Carolina has an above-ground diesel tank of its own, but none of the fleet vehicles use diesel.

Data Tracking/Reporting:

Coastal Carolina uses SCEMIS to track fleet maintenance and operational data. POV mileage is reported on travel vouchers which are submitted to the Finance Office; POV mileage is not isolated when entered into the accounting system and, therefore, could not be compiled as requested.

Consolidation Opportunities:

SCDOT has a maintenance facility in Conway within about 10 miles of Coastal Carolina. Preventative maintenance and repairs could possibly be handled through that shop.

[4] Only cost provided was from State Fleet

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Disabilities and Special Needs

Overview:

The SC Department of Disabilities and Special Needs (DDSN), as defined in the South Carolina Code of Law, serves persons with mental retardation, autism, traumatic brain injury and spinal cord injury and conditions related to each of these four disabilities. DDSN provides services to the majority of eligible individuals in their home communities through contacts with local service-provider agencies. Many of these agencies are called Disabilities and Special Needs (DSN) Boards and they serve every county in South Carolina. There are also other service providers available in certain locations around the state. DDSN also provides 24-hour regional care for individuals with more complex, severe disabilities in Regional Centers, located in Columbia, Florence, Clinton, Summerville (near Charleston), and Hartsville. DDSN directly oversees the operation of these facilities, which are managed by a facility administrator. DDSN operates from five locations in the State.

Agency Background

DDSN is governed by a seven-member commission appointed by the Governor with the advice and consent of the Senate. A commission member is appointed from each of the state's six Congressional districts, and one member is appointed from the state-at-large. The Commission is the agency's governing body and provides general policy direction and guidance. The State Director is the agency's chief executive. Appointed by the Commission, the Director has jurisdiction over the central administrative office located in Columbia, SC, five regional centers and all services provided through contracts with local agencies and service providers.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
267	0	0	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	13	$343,668	0	0
2003	1	$37,245	0	0

2004	3	$118,507	0	0

Fleet Operation:

Allen Nance, Jr., Director of procurement Services, has overall responsibility for the fleet operation. Mr. Nance with the approval of higher authority establishes policies and procedures, prepares budget, and initiates vehicle acquisitions and disposals. All vehicles, including work trucks, are pooled and used by multiple drivers. Mileage reimbursements are monitored and kept to a minimum.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0	$0	$0	$287,342	$38,236	$325,578

Maintenance Operation:

DDSN uses the SFM vendor referral service as their primary means of acquiring vehicle and equipment services.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Corrections

Overview:

The South Carolina Department of Corrections (SCDC) is a system of 24,000 incarcerated adult offenders, 29 institutions, and 5,800 employees.

The mission of the South Carolina Department of Corrections is

Safety --	We will protect the public, our employees, and our inmates.
Service --	We will provide rehabilitation and self-improvement opportunities for inmates.
Stewardship --	We will promote professional excellence, fiscal responsibility, and self- sufficiency.

Agency Background

The first State Penitentiary was built in 1866, after the South Carolina Legislature passed an act to transfer the control of convicted and sentenced felons from the counties to the State, and appropriated $65,000. The first inmates entered the penitentiary the following year.

The South Carolina Department of Corrections was established in 1960. A State Board of Corrections was created at the same time to oversee the functions of SCDC.

In June 1974, the South Carolina General Assembly passed legislation to give the SCDC jurisdiction over all adult offenders with sentences exceeding three months. Consequently, SCDC inmate population grew significantly in 1975 and 1976. On June 30, 1974, SCDC inmate totaled 3,646. On June 30, 1976, the number rose to 6,840.

Following a significant decline in state revenues, SCDC's budget was reduced severely – with a 21% reduction between 2000 and 2003, and the greatest percentage reduction of any correctional system in the country. As a result, two institutions - Givens and State Park Correctional Institutions, were closed. SCDC also reduced its staff, from attrition, by over 1,000 employees. In 2003, to absorb further budget cuts, SCDC implemented a reduction-in-force plan, whereby 148 non-security staff departed from SCDC employment.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
936	0	936	67

Fleet Operation:

SCDC, Division of Transportation Management (DTM), operates one vehicle maintenance repair facility on Broad River Road and a satellite operation at Lee Correctional Facility. Ron McLean is the Division Director, overseeing this operation. Isaiah Gray is the Assistant Division Director. There are 24 FTE that report to the Division Director. All facets of maintenance repair performed at this facility including general maintenance for all light-medium-heavy duty equipment, farm equipment, fabrication and body shop.

Corrections owns over 900 vehicles with about 600 of them in the Columbia area. The fleet is very old with most recent sedan purchase in 2000. Vehicles are used primarily for inmate transportation. The fleet is comprised of sedans, pickups, all sizes of vans and trucks, construction and farm equipment, and buses.

DTM developed their own vendor network prior to SFM's CVRP network and do not use CVRP. They also provide vehicle maintenance services for the Department of Juvenile Justice (DJJ).

DTM manages the fuel site and car wash. The car wash is a, mostly, hand wash operation staffed by inmates. In addition to State vehicles, the carwash will also do privately owned vehicles. They do charge for this.

All vehicle disposals are processed through State Surplus Property.

SCDC is in compliance with alt fueled vehicle mandates, mostly by default as they have not purchased qualifying vehicles in several years. Because of the nature of vehicle use, Corrections has very little personal who receive mileage reimbursement.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$408,156	$536,523	$161,126	$276,451	$0	$1,110	$1,382,256

Maintenance Operation:

The current maintenance facility was built in 1996. The facility currently has 26 bays with expansion capabilities for an additional 13 bays.

SCDC uses the state's fleet maintenance software, South Carolina Equipment Information System (SCEMIS) for its maintenance tracking. They provide maintenance support for a number of State agencies: Department of Juvenile Justice, Mental Health, State Fleet Management, State Law Enforcement and Department of Public Safety. The operation at Broad River Road has 11 civilian mechanics and 14 inmate laborers. Three of the mechanics are currently ASE certified. The Lee facility has one FTE and one inmate laborer. There is one wrecker/roll back operator classified as a mechanic.

SCDC handles almost all maintenance in house, including engine replacement and body damage repair. They do outsource all radio work. SCDC has an internal charge-back rate of $45.00 per hour and is calculated based on guidelines provided by State Fleet

SCDC's main facility in Columbia received a Borderline Meets certification rating from SFM for 2003.

SCDC utilizes the State's parts and tire contracts and also manages and operates their own body shop at the Broad River Road shop.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Education

Overview:

The Department of Education is charged with providing multiple levels of oversight for entire State education program K-12. Responsibilities include management of educational programs, teachers, facilities and student transportation. In this study, we are not concerned with any vehicles directly engaged in student transportation, only support and administrative vehicles.

Agency Background

Education of South Carolina's youth has been a primary concern since colonial days 280 years ago. Earliest efforts to establish schools in the colony culminated in passage of "An Act for the Founding and Erecting of a Free School for the Use of the Inhabitants of South Carolina" by the General Assembly in 1710. When South Carolina became a royal province in 1719, other legislation was enacted to perpetuate and expand "free" schools for pupils whose parents were unable to pay for their education. The 1724 General Assembly authorized construction of a free school in each county and precinct, and provided that 10 poor children in each be taught free of charge.

In 1954, the Supreme Court ruled that separate schools were inherently unequal and that districts operating segregated school systems should move "with all deliberate speed"; to establish unitary systems. Activity by civil rights interests and court decisions continued to mandate the elimination of dual school systems. Unitary public school systems appeared in South Carolina in 1969-70, when 12 districts operated desegregated schools. Eight districts eliminated their dual systems voluntarily, and four districts established unitary systems under court orders. At the beginning of the 1970-71 school year, all of South Carolina's 93 public school districts were legally and technically in compliance with federal desegregation requirements. Thirty-six districts operated under court-ordered desegregation plans and the remaining 57 districts operated under negotiated or federally approved plans for unitary systems.

There are now 85 public school districts in South Carolina.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
231[5]	0	231	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	0			
2003	0			
2004	0			

Fleet Operation:

Marshall Casey, Director of Transportation, has overall responsibility for the fleet operation. Mr. Casey with the approval of higher authority establishes policies and procedures, prepares budget, and initiates vehicle acquisitions and disposals.

Over the past three years there has been little state funding to support the Department of Education's mission and operation. The department has deferred replacements over past few years in favor of purchasing school buses. The average age of the fleet is 19.9 years.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0	$0	Incl. in Labor	$88,890[6]	$270,336	$359,226

Maintenance Operation:

The Department of Education maintains repair facilities in every county and some facilities are responsible for multiple school districts depending on location and proximity to one another. Minor maintenance for support vehicles is accomplished at these sites (lube and oil, small repairs) but most repair work is done by commercial vendors through the CVRP program.[7]

[5] Support and administrative vehicles only.
[6] All charges are for CVRP use.
[7] Shops are not subject to SFM certification program. No data available on support vehicle costs.

State of South Carolina Fleet Management Study
Agency Profiles

South Carolina
Department of Health and Human Services

Agency: South Carolina Department of Health and Human Services

Overview:

The South Carolina Department of Health and Human Services (DHSS) oversees two major programs; Medicaid, and care programs through the Older Americans Act. Through these health and human service efforts, nearly one million South Carolinians, or one in four people in the state receive services. The cost of Medicaid provided services was $4 Billion in FY2004.

Agency Background

In 2004 several of the programs administered by DHHS (Child Care and Development Fund (CCDF), Social Services Block Grants) were transferred to the Department of Social Services (DSS). This administrative change was made to allow DHHS to focus on Medicaid.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
0	352	352	1

Fleet Operation:

The South Carolina Department of Health and Human Services has moved from ownership of their vehicles to a program where they now lease them from State Fleet Management . DHHS uses both the CVRP and state fuel contracts.

Another interesting aspect of the vehicles for DHHS is that most of their vehicles are actually driven by various local mostly non-profit groups around the state. DHHS acts as the authorizing agency, sets up contracts with these various groups for services, and then the groups with this letter of authorization lease the vehicles from SFM. This process means that vehicles listed as state assets really are used by non state employees.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$ 0	$ 0	$1,006	$40,000	$1,314,825	$342,351	$1,698,182

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Juvenile Justice

Overview:

The South Carolina Department of Juvenile Justice (DJJ) is a state cabinet agency, and by law, it is also a treatment and rehabilitative agency for the state's juveniles. DJJ is responsible for providing custodial care and rehabilitation for the state's children who are incarcerated, on probation or parole, or in community placement for a criminal or status offense.

"Our goal at DJJ is to protect the public and reclaim juveniles through prevention, community programs, education, and rehabilitative services in the least restrictive environment possible."

Agency Mission

The Governor's mission is to raise personal incomes of South Carolinians by creating a better environment for economic growth, delivering government services more openly and efficiently, improving quality of life, and improving our state's education.

The South Carolina Department of Juvenile Justice supports the Governor's mission by protecting the public and reclaiming juveniles through prevention, community programs, education and rehabilitative services in the least restrictive environment.

Agency Background

DJJ's Midlands Regional Evaluation Center provides court-ordered evaluations for adjudicated juveniles from the midlands area prior to final disposition of their cases. The facility provides comprehensive psychological, social, and educational assessments to guide the court's disposition of cases. The facility serves male and female juveniles ages 11 to 17 from 19 midlands counties and is one of three regionalized evaluation centers around the state. By law, the length of stay for adjudicated juveniles cannot exceed 45 days. The center opened in 1997.

DJJ's Upstate Regional Evaluation Center provides residential court-ordered evaluations for adjudicated juveniles from the upstate area prior to final disposition of their cases. The facility provides comprehensive psychological, social, and educational

assessments to guide the court's disposition of cases. The facility serves male and female juveniles ages 11 to 17 from 15 upstate counties and is one of three regionalized evaluation centers around the state. By law, the length of stay for adjudicated juveniles cannot exceed 45 days. The center opened in 1997.

DJJ's Coastal Regional Evaluation Center provides residential court-ordered evaluations for adjudicated juveniles from the costal area prior to final disposition of their cases. The facility provides comprehensive psychological, social, and educational assessments to guide the court's disposition of cases. The facility serves male and female juveniles ages 11 to 17 from 16 low country counties and is one of three regionalized evaluation centers around the state. By law, the length of stay for adjudicated juveniles cannot exceed 45 days. The center opened in 2002.

DJJ's Juvenile Detention Center is a centralized pretrial detention facility, serving juveniles from most of South Carolina's 46 counties (several counties, including Richland and Charleston, operate their own long-term and short-term detention facilities). The Detention Center is a secure, short-term facility providing custodial care and treatment to male and female juveniles ages 11 to 17 detained by law enforcement agencies and the family courts prior to disposition. Youths awaiting trial on serious and violent charges reside at DJJ's Detention Center to ensure public safety and the juveniles' immediate availability for court proceedings. A new, expanded Detention Center opened in 2001, replacing a historically overcrowded facility.

Birchwood is a long term commitment institution whose programs are designed to meet the needs of 12 to 18-year old male juveniles committed for sex offenses or other serious and violent offenses, preparing them to reenter their home communities when the Juvenile Parole Board releases them. Birchwood is also home to Birchwood Middle School, Birchwood High School, and the Santee Special Management Unit. Programs include: The Behavioral Level System; The Sex Offender Treatment Program; The Junior Reserve Officer Training Corps; and a more restrictive Special Management Unit for male juveniles who require temporary separation from the main population. Birchwood opened in 1975.

John G. Richards, another long term commitment institution, specializes in providing substance abuse treatment services to 12 to 18 year-old male juveniles with alcohol and other drug abuse problems. These services are designed to assist juveniles in abstaining from using alcohol and other drugs and in becoming productive members of their communities when the Juvenile Parole Board releases them. John G. Richards is also home to a Community in Schools (CIS) program, which provides specialized education services and is the nation's first in a juvenile correctional setting. A Special Management Unit is a place to separate juveniles who have significant behavioral management issues from the general population. John G. Richards opened in 1966.

Willow Lane is a facility for girls in long-term commitment and boys with aggression difficulties. Some of the programs offered to the juveniles include Peer Mediation, Conflict Resolution, and Systematic Treatment for Aggression Replacement (STAR),

and the Young Offender Program. Willow Lane is also home to Willow Lane Middle School and Willow Lane High School. The facility originally opened as the Riverside School for Girls in 1966.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
183	36	219	7

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2004	0	$ 0	$0	$0

Fleet Operation:

DJJ Fleet Operations are the responsibility of Patricia Bays, Business Services Manager. DJJ uses the Department of Corrections for all maintenance needs for agency owned vehicles. For DJJ, the Department of Corrections provides local maintenance and all sublet repair functions. The Department of Corrections does not mark up sublet costs to DJJ. DJJ does not use CVRP.

DJJ leases vehicles from State Fleet Management, mostly for operations outside of Columbia. DJJ would lease more vehicles from SFM if funding were available.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0	$109,000	$48,978	$174,585	$344,925	$677,488

Maintenance Operation:

DJJ does not have a maintenance facility. All maintenance services are provided through the Department of Corrections.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Mental Health

Overview:

The administrative offices of the South Carolina Department of Mental Health are located in Columbia and provide support services including long-range planning, performance and clinical standards, evaluation and quality assurance, personnel management, communications, information resource management, legal counsel, financial, and procurement. In addition, the central office administers services for the hearing impaired; children, adolescents and their families; people with developmental disabilities; those needing alcohol and drug treatment; the elderly; and patients who need long-term care. As of January 1, 2005 the South Carolina Department of Mental Health provides services to 1,570 consumers living in Community Residential Care Facilities across the state. Overall, the Department of Mental Health's consumers use 9.5% of the 16,513 CRCF beds licensed by DHEC.

Agency Background:

The Department of Mental Health is governed by the seven members of the S.C. Mental Health Commission, who are appointed for five-year terms by the Governor, with advice and consent of the State Senate. The Commission has jurisdiction over the operations of the Department of Mental Health.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
831	0	831	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	32	$395,015	0	0
2003	17	$210,560	0	0
2004	5	$58,251	0	0

Fleet Operation:
The fleet is comprised of a variety of vehicles used for the transportation of employees, out-patient services and the maintenance of the facilities. DMH operates two small shop facilities staffed by four mechanics and two supervisors. The labor rate for shop activities is calculated at $48.46 per hour. The shops are reviewed annually by SFM.

The fleet does not have a specific replacement plan in place and relies on budget surplus to replace vehicles and equipment.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$153,831	$117,706	$28,160	$190,463	$651,240	$550,744	$1,692,144

Maintenance Operation:
Vehicle maintenance and repairs are performed by the mechanic staff on vehicles located in the Columbia area and overflow is directed to SFM. Vehicle stationed in outlying areas are serviced by local vendors when costs have been negotiated by DMH or the SFM vendor program. All regional offices should use the CRVP program consistently.

The shops use a hybrid version of SCEMIS developed by the Department of Health and Environmental Control (DHEC).

Consolidation Potential:
This fleet operation should be consolidated with SFM. Mental Health should not be in the fleet management business. All services can be obtained through SFM.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Natural Resources

Overview:

The South Carolina Department of Natural Resources (SCDNR) is the advocate for and steward of the state's natural resources. The agency was organized on July 1, 1994 under the S.C. Restructuring Act and is composed of the former Wildlife and Marine Resources Department, Water Resources Commission (non-regulatory programs), Land Resources Commission (non-regulatory programs), State Geological Survey (State Geologist), and S.C. Migratory Waterfowl Committee. The Department operates the following divisions, Conservation Education and Communications, Law Enforcement, Land, Water and Conservation, Marine Resources, Wildlife and Freshwater Fisheries and Executive and Administration.

Agency Background

The SCDNR is governed by the seven-member S.C. Natural Resources Board, with one member representing each of the state's six Congressional Districts and one at large.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
741	0	741	377

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	41	$800,063	0	
2003	24	$599,374		
2004	30	$630,353		

Fleet Operation:

William Pace, Director of Procurement Services oversees the maintenance management and procurement of fleet vehicles. The vehicles are replaced on an internal schedule due to the constant use of equipment on unimproved roads. The high numbers of home garaged vehicles are generally assigned to the law enforcement group within DNR. Officers and other personnel are assigned to specific districts that are more readily accessed from home.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$49,312	$12,794	$850,366	$98,389[8]	$71,420	$28,338	$1,111,619[9]

Maintenance Operation:

DNR operates one small shop in the Charleston area with one mechanic. The shop rate for this site is $54.00 per hour. The shop uses the SCEMIS fleet management system. Law enforcement tracks their costs in a unique program that is not part of the main system.

The preponderance of DNR vehicles get their maintenance through the SFM vendor program or specialized commercial vendors as needed.

[8] 10% of direct cost

[9] Total number is from actual budget expenditures plus POV reimbursements less Overhead

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department Revenue

Overview

"The South Carolina Department of Revenue administers 32 taxes, collecting more than $6.1billion annually. Our mission is to administer the tax laws of the state and to collect taxes in a manner that ensures public confidence in our integrity, effectiveness and fairness."

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Stored
0	13	13	7

Fleet Operation

The agency leases thirteen vehicles from State Fleet. All are located in the Columbia area. Seven of the vehicles are assigned to revenue officers and are home stored. The remaining six vehicles are pool vehicles for use by other agency personnel.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
.$0	$0	$0	$7,000[10]	$69,651	$289,180	$365,831

Maintenance Operation

The Department of Revenue leases all of its vehicles from State Fleet therefore all maintenance and repairs are covered in their lease program.

[10] 10% of direct cost

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Social Services

Overview

"The mission of the South Carolina Department of Social Services (DSS) is to ensure the safety and health of children and adults who cannot protect themselves, and to assist those in need of food assistance and temporary financial assistance while transitioning into employment. "

Agency Background

DSS has approximately 70 locations throughout the state providing its many child support functions. The vehicles are spread accordingly.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
4	582	586	50

Fleet Operation:

The agency has one full time vehicle coordinator plus a part time administrative clerk to assist.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
.$0	$0	$0	$48,000	$3,188,793	$746,764	$3,983,557

Maintenance Operation:

DSS utilizes all of the services available to it from State Fleet for all maintenance and repair.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Transportation

Overview:

The South Carolina Department of Transportation (SCDOT) is charged with the responsibility of systematic planning, construction, maintenance, and operation of the state highway system and providing mass transit services.

A 7-member transportation commission is the policy making body for SCDOT. The Governor appoints the Commission Chairman and the other 6 members are appointed by the legislature. The Commission appoints the Executive Director, who carries out the daily operation of the agency and the direction of the staff.

The agency has four divisions Engineering, Finance and Administration, Mass Transit, and Disadvantaged Business Enterprise & Special Projects.

Agency Background

One of the largest state agencies, SCDOT has approximately 5,000 employees, located in all 46 counties of the state.

The agency is funded primarily from a combination of Federal Funds and Discretionary State Funds (including Dedicated Revenues such as Motor Fuel Tax, Toll Revenues, Permits, etc.). State General Fund moneys for 2004-2005 equals $100,000 out of the total budget of approximately $1.14 Billion.

Major Budget Revenue Sources in Millions

Federal	Motor Fuel Tax	Misc. Permits	Motor Vehicle Fees	Toll Revenue	Other
$688	$393	$47	$8	$5	$14

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
1696	0	1696	196

Summary of Heavy Equipment

Graders	Excavators	Dozers	Tractors	Mowers	Loaders	Heavy Trucks	Other	Total
138	33	7	123	236	318	1100	454	2419

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
FY 2002	401	$ 7,868,712	$0	$0
FY 2003	245	$6,895,048	$0	$0
FY 2004	269	$6,917,615	$0	$0

SCDOT uses cash from current year budget to buy vehicles. There is no Internal Service Fund (ISF) or financing done for replacement spending. Revenue to department for the replacement of vehicles is primarily from Motor Fuel taxes and permits. Funding is considered stable by the agency.

Vehicles & Heavy Equipment Sold

Year	Total Vehicles and Equipment	Sale Value
FY 2002	509	$1,455,180
FY 2003	635	$1,793.906
FY 2004	170	$1,395,372

Fleet Operation:

SCDOT has 329 employees involved in fleet activities. The agency has 50 maintenance shops located around the state. The central Depot does all the major rebuild work.

The average age of the Vehicle (non Heavy Equipment) fleet is 7.1 years.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$10,779,892	$9,682,247	$1,728,995	$4,619,954	$0	$33,563	$26,844,651

The cost data listed is a compilation of information provided by State Fleet Management and SCDOT. SCDOT does not include overhead costs (building costs, utilities, IT support, Human Resource and other Administrative support, etc.) associated with the fleet program in their rate model. The SCDOT shop labor rate without these costs is $37.84 an hour. The Fully burdened shop labor rate of SFM is $54.00 an hour. Multiplying the total labor hours of DOT by the difference of $16.16 ($54 – $37.84 = $16.16) an hour yields an estimated total additional overhead cost of $4,619,954 per year.

Maintenance Operation:

SCDOT fleet activities are primarily decentralized with large autonomy by the districts. SCDOT has seven districts which are in charge of their own shops and maintenance activities. They make decisions on prioritization of repairs or the level of outsourcing of repairs.

SCDOT has 50 maintenance shop facilities. The Central Depot shop performs the following unique activities: new equipment receiving and major component rebuilds painting, training, warranty issue resolution, and sales of excess equipment. SCDOT does not use the Commercial Vehicle Repair Program (CVRP) administered by State Fleet Management. SCDOT uses the state fuel contracts.

SCDOT utilizes Shop Work in Progress System, or SWIPS to track fleet data. SCDOT uses an in-house ACCESS based system for replacement analysis and a University of Texas system to assist them in replacement recommendations.

Consolidation Potential

Given the scope and diversity of its fleet operations, DOT should remain in the business of managing fleet assets and operating maintenance facilities. We believe that DOT should reach out and provide services to other State agencies from its expensive network of shops, consider leasing light vehicles from SFM, consider obtaining radio installation services from DPS, and provide fabrication/upfitting services to Forstry.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Commerce

Overview:

The Department of Commerce is South Carolina's lead agency for the growth and development of business and industry. It is the economic and industrial recruiting arm of the State. The South Carolina Department of Commerce, "...in partnership with our communities, will be the nation's most effective organization for locating new, quality investments and expanding existing investments to create wealth and help achieve the highest quality of life for all South Carolinians."

The Secretary of Commerce reports directly to the Governor.

The department focuses on its core mission through three departments that recruit business and industry, provide services to existing businesses, and help develop communities and rural areas of the State to attract business and commerce. Within the Department are six divisions: the Aiken Regional Office, Legal Services, Public Railways, Aeronautics, the South Carolina Film Office, and the SC Coordinating Council.

Fleet Operation:

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
12	8	20	0

The Department of Commerce believes that the vehicle cost from State Fleet is expensive. They indicate that their monthly charges for the eight-leased vehicles run $4,500 - $6,000 per month. They maintain their owned vehicles at their Aeronautics Division at the General Airport. They do not track the labor costs to maintain their owned vehicles.

They have not had any significant repairs to their vehicles but indicated that they would not use State Fleet as they indicated that State Fleet charges were high.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs

$0	$640	$0	$5,682	$71,964	$47,049	$125,335

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Health and Environmental Control

Overview:

The South Carolina Department of Health and Environmental Control (DHEC) provides a broad range of health and environmental services to the citizens and communities of South Carolina. Their mission is to "promote and protect the health of the public and the environment" of the citizens of South Carolina.

Agency Background

The South Carolina State Board of Health and the Pollution Control Authority merged in 1973 to create the Department of Health and Environmental Control. The Board of Health and Environmental Control manage the day-to-day operations of DHEC. The Governor with the consent of the State Senate appoints all of the members of the Board.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
572	0	572	110

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	16	0	0	$257,655.52
2003	48	$39,852.24	$178,724.95	$829,622.83
2004	38	$60,547.87	$291,587.09	$393,345.43

Fleet Operation:

Jan M. Smoak, Director, Division of Support Services, has overall responsibility for the fleet operation. Mr. Smoak, with the approval of higher authority, establishes policies and procedures, prepares budget, and initiates vehicle acquisitions and disposals.

Over the past three years there has been little state funding to support DHEC's mission and operation. Without the assistance of federal and program grants, the fleet could not sustain satisfactory efficiencies that accrue from a properly funded replacement plan. The average age of the fleet is almost 7 years.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$82,157.	$68,341.	$11,223.	Incl. in Labor	$184,045.	$3,689,555.	$4,024,100.

Maintenance Operation:

DHEC maintains a vehicle maintenance facility at State Farm. Robert N. Martin is the Director of Facility and Vehicle Maintenance and oversees the maintenance repair operation. The facility was initially occupied in 1976. The shop has three light- duty and two heavy-duty bays. Four FTEs work at this facility; three mechanics and one supervisor. The State Farm facility maintains vehicles in the Columbia area or those vehicles that are in the area on business from other counties or cities. DHEC makes use of the Commercial Vehicle Repair Program (CVRP) administered by State Fleet.

DHEC utilizes a fully burdened labor rate of $28.00 per hour for internal charges on vehicle work orders. They will change to a labor rate of $40.00 per hour as they have applied additional overhead costs.

DHEC makes use of their own fleet software system and provide it free of charge to other agencies in South Carolina.

Consolidation Potential

There is a high potential to consolidate this fleet operation with SFM.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Motor Vehicles

Overview:
The Department of Motor Vehicles is responsible for vehicle registration and licensing, vehicle titles, drivers' licenses, and auto dealer licenses. DMV is also responsible for the Motor Voter program wherein residents may become registered voters at DMS offices. The department has 45 branch offices throughout the state.

Agency Background
The department was formerly a division of the South Carolina Department of Public Safety

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
57	0	57	0

Fleet Operation:
Ms. Frankie Castine has overall responsibility for the fleet operation. Ms. Castine, with the approval of higher authority, establishes policies and procedures, prepares budget, and initiates vehicle acquisitions and disposals.

The fleet is primarily used for employee transportation. The daily use of vehicles supports supervisors traveling to branch offices, movement of mail and paperwork, and other employee functions. The entire fleet was created from vehicles from public safety and as yet, no replacements have been considered.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0	$0	$0	$49,330	$101,455	$150,785

Maintenance Operation:
DMV uses the SFM shop or the SFM vendor network to obtain all of its vehicle services.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Election Commission

Overview:

The South Carolina State Election Commission is charged with the responsibility for operation of the State's system of voter registration. Prior to each election held in the State, the Commission must furnish a list of voters to be used therein. All ballots for State offices, Constitutional Amendment ballots and election materials used in the General Election are furnished by the Commission. The Commission conducts a comprehensive statewide training program for poll managers and provides voting information to all citizens of the State.

Agency Background

The South Carolina State Election commission consists of five members, at least one of whom shall be a member of the majority political party and at least one member of whom shall be a member of the largest minority political party represented in the General Assembly, are appointed by the Governor for four year terms. The State Election Commission holds monthly meetings in which the public are invited to attend.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
3	0	3	0

Fleet Operation:

The State Election Commission has a very small fleet and does not have a shop. The agency owns all of their vehicles.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$ N/A	$ N/A	$ 0	N/A	$ 360.	$1,914	$2,274

Maintenance Operation:

The Election Commission uses the CVRP program and the State Fuel contracts.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Employment Security Commission

Overview:
The Employment Security Commission (ESC) is responsible for providing workforce and job services to the citizens of South Carolina. The services include job search assistance, job training assistance, unemployment benefits, and partnering efforts. The agency also assures the collection of unemployment contributions and maintains on-going statistics regarding the status of workforce deployment in the State.

Agency Background
Economic insecurity due to unemployment is a serious menace to health, morals and welfare of the people of this State; involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the General Assembly to prevent its spread and to lighten its burden which so often falls with crushing force upon the unemployed worker and his family; the achievement of social security requires protection against this greatest hazard of our economic life; this can be provided by encouraging the employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The General Assembly therefore declares that in its considered judgment the public good and the general welfare of the citizens of this State require the enactment of this measure, under the police powers of the State, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
17	0	17	0

The Commission has not purchased any new vehicles in several years and has most recently relied on vehicles transferred from other departments.

Fleet Operation:
Grady Watts, Supervisor, has overall responsibility for the fleet operation. Mr. Watts with the approval of higher authority establishes policies and procedures, prepares

budget, and initiates vehicle acquisitions and disposals. Mr. Watts is located at the Columbia office and does not directly manage transportation other than the local motor pool. Directors in region offices have local control. There are 36 locations throughout the State.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0	$0	$1,115[11]	$4,461	$472,831	$478,587

Maintenance Operation:

The Commission operates a small motor pool in the Columbia area to service the central office and movement of furniture, records, etc. The local office receives vehicle services from SFM and outlying offices utilize the CVRP. The bulk of ESCs' transportation needs are met by use of personal vehicles.

[11] Estimated at 25% of direct cost

State of South Carolina Fleet Management Study
Agency Profiles

STATE ETHICS COMMISSION

Agency: **South Carolina State Ethics Commission**

Overview:

The State Ethics Commission is an agency of state government responsible for the enforcement of the Ethics Reform Act of 1991 to restore public trust in government. The mission of the State Ethics Commission is to carry out this mandate by ensuring compliance with the state's laws on financial disclosure, lobbyist/lobbyist's principal disclosure and campaign disclosure; regulating lobbyists and lobbying organizations; issuing advisory opinions interpreting the statute; educating public officeholders and the public on the requirements of the state's ethics laws; conducting criminal and administrative investigations of violations of the state's ethics laws; and prosecuting violators either administratively or criminally.

Agency Background

The State Ethics Commission was created in 1975 with responsibilities for financial disclosure, campaign disclosure, and ethical rules of conduct. To enforce the statute, the Commission could issue advisory opinions as well as conduct investigations and hearings into complaints.

In 1990 and 1991, Operation Lost Trust gave impetus for a new statute, the Ethics Reform Act of 1991. That Act expanded the size of the Commission and gave it additional responsibilities to include lobbyist registration and disclosure, financial disclosure, campaign practices, and ethical rules of conduct. The statute provided that the Commission could issue advisory opinions as well as conduct investigations and hearings into complaints. The penalty provisions of the statute were increased.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
0	2	2	2

Fleet Operation:

The Ethics Commission does not own any vehicles and all vehicles are leased maintained by State Fleet.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0	$0	$8,927	$0	$8,927

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Educational Television

Overview:

The primary purpose of the South Carolina Department of Educational Television (ETV) statewide educational communications network is to provide comprehensive educational opportunities to public schools, colleges, universities, and adult continuing education. ETV's service supports and enhances training for state agencies, private industry, and individuals, and offers programs of cultural, historical, and educational significance to the general public.

Agency Background

ETV's commissioners are appointed by the Governor to serve terms of six years. One commissioner is appointed from each Congressional district and one from the state at-large who serves as chairman. The Superintendent of Education serves as an ex-officio member of the Commission.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
62	0	62	50

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	0	0	0	0
2003	4	$31,680	0	0
2004	3	$40,674	0	0

Fleet Operation:

The fleet primarily consists of pickup trucks, passenger vans and cargo vans containing production equipment. Many vehicles are permanently assigned to production crews and to specific individuals working in trades. Although the department has concerns involving the security of the production equipment, the units do travel frequently and the operators are responsible for ensuring the safety of the equipment.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$48,851	$14,876	$22,825	Incl. in Labor	$15,168	$70,960	$183,348[12]

Maintenance Operation:

ETV operates a small shop on the site of their production facilities. The shop is staffed by two mechanics whose primary responsibilities include preventative maintenance, repairs, tires and some fabrication. Occasionally ETV uses outside vendors if the vehicles are not in the Columbia area. ETV uses the SSFM list of vendors for light vehicles. The shop rate is $50.45 per hour based on calculations from SFM. The certification process for FY 2005 indicates that the shop under-recovered $10,668 in the previous year.

The shop uses the SCEMIS system for managing vehicle records and scheduling maintenance.

Consolidation Potential:

There is a high potential to consolidate this fleet operation with SCDOT, which is in close proximity and provides very similar services. The operation of a garage solely for ETV is not justified. ETV should also be using State Fleet's CVRP for maintenance and repairs whenever possible.

[12] Includes the $10,668 loss for FY 2004.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Forestry Commission

Overview:

The Forestry Commission is a 400-employee state agency that is charged with protecting and enhancing South Carolina's forest resources which exceed some 13.6 million acres. Forest firefighters are based in every county for quick response to wildfires, and project foresters are available to assist landowners throughout the state. Three regional dispatch centers coordinate statewide forest protection. The Commission operates three state forests, and a modern forest nursery and greenhouse which grow over 17 million containerized and bare root seedling species for S.C. landowners. The Commission provides a range of educational programs to better inform the state's citizens concerning the wise use and management of South Carolina's forest resources.

Agency Background

Interest in the reforestation and protection of forest land in South Carolina began as early as 1787 when a law was passed which provided for the punishment of any person who willfully, maliciously, or negligently caused fire to do damage to the property of another. The General Assembly created the State Commission of Forestry on April 26, 1927. In 1945 the General Assembly passed the South Carolina Forest Fire Protection Act which extended organized forest fire protection to every county in South Carolina. Two years after the Act creating the State Commission of Forestry, the General Assembly authorized the establishment of a state nursery to grow forest tree seedlings.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
609[13]	0	609	236[14]

[13] Fifty units are from Federal government surplus on loan to Forestry. Units will not be replaced.

[14] These vehicles are required to respond to emergency wildfires and law enforcement calls twenty four hours a day, seven days a week unless on authorized leave. To assure this state of readiness, the Forestry Commission requires that these vehicles be kept at the operator's residence during non-traditional work hours.

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2003	48	$39,852.24	$178,724.95	$829,622.83
2004	38	$60,547.87	$291,587.09	$393,345.43

Fleet Operation:

William Boykin, Deputy State Forester, has overall responsibility for the fleet operation. Mr. Boykin, with the approval of higher authority establishes policies and procedures, prepares budget, and initiates vehicle acquisitions and disposals.

Over the past three years there has been little state funding to support Forestry's mission and operation. Without the assistance of federal and program grants, the fleet could not sustain satisfactory efficiencies that accrue from a properly funded replacement plan. The average age of the fleet is almost 7 years.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$458,902	$234,807	$145,751	Incl. in Labor	0	$159,264	$998,718

Maintenance Operation:

Forestry maintains nine vehicle maintenance facilities throughout the State, including a central shop in Columbia that prepares new vehicles and equipment for service (whiuch involves extensive fabrication). Charlie Jones is the Chief of Equipment and Shop Operations. The shops are located within the three major regions, Coastal, Piedmont and Pee Dee. Each shop has one mechanic who is responsible for maintaining the heavy equipment in that district. Forestry reports that equipment maintenance comprises approximately 80% of the employee's time and the balance is dedicated to operational duties

Forestry makes use of a commercial software system known as Fleet Max.

Consolidation Potential

There is a high potential to consolidate the Columbia shop with DOT, which operates substantially the same (although much larger) type of fabrication/in-serving shop in Columbia (i.e. the deport on Shop Road).

State of South Carolina Fleet Management Study
Agency Profiles

Agency: John de la Howe School

Overview:

John de la Howe School is a state-supported, residential group child-care agency with a primary purpose of assisting South Carolina's at-risk children and families. The school takes in children in grades 5 through 12 who are experiencing disruptions to their families, schools and/or communities for reasons such as disruptive or disrespectful behavior, failure to follow rules/laws, emotional issues, breakdown in family relations and disrupted adoptions. The school's primary mission is "to strengthen children and families who are experiencing difficulties to the extent that planned separation is necessary." Residents in grades 5 through 10 are taught on campus and residents in grades 11 and 12 attend McCormick High School. Only a small portion of the budget is for "school;" most is for housing children who require behavioral therapy, counseling, and social-skills training.

Agency Background

Located eight miles northwest of McCormick on State Highway 81, John de la Howe's campus is set on 1,216 acres (including pristine wilderness and camping areas) and includes 70 buildings. This children's home is very rural, situated between McCormick (8 miles away) and Calhoun Falls (17 miles away). Most vehicles are used for maintaining the buildings and grounds, for operational activities (e.g., picking up supplies from nearby towns, mail delivery, package delivery/pick-up, etc.) and for transporting students to work and study activities, the remote camping areas and around campus during inclement weather. Student activities are scheduled at same time each day for all students and all day on Saturday, therefore, all transport vehicles are used simultaneously. Because of its rural location, the facility must maintain vehicles sufficient to transport all residents in the event of an evacuation (something that occurs about once per year due to power outages and occasional hurricane warnings).

Summary of School's Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
17	7	24	0

The school had been moving toward more leased vehicles, but after budget cuts in 2003, it turned in four leased vehicles that it has not replaced. Since the 2004 inventory, the school has disposed of a flatbed truck, leaving 17 vehicles in its current inventory of owned vehicles (including one trailer). The fleet consists mostly of pickups and cargo vans used for maintenance of buildings and grounds and busses and passenger vans (12- and 15-passenger) for transporting students to work projects and the remote areas of the campus. The school has one specialty vehicle – a septic tank pumping truck (incorrectly listed on the inventory as a fire truck). This vehicle is used for pumping waste from outhouses at the wilderness campsites and although very old (35 year), it continues to perform its unique function satisfactorily.

Among the school's owned vehicles, the average age is 11.2 years. The school did not provide odometer readings; therefore no average mileage could be calculated. Utilization reports indicate relatively low utilization fairly typical of vehicles that are used almost exclusively on campus.

The school's remote locale makes it difficult to supplement its fleet with motor pool rentals or commercial rentals.

John de la Howe does not have a formal replacement plan for vehicles; rather, they have downsized their fleet to the extent possible over the last few years by eliminating vehicles without replacing them. They anticipate that they will eventually need to replace vehicles when they can no longer be repaired. Most vehicles are acquired from State or Federal Surplus or through donations (e.g., the septic pump truck).

Fleet Operation:

John de la Howe has a mechanic on staff who performs minor maintenance on vehicle (e.g., oil and filter changes), but whose primary responsibility is repairs to other equipment on the campus. The school does not have maintenance shop.

Per the interview, they attribute .60 FTE to fleet activities. This includes 50% of the mechanic's time to refuel vehicles from onsite fuel tanks, to conduct minor maintenance and to take vehicles into nearby towns for more extensive service and 10% of an administrator's time for fleet assignment and bookkeeping issues.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$	$	$	$	$29,357	$3,567.	$32,924[15]

Maintenance Operation:

The mechanic attributes an hourly rate of $30 to maintenance performed in-house (a rate that was calculated on their behalf by State Fleet, which includes building, utility

[15] Only costs provided by Agency

and salary overhead, but excludes parts). All other repairs are handled by vendors in nearby towns, most of which are not affiliated with State Fleet's CVRP.

For fuel, they refuel all vehicles on campus. Although the lease covers gas, they have received permission from State Fleet to pump their own gas and bill back for gas pumped into lease vehicles because of their rural locale. The school has two in-ground fuel tanks of its own (one 2,000 gallon for unleaded fuel and one 500 gallon for diesel).

Data Tracking/Reporting:

John de la Howe does not use SCEMIS to track fleet maintenance and operational data. They have requested information on SCEMIS, but State Fleet has not yet replied. Rather, they track some things manually and some things via spreadsheets…"it's enough to produce the annual report." POV mileage is reported on travel vouchers which are submitted to the Finance Office.

Consolidation Opportunities:

Because of its remote location, John de la Howe's operations are not a candidate for consolidation.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Labor, Licensing and Regulation

Overview:

The mission of the Department of Labor, Licensing and Regulation is to promote the health, safety and economic well-being of the public through regulation, licensing, enforcement, training and education. Our mission goes hand-in-hand with the Governor's effort to raise personal incomes of South Carolinians by creating a better environment for economic growth, delivering government services more openly and efficiently, improving quality of life, and improving our state's education.

Agency Background

LLR now has:

- The Division of Fire and Life Safety, which includes the Office of State Fire Marshal and the S.C. Fire Academy.
- The Division of Labor, which includes Elevator and Amusement Rides, Labor Services, Labor-Management Mediation, Migrant Labor, Occupational Safety and Health (OSHA), and OSHA Voluntary Programs.
- The Division of Professional and Occupational Licensing.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
70	63	133	3

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
FY04	4	$0	$0	$125,289

Fleet Operation:

The majority of the LLR agency owned vehicles are either Fire Marshal vehicles or Fire Academy, both of which are located at the Fire Academy. LLR has no centralized fleet management. Vehicle oversight is handled by staff at the main location in Columbia and Fire Academy.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs

$0	$0	$	$0	$381,097[16]	$496,003	$877,100[17]

Maintenance Operation:

LLR has no certified maintenance operation. They do perform Lube, Oil, and Filter (LOF's) changes at the Fire Academy and nothing else. All other repairs are sublet to local vendors. Most sublet is handled directly and is not run through CVRP.

[16] CVRP charges of $2,638, lease charges of $378,459

[17] Only costs provided by Agency

State of South Carolina Fleet Management Study
Agency Profiles

Agency: Lander University

Overview:

Founded in 1872 as a women's college, Lander University is now a coeducational, state-assisted university offering baccalaureate degrees in the traditional liberal arts and sciences and interdisciplinary studies to approximately 3,000 students annually. Lander is located in Greenwood, in the Piedmont of western South Carolina.

Agency Background

Lander is situated on approximately 100 acres and has six primary buildings as well as new housing complexes, athletics fields and parking lots. Most vehicles are used for maintaining the buildings and grounds, for operational activities (e.g., mail delivery, package delivery/pick-up, computer servicing, etc.), and for transporting students.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
19	0	19	0

Vehicles are acquired almost exclusively from State Surplus. Per the 2004 Statewide Motor Vehicle Inventory report, Lander's fleet is comprised of the following vehicle types:

Among Lander's vehicles, the average age is 8.2 years, with about 25% of the vehicles being 14 year old or older. Lander did not provide odometer readings, so we cannot calculate the average mileage for their fleet. The fleet consists mostly of pickups and cargo vans used for maintenance of campus buildings and grounds and large passenger vans (15-passenger) for transporting students as well as custodial staff.

Lander claims to have no formal vehicle replacement plan.

Vehicles Purchased and Funding Sources

Year	Total	State	Federal	Other
2002	1	$13,725	$0	$0
2003	2	$25,394	$0	$0
2004	2	$21,696	$0	$0

To supplement the fleet, personnel occasionally use commercial rentals (Enterprise) and the university has a few golf carts for on-campus use in mild weather.

Fleet Operation:

Per the interview, they attribute .35 FTE to fleet activities:

- 15 % to Kathy Willis, Office manager for physical plant (maintenance and grounds)
- 20% to Harold Galloway, Director Physical Plant (Kathy's boss)

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$54,964[18]	$5,496	$0	$30,146	$90,606

Maintenance Operation:

Lander does not have an in-house maintenance shop. They use State Fleet's CVRP when available or other local vendor when necessary for maintenance and repairs. For fuel, all vehicles use the State fuel card.

Data Tracking/Reporting:

Lander uses SCEMIS to track fleet maintenance and operational data. POV mileage is reported on travel vouchers which are submitted to the Finance Office.

[18] Lander's budget for FY 2004 indicates "motor vehicle pool costs" of $54,963.45, which appears to include all maintenance excluding overhead. Overhead estimated at 10% of direct cost.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Education Lottery Commission

Overview:

The South Carolina Education Lottery Commission was created in 2001 as "an instrumentality of the State and a public commission, with powers comparable to those exercised by commissions engaged in entrepreneurial pursuits." The prime function of the Lottery is to generate revenue through ticket sales to support State educational activities and scholarship programs. Approximately 15 months after the Commission was appointed, the Lottery held its first drawing. As of April 1, 2005, the Lottery had generated proceeds exceeding $773 million that were applied to educational endeavors.

Agency Background

The SC Education Lottery is a relatively new agency with a staff of approximately 137 employees and six departments including Internal Operations; Information Technology Systems; Sales & Marketing; Security; Legal Services and Finance. The Internal Auditor reports directly to the South Carolina Education Lottery Commission. All employees of the lottery serve at-will and are not covered by the State Employee Grievance Procedures Act.

The South Carolina Education Lottery has three Regional Offices (Columbia, Charleston, and Greenville). The Regional Offices have a field staff of approximately 36 employees who service Lottery retailers throughout their regional territories. They provide delivery of point-of-sale materials as well as advice to retailers on marketing techniques; they recommend businesses for licensure as retailers; and perform other duties directed by the Lottery Commission. Activities of the Lottery are highly focused on marketing and market expansion. Therefore, its vehicles are used primarily for sales and service (and training of those sales and service representatives) at retail locations throughout the state. A few vehicles are also designated for investigative purposes. Lottery recently turned in a hi-cube van used to deliver point of sale material (returned to state fleet as of 3/25/05 because vendor took over responsibility, so agency no longer needed vehicle

Summary of Lottery's Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
1	11	12	0

Per the 2004 Statewide Motor Vehicle Inventory report, the Lottery's owned fleet is comprised of one vehicle: 1963 Oldsmobile Starfire which is used for parades and other promotional appearances.

The Lottery has several high-mileage drivers using their personal vehicle (more than 12,000 miles per year) who travel from home offices in outlying areas of the state to deliver materials to retailers and to service Lottery terminals. As such, Lottery has looked into expanding its fleet by 20 vehicles (mini cargo vans outfitted for security). However, Lottery determined that the vans it asked State Fleet to price were cost-prohibitive and has chosen to continue to reimburse personally owned vehicle (POV) mileage for those drivers. Notably, POV drivers currently do not use mini-cargo vans to deliver materials and service terminals; rather, most use mid-sized sedans and SUV POVs (vehicle classes that likely could be provided by State Fleet at a lower cost than the specially outfitted mini-cargo vans Lottery asked it to price).

Among the Lottery's vehicles, the average age is 2 years. The Lottery did not provide odometer readings; therefore no average mileage could be calculated.

The Lottery does not have a formal replacement plan for vehicles; yet, because it is an image-conscious agency, it will likely strive to maintain fairly new vehicles (5 years old or less).

Fleet Operation:

Per the interview, they attribute .25FTE to fleet activities. This includes 25% of Karen Nelson's time for fleet administrative duties.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0	$6,798[19]	$67,978	$231,765	$306,541

Maintenance Operation:

Lottery does not have maintenance shop. All maintenance is handled by State Fleet. For fuel, they refuel all vehicles using the state fuel card.

Data Tracking/Reporting:

Lottery use SCEMIS to track fleet costs. Personal vehicle mileage is reported on travel vouchers which are submitted to the Finance Office.

[19] Overhead estimated at 10% of direct cost

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Parks, Recreation and Tourism

Overview:

The South Carolina Department of Parks, Recreation, and Tourism (DPRT) manages and protects more than 80,000 acres of South Carolina's natural and cultural resources, which range from deep mountain wilderness and old-growth forests, to plantation homes, battlefields, waterfronts and wetlands. The state park system includes 46 operational parks and six historic properties. The system also includes more than 1,500 separate buildings, 155 cabins, 80 motel rooms, 3,000 campsites, two 18-hole golf courses, two saltwater fishing piers, 42 ponds, 156 miles of paved roads, and more than 300 miles of hiking and riding trails. The Department also helps foster and promote the state's emerging tourism industry and helps communities plan and develop recreational opportunities for local residents.

Agency Background:

The Department is responsible for managing the State's system of parks and recreation centers, maintaining facilities ranging from welcome centers and historic sites to beach areas, piers and boat loading docks. The Department is also responsible for developing tourism to the State and convention business.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
488[20]	0	488	0

Vehicles Purchased and Funding Sources[21]

Year	Total Vehicles	State	Federal	Other
2002	1	0	0	0
2003	0	0	0	0
2004	0	0	0	0

[20] Of the total, 261 units are grounds maintenance equipment (mowers, powered carts, etc.)
[21] No data provided but review of vehicle inventory notes no vehicles newer than 2002 suggesting no purchases in past two years.

Fleet Operation:

Yvette Sistare has overall responsibility for the fleet operation. Ms. Sistare, with the approval of higher authority establishes policies and procedures, prepares budget, and approves vehicle acquisitions and disposals.

Over the past three years there has been little state funding to support DPRT's mission and operation. Essentially, the Department is self-sufficient by charging for the use of park facilities such as campgrounds, beaches, and short-term accommodations. Vehicle replacements are funded directly from operating funds when available.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0.	$0.	$0	Incl. in Labor	$12,522.	$110,701.	$123,223.[22]

Maintenance Operation:

The Parks, Recreation and Tourism department obtains the bulk of its vehicle maintenance from SFM. Some work is performed on a local (in-park) basis but usually consists of minor repairs and oil changes. No information was provided to indicate that the vehicles are maintained according to any fixed maintenance schedule.

[22] Agency unable to provide in-house costs for maintenance

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Agriculture

Overview:

The Department of Agriculture is divided into four divisions: Administration, Consumer Services, Laboratory Services, and Marketing and Promotion. The Administrative Services Division coordinates the South Carolina Department of Agriculture's operations. The Consumer Services Division administers the Weights and Measures Law, the Egg Law, Public Weighmasters Law, Dealers and Handlers Law, State Warehouse System Law, Food and Cosmetic Law, and also assists the Laboratory Division in the enforcement of several other laws. The Laboratory Services Division staffs a Food Laboratory, Feed Laboratory, Seed Laboratory, and Petroleum Products Laboratory. The Marketing Promotion Division's mission is to maintain and develop broad-based marketing programs to increase consumer awareness and product demand for quality South Carolina agricultural products at local, national, and international levels.

Agency Background:

The South Carolina Department of Agriculture is a relatively small agency that has been in place for 125 years. The department is directed by a single commissioner appointed by the governor. The department employs approximately 134 full time equivalents and has a budget of approximately $5.1 million. The Department operates six facilities, three of which are farmers markets.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
37	0	37	2

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2002	0	0	0	0
2003	1	$24,018	0	0
2004	0	0	0	0

Fleet Operation:
Fleet operations are based primarily out of the Columbia area. Vehicles are used for site inspections such as scales, fuel pumps, as well as product inspections for livestock, fruits and vegetables, and other commodities.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0.	$30,569	$0	$206	$196,685.	$227,460

Maintenance Operation:
The Department of Agriculture obtains all of its vehicle maintenance from SFM, either directly at the SFM shops or through the SFM vendor network.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina Department of Public Safety

Overview

The South Carolina Department of Public Safety (DPS) provides for the safety of its citizens and visitors. DPS

- Enforces the traffic, motor vehicle and motor carrier laws in the State of South Carolina
- Educates the public on highway safety;
- Administers highway safety and criminal justice grant programs;
- Provides a comprehensive law enforcement training program and certification process; and
- Ensures security and safety services for public officials as well as state properties.

Agency Background

The Department of Public Safety has the principal responsibility of the enforcement of State traffic laws and DOT inspections as it relates to truck traffic through the State.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
1642	4	1646	931

Vehicles Purchased and Funding Sources

Year	Total Vehicles[23]	State	Combination	Other
2002	222	$4,705,139	0	0
2003	142	$ 588,499	$225,134	$2,608,020
2004	46	$1,099,340	0	0

[23] Patrol, STP, BPS, CJA, DMV, and Administrative purchases

Fleet Operation:
Ms. Elaine Johnson, Administrative Manager II has overall responsibility for the DPS fleet operation. She is assisted by a Supply Manager I and an Administrative Specialist II.

Agency Fleet and Mileage Reimbursement Cost

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$41,953	$0	$382,136[24]	$2,835,574[25]	$ 4,203	$3,263,866

DPS utilizes the Wright Express fuel card provided by Mansfield, the State's fuel provider.

Maintenance Operation:
DPS utilizes the services of State Fleet's Commercial Vehicle Repair Program (CVRP) for most of their maintenance services. DPS advises that they are pleased with the services received from CVRP. DPS maintains two maintenance facilities: one at 1628 ½ Shop Road in Columbia. The main purpose of this facility is to install and de-install emergency equipment on vehicles. They also maintain the department's pool vehicles that are not assigned to specific districts in the field. This operation is supervised by Corporal Brian Phillips. There are six (6) employees. The other maintenance facility is located at the Criminal Justice Academy and provides maintenance for vehicles used in range training.

There is no direct labor charge-out rate calculated for either the CJA Shop or the shop at Police Supply. All costs for these operations are covered in the DPS budget in line items not specific to fleet operations.

Consolidation Potential
There is a high potential to consolidate the CJA Shop with the DOC shop (which we recommend be managed by SFM). To facilitate closure of this facility, DPS should assign brand new vehicles to the training function rather than older vehicles that require extensive rehabilitation and maintenance to serve in this demanding role. New vehicles should be rotated out of training duty after one year and reassigned to non-patrol functions such as detectives or supervisors.

[24] Salaries and benefits for administrative employees, Police Supply Shop, and CJA Shop.
[25] Includes CVRP, Lease, and Motor pool billings from SFM

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina School for the Deaf and Blind

Overview:
The South Carolina School for the Deaf and the Blind (SCSDB) is a specialized instructional and resource center. It provides services statewide for individuals who are deaf, blind or sensory multi-disabled (children and adults), their families and the professionals who work with them. SCSDB offers programs for preschool, elementary, middle school, high school, sensory multi-disabled, vocational and postsecondary educational students, as well as a variety of outreach and support services. The main campus is in Spartanburg, and regional centers are located throughout the state.

Mission Statement
The mission of the South Carolina School for the Deaf and the Blind is to ensure that individuals we serve realize maximum success through high quality educational programs, outreach services and partnerships.

Fleet Operation:
The Fleet is Part of Transportation Services, managed by Randy Dimsdale, Physical Plant Director. Robert Lawter is the Interim Transportation Director. The Fleet maintains 25 school buses that pick up and deliver students both daily and weekly. Students within a prescribed distance, approximately 50 mile radius, are bused on a daily basis. Those students that are further away are bused in and home weekly. They are kept at the school from Sunday evening to Friday afternoon. In addition to these buses, which are also used on campus to move students around the school, the fleet operates a pool of 16 sedans. The remainder of the vehicles is mostly facility vehicles for maintaining the campus.

Funding for vehicle replacement comes from appropriation. The Fleet has not purchased new vehicles, except for buses, for several years. They have recently purchased a few vehicles from the Federal Surplus Program.

The School has 21 vehicles from SFM, mostly for their Out Reach program as it generates its own revenues. The School uses State contracts for buses and participates, along with DOE, in the specification writing.

The Fleet does not use SFM's fuel program. They have both diesel and unleaded tanks on site.

To appropriately accommodate the School's clients, buses have significant upgrades, including additional air conditioning and sound deadening. All are equipped with wheel chair restraints.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
81	21	102	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2004	0	$0	$0	$0

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$ 72,113	$21,405	$3,286	$9,755	$122,869	$52,390	$281,818

Maintenance Operation:

The School operates a maintenance facility at the school. They maintain all of the School's vehicles, including the 25 buses, and grounds equipment.

The maintenance shop has two mechanics and a working supervisor. Neither is currently certified. Tony Owens is the Shop Supervisor and SCSDB calculates an internal chargeback rate of $45/hour. The shop does not use SCEMIS or CVRP.

Management tracks maintenance activity using a software fleet maintenance program developed by DHEC.

There is no available private or State facility that has the capability to perform repairs on the buses. DOE has a facility fairly close but does not have the capacity to take on the School's work. The School has investigated this option previously.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: State Fleet Management Office

Overview:

As part of the General Services Division of the South Carolina Budget & Control Board, the State Fleet Management Office provides centralized management of the State's motor vehicle fleet. The program uses skilled professionals to establish the various mini-programs which contribute to overall fleet management.

Agency Background

The State Fleet Management Section (SFM, formerly Division of Motor Vehicle Management) of the Division of General Services operates under the authority of Section(s) 1-11-220 through 1-11-340 of the State code, and further Policy Directives adopted by the State Budget and Control Board. SFM exists to provide both fleet services and fleet management oversight for the State's entire fleet of vehicles.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
0	5	5	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2004	11	$0	$0	$272,844

Fleet Operation:

SFM operates three revenue producing business units [Lease Fleet/Motor Pool, Commercial Vendor Repair Program (CVRP), and Central Transportation Maintenance Facility (CTMF)], two regulatory functional areas [Maintenance Regulatory and Operations Regulatory], and one administrative support unit.

The mission of the State Fleet Management & Compliance Team is to promote cost-effective, safe and accountable management of the State's vehicle fleet.

SFM implemented the Commercial Vendor Repair Program (CVRP) in 1989, establishing competitive repair and service agreements or parts and labor agreements with commercial vendors statewide.

The purpose of the State Fleet Maintenance Program is to ensure all State vehicles are maintained within safe and serviceable standards throughout their life cycle, at the lowest possible cost.

The Operations Team coordinates vehicles for long and short term leasing to state agencies and other governmental entities that require transportation services for official business. It also handles the disposal of the state vehicles.

The State Fleet Management Program Support Team provides administrative and accounting support to the other State Fleet teams, including handling of all financial transactions and providing customer support.

Key personnel for SFM are:

- Jeff McCormack - Interim State Fleet Manager
- Robert Seawright - CTMF Shop Supervisor
- Bob Amburgey - CVRP Team Leader
- Elease Portee - Maintenance Team Leader
- Jimmy Lever - Operations Team Leader
- Cheryl Swan - Program Support Team Leader

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$210,038	$60,203	$200,000	Included in rates	$6,092	$0	$476,343[26]

Maintenance Operation:

Robert Seawright is the Shop Supervisor for a staff of four technicians and one parts staff. The shop provides maintenance and repair for 868 vehicles that they lease to South Carolina State agencies. All maintenance costs and repair activity are captured using the SCEMIS fleet system. The Shop labor rate is $54.50. State Fleet is one of the few agencies in the State to recover most shop related costs in their rate model.

The maintenance and administrative functions are scheduled to relocate in CY2005.

Consolidation Potential

There is a high potential to consolidate this fleet operation with SFM.

[26] Costs incurred by State Fleet but fully recovered in rate base

State of South Carolina Fleet Management Study
Agency Profiles

Agency: State Law Enforcement Division

Overview:

"The primary mission of the State Law Enforcement Division is to provide quality manpower and technical assistance to law enforcement agencies and to conduct investigations on behalf of the state as directed by the Governor and Attorney General."

The State Law Enforcement Division (SLED) coordinates a broad group of law enforcement functions within the State of South Carolina. Some of these are the AMBER Alert; concealed weapons permit program, criminal statistics, counter terrorism, forensic services, and Homeland Security programs.

Robert M. Stewart is the Chief of the State Law Enforcement Division and reports to the Governor. Major Mark A. Keel is the Chief of Staff and has the principal responsibility over SLED's fleet operations.

Fleet Operation:

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
485	0	485	274

SLED purchases vehicles off of the state contract. They use State Fleet replacement criteria of 150,000 miles but believe that replacement criterion is too high for efficient police operations and lower maintenance costs. They believe that the replacement criteria for their Ford police vehicles should be 4 years/100,000 miles.

SLED, as a number of agencies in South Carolina, has faced challenges with respect to replacing their fleet in an orderly and predictable manner.

Year	Vehicles Purchased	State Funding	Other
2002-03	7	$0.	$184,904.
2003-04	42	$0.	$941,126.
2004-05	88	$1,955,389.	$0.

SLED uses State Surplus property for disposing of retired vehicles.

In 1994-1995 the shop staff became part of the State Fleet operation, but costs (reportedly) doubled and after one year the shop returned to SLED management. SLED does not use the State Fleet's Commercial Vehicle Repair Program (CVRP) because SLED sees no value in paying State Fleet's overhead.

SLED utilizes SCEMIS for their fleet management information; however, some costs are not recorded in SCEMIS such as commercial or outside repairs.

Fuel is available at headquarters and is billed by the state contractor (Mansfield) direct to SLED. They use the WEX card and like the fuel management program.

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Agency 2003-2004 Fleet and Mileage Reimbursement Costs

In-house labor costs	Parts costs	Commercial Repair Costs	Estimated O/H costs	SFM charges	Mileage reimbursement costs	Total Costs
$65,378[27][28]	$171,443	$93,260	$28,217	$0.00	$5,201.[29]	$363,499.

Maintenance Operation:

SLED has one small two bay garage located on their headquarters property. The shop is about 30 years old and in deteriorating condition with insulation peeling from the interior walls. The shop has one in-ground and one above- ground lift. There is minimal shop equipment therefore large or more extensive repairs are sent to outside repair agencies. The shop is open 7:30am – 4:30pm Monday – Friday.

SLED has 2 FTEs plus one full time inmate mechanic. The most recently hired mechanic also has an aviation maintenance certification and could be utilized for SLED helicopter repair and maintenance. The inmate labor is not charged in SCEMIS therefore maintenance costs are understated. SLED bills about 2100 hours annually. They have an internal charge out rate of $34.50 per hour as they only attempt to cover salaries and benefits with no overhead.

They use many of the same state contracts as State Fleet but administratively are charged direct rather than going through State Fleet for tire and parts purchases.

Consolidation Potential

There is a high potential to consolidate this fleet operation with the Corrections shop, which is literally on the other side of a fence.

[27] This cost is lower by approximately $20,000 because of one mechanics partial pay during the year.
[28] SLED has one full time inmate mechanic that understates vehicle maintenance and repair costs because his time is not charged.
[29] $1,129,77 of amount is out-of-state reimbursement

State of South Carolina Fleet Management Study
Agency Profiles

Springdale Race Course

Agency: Springdale Race Course

Overview:
The Carolina Cup Racing Association is the governing authority of the Springdale Race Course which is owned by the State of South Carolina. Management is vested by the Board of Directors to the Race Director, Jeffery A. Teter, former leading steeplechase jockey, and Wendy Kingsley, Director of Marketing.

Springdale Training Center has several barns and approximately 175 stalls which are leased to trainers for the season beginning September 1st and ending June 1st.

The 600 acre grounds have a 5/8 mile oval, a 1 mile oval, a 7/8 mile turf oval, and a variety of fences for schooling jumpers.

Agency Background
Camden's, South Carolina, love affair with horses spans the centuries, producing an industry that has flourished and a 600-acre training facility that offers near-perfect training conditions.

Designed and built by Harry D. Kirkover and Ernest Woodward, who ran the inaugural 1930 races over an unparalleled course offering miles of galloping and imposing fences which could be viewed from any vantage point.

The subsequent owner, Marion duPont Scott, endowed and donated the course to the State of South Carolina, thus insuring an enduring legacy.

Springdale Race Course in Camden, South Carolina is the home of The National Steeplechase Museum. This building was opened as the Carolina Cup Racing Museum in November of 1998 and designated The National Steeplechase Museum in October, 1999. The museum is devoted to the history of steeple chasing in America with memorabilia from many past and present race meets. A library, archives, and interactive exhibits provide entertainment and education for all ages.

The museum is operated by the Carolina Cup Racing Association with the assistance of a National Advisory Board. Many activities are arranged for members and membership is available through the Association.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
6	0	6	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2004	0	$0	$0	$0

Fleet Operation:

The fleet operation is to support the training of race horses at this facility. There is no fleet management organization.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$0	$0	$2,347	Incl. in Labor	$0	None reported	$2,347

Maintenance Operation:

The Race Course sublets all maintenance to local shops.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina State Housing Finance and Development Authority

Overview:

The South Carolina State Housing Authority administers a number of Federal and State programs directed at low and low-to-moderate income South Carolinians. Their mission is to provide programs that assist families and neighborhoods and help stimulate the economy by supporting jobs in the construction, real estate, and financial industries.

The Authority is self-sustaining and receives no state appropriation.

Agency Background

The State Housing Authority was created by **Act No. 500** on June 22, 1971. The powers of the Authority were vested in a Board of Commissioners: the Governor and the State Commissioner of the Department of Health and Environmental Control, or their designees, and seven members having experience in the fields of mortgage finance, banking, real estate, and home building. The first Board of Commissioners was appointed and their first meeting was held in September of 1971.

The Authority's powers were expanded in 1977 to permit the issuance of bonded indebtedness to support certain housing programs. By law, all Notes and Bonds issued by the Authority become special obligations of the Authority and not debts, grants, or loans of credit of the State of South Carolina.

In 1988 the name was officially changed to the South Carolina State Housing Finance and Development Authority. Also in 1988, **Act No. 57** permitted the Authority to make home equity conversion loans.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
0	3	3	0

Fleet Operation:
The State Housing Finance and Development Authority has a very small fleet and does not have a shop. The agency leases all of their vehicles from SFM.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$ N/A	$ N/A	$ 0	N/A	$ 159,517	$17,933	$177,450

Maintenance Operation:
The State Housing Authority uses the CVRP program and the State Fuel contracts. They lease all of their vehicles from the SFM.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina State Library

Overview:

The South Carolina State Library provides library resources and services to the people of South Carolina. They are located in downtown Columbia.

Mission: The South Carolina State Library's mission is to improve library services throughout the state and to ensure all citizens access to libraries and information resources adequate to meet their needs. The State Library supports libraries in meeting the informational, educational, cultural, and recreational needs of the people of South Carolina.

Agency Background

The South Carolina State Library is an independent state agency governed by a board of seven members appointed by the Governor, with one member from each Congressional District and one from the state at large. Members serve five-year terms and may be reappointed.

The State Library was created in 1929. When the federal Library Services Act was passed in 1956, the State Library Board, by executive order of the Governor, was charged with administering and implementing within the state the library programs authorized in the Act. Through this Act, the agency's functions were expanded to include service to the blind and physically handicapped, development of library service in state institutions, and interlibrary cooperation.

In 1969, as the result of action by the General Assembly, the State Library Board was re-designated as the South Carolina State Library and assumed responsibility for public library development, library service for state institutions, service for the blind and physically handicapped, and library service to state government agencies. The Library for the Blind and Physically Handicapped, a department of the State Library, was established in 1973. In 1985, an act was passed providing for the re-codification of the State Library's legislation. The new legislation reauthorized all functions of the State Library and consolidated a variety of authorizations found in state and federal laws and regulations, executive orders and budget provisos.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
3	0	3	0

Fleet Operation:

The State Library has a very small fleet and does not have a shop. Though the agency owns all of their vehicles, they have leased from State Fleet in the past.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$ N/A	$ N/A	$ 2,522	N/A	$ 2,529	$583	$5,634

Maintenance Operation:

The State Library uses the CVRP program and the State Fuel contracts.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: South Carolina State Museum

Overview:
Housed in the historic 1893 Columbia Mill textile building, our "biggest artifact," the South Carolina State Museum tells the story of South Carolina through our many exhibits and programs. Many of the museum's displays are interconnected like history in our art, artistic beauty in our natural history and science, and history behind our technology. All disciplines are also represented by objects in the hands-on Stringer Discovery Center. Although no museum can display its entire collection, the State Museum offers a varied sampling of the wonders found both within our state and around the world.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
1	1	2	0

Fleet Operation:
There is no fleet organization.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs[30]	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0	$0	$7,170	$882	$8,052

Maintenance Operation:
State Museum has no maintenance organization and does not use CVRP.

[30] Costs for State Museum's owned vehicle were not provided

State of South Carolina Fleet Management Study
Agency Profiles

Agency: **South Carolina Technical College System**

Overview:

The SC Technical College System is comprised of 16 technical colleges located across the state of South Carolina, a Center for Accelerated Technology Training program which emphasizes pre-employment training for new and expanding industry in the Palmetto State and a comprehensive Continuing Education program where citizens can continually upgrade their skills. Founded in 1961, the system is fundamentally committed to the support of economic development in South Carolina and serves as a catalyst for economic growth in the state.

The SC State Board for Technical and Comprehensive Education operates the South Carolina Technical College System, a Center for Accelerated Technology Training for industry-specific training and a State Tech Board staff. The State Tech Board is responsible for the state-level development, implementation and coordination of postsecondary occupational and technical training and education.

SC Technical College System Vision

The South Carolina Technical College System will lead the nation in delivering relevant and effective programs that advance workforce development, promote economic development, and ensure attainment of student learning goals.

SC Technical College System Mission

The South Carolina Technical College System provides learning opportunities that promote the economic and human resource development of the state.

The Technical College System served 230,485 South Carolinians last year: 104,572 credit students; 133,813 continuing education students; and 5,072 pre-employment workforce training students

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
45	18	63	0

Vehicles Purchased and Funding Sources

Year	Total Vehicles	State	Federal	Other
2004	0	$0	$0	$0

Fleet Operation:
Agency owned vehicles are dispersed among six colleges and the State Board. Each organization manages the vehicles assigned to them.

There is no centralized fleet management and they make limited use of CVRP except for vehicles leased from SFM.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0[31]	$28,632[32]	$114,527	$134,924	$278,083

Maintenance Operation:
Tech College System has no maintenance operations that are certified by SFM.

[31] No cost information was provided by the Agency for their owned vehicles.
[32] Overhead estimated at 25% of direct cost.

State of South Carolina Fleet Management Study
Agency Profiles

Agency: University of South Carolina

Overview:

Chartered in 1801 as South Carolina College, the University still remains on its original site in Columbia. The campus has grown from its origins of one building to 155 facilities on 358 acres. USC Columbia offers more than 350 undergraduate and graduate courses of study and has an enrollment of 23,000. The USC system also operates 7 regional campuses around the State.

The Vehicle Management and Parking Services Department (VMPS) is responsible for providing transportation services to the Columbia campus and policy direction to other campuses. The organization's website address is http://www.sc.edu/vmps/v_mgt.html. VMPS has the following major lines of business: parking, shuttle bus services, fleet leasing services motor pool services (daily and short-term rentals), fleet maintenance, and fleet administration.

VMPS' Vehicle Management Section (VMS) operates out of an industrial complex behind the new Colonial Center (basketball arena) across Assembly Street from the main campus, which is adjacent to the State Capitol. The complex includes a general purpose warehouse (not managed by VMS), a small vehicle maintenance shop, a small office for administrative and pool dispatch staff, a fuel station, and substantial parking area for shuttle buses.

USC has a substantial fleet as summarized in the following table:

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
458	4	462	0

VMS has 11 staff involved with fleet management activities with the equivalent of 9.3 full-time positions. An overview of staff is provided below:

- ✓ Derrick Huggins, Director of Vehicle Management and Parking Services. One-third time allocated to fleet activities;

- ✓ Karen Sharpe, Fiscal Tech - Dispatcher for short term vehicles, coordinates insurance cards for fleet, and procures vehicles for USC system-wide;
- ✓ Chris Howard, Information Tech - Responsible for the design of in-house programs. One-half time allocated to fleet activities;
- ✓ Half-time data entry person;
- ✓ Donnie Longshore, Shop Foreman for all mechanics and insures that all vehicles are operational in a timely manner and mechanical work is billed;
- ✓ 6 mechanic positions.

VMS uses an in-house developed system to track fleet activities. This system is developed in dBase 5.0 for DOS and Visual dBase 5.7. VMS has also adapted a conference room resource management system (Wall Chart for Windows), to manage motor pool services.

Vehicles owned by USC are located at campuses around the State with most vehicles in Columbia. Vehicles are typically owned by the University or purchased with grant funds. Few vehicles are leased from SFM. Vehicles are replaced according to SFM's cycles and USC purchases vehicles from the State contract.

USC leases vehicles to campus organizations, including regional campuses. Lease rates are a combination of a monthly charge and a mileage fee. Current lease rates are as follows:

Type of Vehicle	Per Mile	Per Month
Full Size Sedan	.26	400.00
Regular Sedan	.22	340.00
Full Size Station Wagon	.27	397.00
Regular Station Wagon	.23	346.00
15 Passenger Van	.38	392.00
7 Passenger Van	.30	382.00
Utility/Blazer 4x4	.42	419.00
4x4	.62	435.00
1/4 Ton Pickup 4x4	.58	273.00
Pickup	.33	330.00
1/4 Ton Pickup	.24	286.00
Cargo Van	.31	310.00
Mini Cargo Van	.26	312.00
Step Van	.60	330.00

USC operates its own maintenance shop in Columbia. The CVRP program is used for some overflow work in Columbia. The shop uses the State parts contract to purchase automotive materials and supplies.

None of the regional campuses have a maintenance facility and some use the CVRP program, although they are not required to do so.

USC operates a daily rental motor pool in Columbia and uses SFM's pool on an overflow basis.

USC has a fuel site at its facility in Columbia that is not part of the State fuel network. Regional campuses do use the State network.

Costs and Staffing:

A total of $830,000 in repair costs were charged to work orders last year. There was an additional $715,000 in POV reimbursement. Our estimate of overhead

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$256,614	$328,607	$244,476	$207,424	$0	$714,691	$1,752,424

Maintenance Shop:

USC's shop is located behind the new Colonial Center in a yard that also houses the shuttle bus operation, a fuel site, and the USC Warehouse. The shop has one light vehicle bay and two bays for larger vehicles, such as buses. There are two lifts in the heavy bays. Lighting is poor as is ingress and egress. Office space is limited and staff is crammed into very small spaces. Accessibility to the complex is poor and is either by a narrow access road behind the Colonial Center or by a one-way road at the rear of the complex.

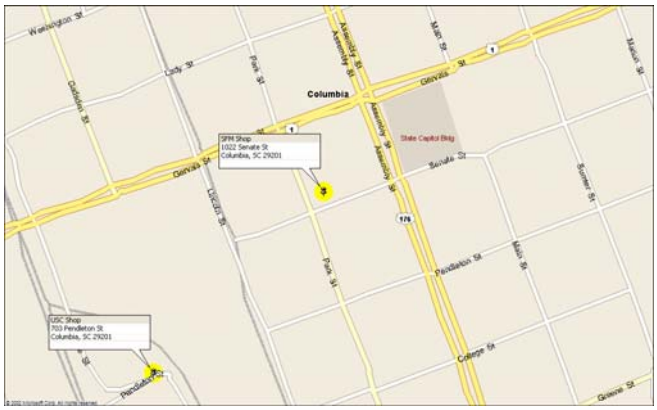
The shop has few modern tools and diagnostic equipment. The PM program is the same for cars as it is for transit buses and needs to be adjusted to coincide with standard industry practices.

This shop is poorly designed, in poor condition, and needs to be replaced in the near future.

The shop is about ¼ mile from SFM's shop, as shown on the map below.

Consolidation Potential

There is a high potential to consolidate this fleet operation with SFM, which is in close proximity and provides very similar services.



State of South Carolina Fleet Management Study
Agency Profiles

South Carolina Vocational Rehabilitation Department

Agency: South Carolina Vocational Rehabilitation Department

Overview:
The South Carolina Vocational Rehabilitation Department serves people who want to work but are hindered from doing so by a physical or mental disability

The South Carolina Vocational Rehabilitation Department is responsible for, as their mission statement says: "Enabling eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment."

It provides a broad range of services: evaluation of needs, classes and training, job placement, supported employment, and specialized needs.

Agency Background
The department has offices in all counties in the State. They serve over 44,000 clients each year.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Garaged
183	20	203	0

Fleet Operation:
Vocation Rehabilitation does not have a shop. They have a combination of owned and vehicles leased from SFM.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated OH Costs	SFM Charges	Mileage Reimburse Costs	Total Costs
$ N/A	$ N/A	$ 152,182	$31,971[33]	$ 167,530	$533,880	$885,563

Maintenance Operation:
The Department of Vocational Rehabilitation uses the CVRP program and the State Fuel contracts.

[33] Estimated overhead at 10% of direct cost

State of South Carolina Fleet Management Study
Agency Profiles

Agency: Will Lou Gray Opportunity School

Overview:

The Wil Lou Gray Opportunity School partners with the South Carolina National Guard to run the Youth ChalleNGe program to provide alternative educational opportunities to the state's at-risk youth. The educational program involves two phases. The first phase, the residential phase, is five-months long and located on the campus of the Wil Lou Gray Opportunity School in West Columbia, South Carolina. There are four components to the residential phase: Academic Training, Life Skills, Works Skills and Military Structure. After graduation from the residential phase, students pursue academic and vocational goals under the guidance of a mentor from their home community. The mentor helps the graduate to explore continued opportunities for success by assisting with career-planning and decision-making.

Agency Background

Located in West Columbia on Airport Road, Wil Lou Gray's main campus includes 26 buildings on 80 acres. Most vehicles are used for maintaining the buildings and grounds, for operational activities (e.g., mail delivery, package delivery/pick-up, etc.) and for transporting students for community service/structured work activities.

Summary of Agency Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
17	0	17	0

Per the 2004 Statewide Motor Vehicle Inventory report, the Opportunity School's fleet is comprised of the following vehicle types:

Since the 2004 inventory, the school has disposed of two busses and the larger truck, leaving 17 vehicles in its current inventory. The fleet consists mostly of pickups and cargo vans used for maintenance of campus buildings and grounds and passenger vans (12- and 15-passenger) for transporting students to work projects. Among Wil Lou Gray's vehicles, the average age is 7.8 years. The average mileage among vehicles in the fleet is 40,314 miles, with two vehicles reporting odometers higher than 100,000. Average mileage is relatively low considering the vehicles' ages, but consistent with vehicles that are used exclusively on campus.

The school has not needed to supplement its fleet with motor pool rentals or commercial rentals, but occasionally rents busses.

Wil Lou Gray does not have a formal replacement plan for vehicles; rather, they replace vehicles when they can no longer be repaired or when they receive grant-funding earmarked for fleet or receive endowed vehicles (e.g., the busses). Most vehicles are acquired from State or Federal Surplus (located just across the road from the campus).

Fleet Operation:

Wil Lou Gray has its own maintenance facilities that run more as a classroom than as a maintenance shop. The "mechanic" is a licensed instructor and his salary is paid through vocational tech funding; similarly, most parts and supplies are attributed to educational costs and not fleet maintenance expense.

Per the interview, they attribute .12 FTE to fleet activities. This includes 10% of the mechanic/instructor's time to record maintenance activities (SCEMIS reporting) and conduct repairs outside the classroom environment and 2% of an administrator's time.

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$6,000[34]	$0	$0	$0	$0	$3,356	$9,956

Maintenance Operation:

Wil Lou Gray's in-house shop takes care of most maintenance and minor repairs. They use State Fleet's CVRP when necessary for major repairs.

For fuel, vehicles use the State fuel card; however, the school has two in-ground fuel tanks of its own (500 gallons each, unleaded fuel only) and vehicles and other equipment are sometimes filled using those tanks.

Wil Lou Gray uses SCEMIS to track fleet maintenance and operational data. POV mileage is reported on travel vouchers which are submitted to the Finance Office.

[34] Calculated at .12 times Estimated salary and fringe benefits of $50,000

State of South Carolina Fleet Management Study
Agency Profiles

Agency: Winthrop University

Overview:

Founded in 1886 as a women's college, Winthrop University is now a co-educational, public, residential comprehensive teaching institution that offers undergraduate and graduate degrees through more than 100 programs of study within the colleges of arts and sciences, business administration, education, and visual and performing arts. Approximately 6,500 students attend Winthrop. It is located in Rock Hill, South Carolina, near the state's northern border (20 miles from Charlotte, NC).

Agency Background

Winthrop is situated on approximately 425 acres and has 30 primary buildings as well as athletics facilities/fields, an area with livestock, a 9-hole golf course and 18-hole disc golf course. Most vehicles are used for maintaining the buildings and grounds, for farm operations, for operational activities (e.g., mail delivery, package delivery/pick-up, computer servicing, etc.), and for transporting students.

Summary of University Fleet

Vehicles Owned	Vehicles Leased	Total	Home Storage
66	1	67	0

Vehicles are acquired almost exclusively from State Surplus. Per the 2004 Statewide Motor Vehicle Inventory report, Lander's fleet is comprised of the following vehicle types:

Among Winthrop's vehicles, the average age is 12.4 years, with nearly half of the vehicles being 15 year old or older. Winthrop did not provide odometer readings, so we cannot calculate the average mileage for their fleet. The fleet consists mostly of pickups and cargo vans used for maintenance of campus buildings and grounds. Winthrop has tried to contain the size of its fleet and currently has four plumbers working out of two vans and four electricians working out of two vans.

Winthrop has no formal vehicle replacement plan. Vehicle replacements for the last five years include five Crown Victoria sedans for security personnel (one of which was purchased this year) and one pickup truck for the chief electrician.

To supplement the fleet, Winthrop IT, custodial staff and other support personnel use golf carts whenever possible for on-campus trips. Personnel occasionally use commercial rentals (Enterprise).

Fleet Operation:

Per the interview, Winthrop attributes .10 FTE to fleet activities:

- 10% to J.P. McKee, Manager for Maintenance and Grounds

Agency 2003-04 Fleet and Mileage Reimbursement Costs

In-house Labor Costs	Parts Costs	Commercial Repair Costs	Estimated O/H Costs	SFM Charges	Mileage Reimbursement Costs	Total Costs
$0	$0	$0	$6,000[35]	$	$21,137.[36]	$27,137

Maintenance Operation:

Winthrop does not have an in-house maintenance shop. They use local vendors for maintenance and repairs. They do not use State Fleet's CVRP.

For fuel, all vehicles use the State fuel card.

Data Tracking/Reporting:

Winthrop uses SCEMIS to track fleet maintenance and operational data. POV mileage is reported on travel vouchers.

[35] Calculated at 10% of $60,000 for salary and fringe benefits

[36] For FY04, Winthrop is missing POV mileage for April through June 2004.

APPENDIX A: CODE OF LAWS OF SOUTH CAROLINA 1976

Updated January 18, 2000 with the 1999 Acts;
Updated June 5, 2002 with the 2002 Acts.

§ SECTION 1-11-220. Division of Motor Vehicle Management; Fleet Management Program.

There is hereby established within the Budget and Control Board the Division of Motor Vehicle Management headed by a Director, hereafter referred to as the "State Fleet Manager", appointed by and reporting directly to the Budget and Control Board, hereafter referred to as the Board. The Board shall develop a comprehensive state Fleet Management Program. The program shall address acquisition, assignment, identification, replacement, disposal, maintenance, and operation of motor vehicles.

The Budget and Control Board shall, through their policies and regulations, seek to achieve the following objectives:

(a) to achieve maximum cost-effectiveness management of state-owned motor vehicles in support of the established missions and objectives of the agencies, boards, and commissions.

(b) to eliminate unofficial and unauthorized use of state vehicles.

(c) to minimize individual assignment of state vehicles.

(d) to eliminate the reimbursable use of personal vehicles for accomplishment of official travel when this use is more costly than use of state vehicles.

(e) to acquire motor vehicles offering optimum energy efficiency for the tasks to be performed.

(f) to insure motor vehicles are operated in a safe manner in accordance with a statewide Fleet Safety Program.

HISTORY: 1978 Act No. 644 Part II SECTION 24(A); 1982 Act No. 429, SECTION 1.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-600 et seq.

§ SECTION 1-11-230. Division of Motor Vehicle Management; Motor Vehicle Management Council.

Section 1-11-230 Repealed by 2002 Act no. 311, effective 5 June 2002.

§ SECTION 1-11-240. Division of Motor Vehicle Management; duties of Council; hearing procedure

Section 1-11-240 Repealed by 2002 Act no. 311, effective 5 June 2002.

§ SECTION 1-11-250. Division of Motor Vehicle Management; definitions.

For purposes of SECTIONS 1-11-220 to 1-11-330:

(a) "State agency" shall mean all officers, departments, boards, commissions, institutions, universities, colleges and all persons and administrative units of state government that operate motor vehicles purchased, leased or otherwise held with the use of state funds, pursuant to an appropriation, grant or encumbrance of state funds, or operated pursuant to authority granted by the State.

(b) "Board" shall mean State Budget and Control Board.

(c) "Council" shall mean the Motor Vehicle Management Council as established in SECTION 1-11-230.

HISTORY: 1978 Act No. 644 Part II SECTION 24(D).At the direction of the Code Commissioner, this section has been reprinte d to correct a typographical error.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-260. Division of Motor Vehicle Management; annual reports; policies, procedures and regulations.

The Fleet Manager and the Council shall report annually to the Budget and Control Board and the General Assembly concerning the performance of each state agency in achieving the objectives enumerated in SECTIONS 1-11-220 through 1-11-330 and include in the report a summary of the Division's efforts in aiding and assisting the various state agencies in developing and maintaining their management practices in accordance with the comprehensive statewide Motor Vehicle Management program. This report shall also contain any recommended changes in the law and regulations necessary to achieve these objectives.

The Board, after consultation with state agency heads, shall promulgate and enforce state policies, procedures, and regulations to achieve the goals of SECTIONS 1-11-220 through 1-11-330 and shall recommend administrative penalties to be used by the agencies for violation of prescribed procedures and regulations relating to the Fleet Management Program.

HISTORY: 1978 Act No. 644 Part II SECTION 24(E); 1982 Act No. 429, SECTION 3.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-270. Division of Motor Vehicle Management; establishment of criteria for individual assignment of motor vehicles.

(A) The board shall establish criteria for individual assignment of motor vehicles based on the functional requirements of the job, which shall reduce the assignment to situations clearly beneficial to the State. Only the Governor, statewide elected officials, and agency heads are provided a state-owned vehicle based on their position.

(B) Law enforcement officers, as defined by the agency head, may be permanently assigned state-owned vehicles by their respective agency head. Agency heads may assign a state-owned vehicle to an employee when the vehicle carries or is equipped with special equipment needed to perform duties directly related to the employee's job, and the employee is either in an emergency response capacity after normal working hours or for logistical reasons it is determined to be in

the agency's interest for the vehicle to remain with the employee. No other employee may be permanently assigned to a state-owned vehicle, unless the assignment is cost advantageous to the State under guidelines developed by the State Fleet Manager. Statewide elected officials, law enforcement officers, and those employees who have been assigned vehicles because they are in an emergency response capacity after normal working hours are exempt from reimbursing the State for commuting miles. Other employees operating a permanently assigned vehicle must reimburse the State for commuting between home and work.

(C) All persons, except the Governor and statewide elected officials, permanently assigned with automobiles shall log all trips on a log form approved by the board, specifying beginning and ending mileage and job function performed. However, trip logs must not be maintained for vehicles whose gross vehicle weight is greater than ten thousand pounds nor for vehicles assigned to full-time line law enforcement officers. Agency directors and commissioners permanently assigned state vehicles may utilize exceptions on a report denoting only official and commuting mileage in lieu of the aforementioned trip logs.

HISTORY: 1978 Act No. 644 Part II SECTION 24(F); 1982 Act No. 429, SECTION 4.

HISTORY: 1995 Act No. 145, Part II, SECTION 18, effective June 29, 1995.

EFFECT OF AMENDMENT: The 1995 amendment defined the conditions for which a state-owned vehicle may be assigned to state employees.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-280. Division of Motor Vehicle Management; interagency motor pools.

The Board shall develop a system of agency-managed and interagency motor pools which are, to the maximum extent possible, cost beneficial to the State. All motor pools shall operate according to regulations promulgated by the Budget and Control Board. Vehicles shall be placed in motor pools rather than being individually assigned except as specifically authorized by the Board in accordance with criteria established by the Board. The motor pool operated by the Division of General Services shall be transferred to the Division of Motor Vehicle Management. Agencies utilizing motor pool vehicles shall utilize trip log forms approved by the Board for each trip, specifying beginning and ending mileage and the job function performed.

The provisions of this section shall not apply to school buses and service vehicles.

HISTORY: 1978 Act No. 644 Part II SECTION 24(G); 1982 Act No. 429, SECTION 5.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-290. Division of Motor Vehicle Management; plan for maximally cost-effective vehicle maintenance.

The Board in consultation with the agencies operating maintenance facilities shall study the cost-effectiveness of such facilities versus commercial alternatives and shall develop a plan for maximally cost-effective vehicle maintenance. The Budget and Control Board shall promulgate rules and regulations governing vehicle maintenance to effectuate the plan.

The State Vehicle Maintenance program shall include:

(a) central purchasing of supplies and parts;

(b) an effective inventory control system;

(c) a uniform work order and record-keeping system assigning actual maintenance cost to each vehicle; and

(d) preventive maintenance programs for all types of vehicles.

All motor fuels shall be purchased from state facilities except in cases where such purchase is impossible or not cost beneficial to the State.

All fuels, lubricants, parts and maintenance costs including those purchased from commercial vendors shall be charged to a state credit card bearing the license plate number of the vehicle serviced and the bill shall include the mileage on the odometer of the vehicle at the time of service.

HISTORY: 1978 Act No. 644 Part II SECTION 24(H).

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-300. Agencies to develop and implement uniform cost accounting and reporting system; purchase of motor vehicle equipment and supplies; use of credit cards; determination of vehicle cost per mile.

In accordance with criteria established by the board, each agency shall develop and implement a uniform cost accounting and reporting system to ascertain the cost per mile of each motor vehicle used by the State under their control. Agencies presently operating under existing systems may continue to do so provided that board approval shall be required and that the existing systems shall be uniform with the criteria established by the board. All expenditures on a vehicle for gasoline and oil shall be purchased in one of the following ways:

(1) from state-owned facilities and paid for by the use of Universal State Credit Cards except where agencies purchase these products in bulk;

(2) from any fuel outlet where gasoline and oil are sold regardless of whether the outlet accepts a credit or charge card when the purchase is necessary or in the best interest of the State; and

(3) from a fuel outlet where gasoline and oil are sold when that outlet agrees to accept the Universal State Credit Card.

These provisions regarding purchase of gasoline and oil and usability of the state credit card also apply to alternative transportation fuels where available. The Budget and Control Board Division of Operations shall adjust the appropriation in Part IA, Section 63B, for "Operating Expenses — Lease Fleet" to reflect the dollar savings realized by these provisions and transfer such amount to other areas of the State Fleet Management Program. The Board shall promulgate regulations regarding the purchase of motor vehicle equipment and supplies to ensure that agencies within a reasonable distance are not duplicating maintenance services or purchasing equipment that is not in the best interest of the State. The Board shall develop a uniform method to be used by the agencies to determine the cost per mile for each vehicle operated by the State.

HISTORY: 1978 Act No. 644 Part II SECTION 24(I); 1982 Act No. 429, SECTION 6.

HISTORY: Amended by 1998 Act No. 419, Part II, SECTION 30, effective June 30, 1998.

EFFECT OF AMENDMENT: The 1998 amendment rewrote this section.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-310. Division of Motor Vehicle Management; acquisition and disposition of vehicles; titles.

(A) The State Budget and Control Board shall purchase, acquire, transfer, replace, and dispose of all motor vehicles on the basis of maximum cost-effectiveness and lowest anticipated total life cycle costs.

(B) The standard state fleet sedan or station wagon must be no larger than a compact model and the special state fleet sedan or station wagon must be no larger than an intermediate model. The director of the Division of Motor Vehicle Management shall determine the types of vehicles which fit into these classes. Only these classes of sedans and station wagons may be purchased by the State for nonlaw enforcement use.

(C) The State shall purchase police sedans only for the use of law enforcement officers, as defined by the Internal Revenue Code. Purchase of a vehicle under this subsection must be concurred in by the director of the Division of Motor Vehicle Management and must be in accordance with regulations promulgated or procedures adopted under Sections 1-11-220 through 1-11-340 which must take into consideration the agency's mission, the intended use of the vehicle, and the officer's duties. Law enforcement agency vehicles used by employees whose job functions do not meet the Internal Revenue Service definition of "Law Enforcement Officer" must be standard or special state fleet sedans.

(D) All state motor vehicles must be titled to the State and must be received by and remain in the possession of the Division of Motor Vehicle Management pending sale or disposal of the vehicle.

(E) Titles to school buses and service vehicles operated by the State Department of Education and vehicles operated by the South Carolina Department of Transportation must be retained by those agencies.

(F) Exceptions to requirements in subsections (B) and (C) must be approved by the director of the Division of Motor Vehicle Management. Requirements in subsection (B) do not apply to the State Development Board.

(G) Preference in purchasing state motor vehicles must be given to vehicles assembled in the United States with at least seventy-five percent domestic content as determined by the appropriate federal agency.

HISTORY: 1978 Act No. 644 Part II SECTION 24(J).

HISTORY: 1992 Act No. 449, Part V SECTION 2, effectiveJuly 1, 1992; 1996 Act No. 459, SECTION 2, effective June 5, 1996.

EFFECT OF AMENDMENT: The 1992 amendment added subsections (B), (C), (F), and (G) and designated former provisions as subsections (A), (D) and (E), with minor changes. The 1996 amendment in subsection (E) deleted "Highways and Public" preceding "Transportation".

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-315. Feasibility of using alternative transportation fuels for state fleet.

The State Budget and Control Board Division of Motor Vehicle Management shall determine the extent to which the state vehicle fleet can be configured to operate on alternative transportation fuels. This determination must be based on a thorough evaluation of each alternative fuel and the feasibility of using such fuels to power state vehicles. The state fleet must be configured in a manner that will serve as a model for other corporate and government fleets in the use of alternative transportation fuel. By March 1, 1993, the Division of Motor Vehicle Management must submit a plan to the General Assembly for the use of alternative transportation fuels for the state vehicle fleet that will enable the state vehicle fleet to serve as a model for corporate and other government fleets in the use of alternative transportation fuel. This plan must contain a cost/benefit analysis of the proposed changes.

HISTORY: 1992 Act No. 449, Pt. V, SECTION 17, effective July 1, 1992.

§ SECTION 1-11-320. Division of Motor Vehicle Management; plates and other identification requirements; exemptions.

The Board shall ensure that all state-owned motor vehicles are identified as such through the use of permanent state-government license plates and either state or agency seal decals. No vehicles shall be exempt from the requirements for identification except those exempted by the Board.

This section shall not apply to vehicles supplied to law enforcement officers when, in the opinion of the Board after consulting with the Chief of the State Law Enforcement Division, those officers are actually involved in undercover law enforcement work to the extent that the actual investigation of criminal cases or the investigators' physical well-being would be jeopardized if they were identified. The Board is authorized to exempt vehicles carrying human service agency clients in those instances in which the privacy of the client would clearly and necessarily be impaired.

HISTORY: 1978 Act No. 644 Part II SECTION 24(K); 1982 Act No. 429 SECTION 7.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-330. Division of Motor Vehicle Management; State Department of Education vehicles exempted.

The provisions of SECTIONS 1-11-220 to 1-11-330 shall not apply to school buses and service vehicles operated by the State Department of Education.

HISTORY: 1978 Act No. 644 Part II SECTION 24(N).

§ SECTION 1-11-335. Budget and Control Board may provide to and receive from other governmental entities goods and services.

The respective divisions of the Budget and Control Board are authorized to provide to and receive from other governmental entities, including other divisions and state and local agencies and departments, goods and services, as will in its opinion promote efficient and economical operations. The divisions may charge and pay the entities for the goods and services, the revenue from which shall be deposited in the state treasury in a special account and expended only for the costs of providing the goods and services, and such funds may be retained and expended for the same purposes.

HISTORY: 1995 Act No. 145, Part II, SECTION 6, effectiveJune 29, 1995.

§ SECTION 1-11-340. Board to develop and implement statewide Fleet Safety Program.

The Board shall develop and implement a statewide Fleet Safety Program for operators of state-owned vehicles which shall serve to minimize the amount paid for rising insurance premiums and reduce the number of accidents involving state-owned vehicles. The Board shall promulgate rules and regulations requiring the establishment of an accident review board by each agency and mandatory driver training in those instances where remedial training for employees would serve the best interest of the State.

HISTORY: 1982 Act No. 429, SECTION 9.

CROSS REFERENCES: For regulations promulgated under authority of this section, see S.C. Code of Regulations R. 19-603 et seq.

§ SECTION 1-11-350. Repealed by 1992 Act No. 274, SECTION 1, effectiveMarch 10, 1992.

HISTORY: [1982 Act No. 429, SECTION 8].

Former SECTION 1-11-350 provided for an audit of the Division of Motor Vehicle Management and other agencies every three years by the Legislative Audit Council.

POLICY DIRECTIVES
STATE BUDGET AND CONTROL BOARD
OFFICE OF GENERAL SERVICES
MOTOR VEHICLE MANAGEMENT SECTION

Subarticle 1. Fleet Management
Subarticle 2. State Vehicle Maintenance Program
Subarticle 3. State Fleet Safety Program

Statutory Authority: 1976 Code sects. 1-11-220 through 1-11-340.

Subarticle 1
Fleet Management

Policy Directive
1-1. Purpose and Scope.
1-2. Organizational Authority.
1-3. Definitions and Exempt Agencies
1-4. Assignment and Use.
1-5. Acquisition of StateVehicles.
1-6. Vehicle Inventory System.
1-7. Registration and Licensing of State Vehicles.
1-8. Disposal of State-Vehicles.
1-9. Reimbursement Policy for Use of Privately-owned Vehicles.
1-10. Complaints as to Use of State Vehicles.
1-11. Credit Cards.
1-12. Insurance.
1-13. Appeals Procedure.
1-14. Commuting.
1-15. Identification.

POLICY DIRECTIVES
STATE BUDGET AND CONTROL BOARD

MOTOR VEHICLE MANAGEMENT

Subarticle 2
State Vehicle Maintenance Program

Policy Directive
2-1. Purpose and Scope.
2-2. Vehicle Maintenance.
2-3. Maintenance Facility Criteria.
2-4. Facility Certification.

Subarticle 3
State Fleet Safety Program

Policy Directive
3-1. Purpose and Scope.
3-2. Driver Qualifications and Screening.
3-3. Driver Education.
3-4. Driving Practices and Safety Maintenance.
3-5. Accident Reporting and Review Procedures.

1-1. Purpose and Scope.

A. These policy directives issued by the State Budget and Control Board (Board) establish the requirements to be followed to acquire, assign, identify, replace, dispose of, maintain, and operate state vehicles. State vehicles are those vehicles operated, maintained, purchased or otherwise acquired by State agencies, in whole or in part, with state funds pursuant to an appropriation or grant from the State of South Carolina. State vehicles also include those purchased with other funds and titled to the State and those donated to or confiscated by the State.

B. Nothing contained in these policy directives shall be construed to waive any rights, remedies or defenses the State might have under the laws of South Carolina.

1-2. Organizational Authority

A. The Board is authorized and directed to develop and administer a comprehensive fleet management program for the state's vehicle fleet. The Board has delegated this administrative authority to the State Fleet Manager to act in its behalf, pursuant to these policy directives.

B. The Motor Vehicle Management Council shall advise the Board and the State Fleet Manager on matters relating to the overall operation of the state's vehicle fleet, and shall act as a hearing panel to advise the Board on all disputes, complaints and other grievances arising under these policy directives.

C. Motor Vehicle Management (MVM), headed by the State Fleet Manager, shall manage the state's motor vehicle fleet, pursuant to these policy directives, as directed by the Board.

D. MVM shall monitor compliance by agencies and institutions with the Motor Vehicle Management Act and these policy directives. MVM shall periodically, as specified by law, prepare and submit a Management Review Report to the Budget and Control Board and General Assembly concerning the performance of each state agency and institution in complying with the Motor Vehicle Management Act and these policy directives. Agencies shall supply sufficient and accurate information as requested by MVM to evaluate compliance and prepare the Management Review. MVM may deny purchasing of new vehicles to any agency failing to comply with these policy directives or any other fleet management directive issued by the State Fleet Manager until such time as the agency complies with said directive(s).

1-3. Definitions and Exempt Agencies.

A. The following definitions should be used in conjunction with the appropriate sections of Budget and Control Board Motor Vehicle Management Policy Directives 1-1 through 3-5.

(1) Board - State Budget and Control Board.

(2) Council - Motor Vehicle Management Council.

(3) MVM - The Motor Vehicle Management section of the State Budget and Control Board.

(4) State Fleet Manager - The Director of Motor Vehicle Management.

(5) State Agency - All officers, departments, boards, commissions, institutions, universities, colleges, technical colleges and all persons and administrative units of state government that operate motor vehicles purchased, leased, or otherwise held with the use of state funds pursuant to an appropriation, grant or encumbrance of state funds, or operated pursuant to authority granted by the State.

(6) Vehicle - Any vehicle, self propelled or drawn by mechanical power, designed to be principally operated on the highway in the transportation of property or passengers, and which requires registration and licensing in accordance with the laws of the State of South Carolina.

(7) Motor Pool - Any vehicle or group of vehicles not permanently assigned to a single individual and available for official use by several individuals licensed and eligible to operate such vehicle(s).

(8) State Vehicle Maintenance Facility - A maintenance facility that provides maintenance to state vehicles and operates with State funds, according to the authority granted by the State to all State agencies.

(9) Facility Certification - A certificate issued by MVM in recognition of meeting State Vehicle Maintenance Facility Management and Certification Program standards.

(10) Law Enforcement Officer - An individual who is employed on a full-time basis by a governmental unit that is responsible for the prevention or the investigation of crime involving injury to persons or property (including apprehension or detention of persons for such crimes), who is authorized by law to carry firearms, execute search warrants, and to make arrests (other than merely a citizen's arrest), and who regularly carries firearms (except when it is not possible to do so because of the requirements of undercover work).

B. These policy directives shall not apply to the Public Service Authority or the State Ports Authority. School buses and service vehicles operated by the State Department of Education are also exempt, except for compliance with requirements providing for a central inventory system.

1-4. Assignment and Use.

Assignment of a state vehicle for individual use shall not be made as a perquisite of office, except for statewide elected state officials and agency heads, or for the personal convenience of an individual, official or employee, nor shall personal assignment of a vehicle continue if there is no official need.

A. Assignment Criteria. The assignment of a state vehicle to an individual for exclusive use shall be based on the following criteria:
   (1) Travel requirements of an appropriate number of annual official miles as determined by the Board. Travel between home and a place of employment is not considered official travel unless authorized by regulation;
   (2) Vehicles required for the individual use of the Governor, and statewide elected state officials and agency heads shall be provided based solely on their office;
   (3) Vehicles may be assigned individually to full-time line law enforcement officers, as defined by agency heads. Full-time line law enforcement officers eligible for vehicle assignment shall be designated by each agency in accordance with Board guidelines and assignments reevaluated annually during Management Review.
   (4) Vehicles essential to the performance of official duties by individuals whose remote location or total official business use requirements are such that they preclude shared or part-time use by members of the same or other work units;
   (5) Highly specialized vehicles and heavy equipment where operator training or technical skill requirements preclude use of the vehicle by individuals not possessing such training or skills;
   (6) Circumstances, as determined by the agency head, which warrant individual assignment in the best interests of the State;
   (7) When vehicles are permanently assigned to individuals the agency shall complete MVM Form 980-1 to be reviewed when either the vehicle or the employee changes. One copy of Form 980-1 will be forwarded to MVM.

B. Agencies operating motor pools under this authority shall develop appropriate management procedures. This procedure shall be forwarded to the State Fleet Manager for approval.

C. State motor vehicles are authorized for use in the performance of all travel or tasks necessary to accomplish official state business that is within the rated design capacity of the vehicle. Use is not authorized for unofficial travel, the transport of unauthorized persons or items, or the performance of tasks outside the rated capacity of the vehicle.

D. Authorized Use.

(1) Non-state employees such as students, volunteers, contractual services personnel, inmates or industry representatives may be permitted to operate state vehicles only if such operation is on official business of the State, is within the insurance coverage provided on the vehicle, and is authorized by the agency head or his designated representative.

(2) Authorized uses of state vehicles include, but are not limited to:

(a) Travel between place of vehicle dispatch and place of performance of official business;

(h) When on official out-of-town travel status, travel between place of temporary lodging and place of official business;

(c) When on official out-of-town travel status between either of the above
places and:

(1) Places to obtain suitable meals;

(2) Places to obtain medical assistance, including drugstores;

(3) Places of worship;

(4) Barber Shops;

(5) Cleaning establishments; and

(6) Similar places required to sustain health and welfare or continued efficient performance of the user, exclusive of places of entertainment;

(d) Transport of officers, official employees or official guests of the State;

(e) Transport of professional or commercial representatives when in the direct interest of the State;

(0 Transport of materials, supplies, parcels, luggage, kits or other items belonging to or serving the interests of the State;

(g) Transport of any person or item in any emergency situation, provided such movement does not endanger life or property;

(h) Other persons may accompany a state employee in a vehicle on authorized use provided:

(1) No additional cost or expense is incurred by the State for such travel; and

(2) Prior approval is obtained from the applicable agency director or his designee for such travel.

(i) Domicile to duty transportation when authorized by agency head.

E. Unauthorized Use. Unauthorized uses of state—vehicles include, but are not limited to:

(1) Travel or task of a personal nature having no connection with the accomplishment of official business or beyond the rated capacity of the vehicle;

(2) Transport of other persons not serving the interests of the State;

(3) Transport of hitchhikers;

(4) Transport of items or cargo having no relation to the conduct of official business;

(5) Transport of acids, explosives, weapons, ammunition, non-prescribed medicines, alcoholic beverages, highly flammable material except by specific authorization or by a duly commissioned law enforcement officer acting within his assigned duty;

(6) Transport of any kind of equipment or cargo projecting from the side, front or rear of the vehicle in such a manner as to constitute a hazard to safe driving, to pedestrians or to other vehicles;

(7) Extending the length of time or travel beyond that required to complete the official purposes of the trip;

(8) Use of the vehicle to provide transportation between home and place of official business unless authorized by the agency head. The fact that an employee is “on call” does not in itself justify this authorization. The urgency of employee availability and frequency of actual recall must be factually justified to the MVM in order to qualify as authorized use;

(9) Travel to or from social events unless acting as an official representative of the State;

(10) Use of a vehicle while on vacation.

F. Use of Trip Logs and Exceptions Reports.

(1) Trip Logs: Trip logs, approved by the Board, shall be used by all individuals using motor pool vehicles, whether or not permanently

assigned. The log shall specify beginning and ending mileage and the job function performed. This does not pertain to the Governor, statewide elected state officials, nor to full-time line law enforcement officers, if such law enforcement officers are properly exempted by the Board. Also excluded are school buses and service vehicles assigned to the Department of Education and all vehicles above 10,000 Gross Vehicle Weight.

(2) Exceptions Reports: Full-time agency directors and commissioners to whom vehicles are assigned may maintain an Exceptions Report in lieu of trip logs. These reports may be maintained on either a monthly or quarterly basis and will specify only total mileage, total official mileage, and total commuting mileage.

(3) Retention Period: Copies of trip logs and Exceptions Reports shall be maintained by the agency on whose property account the vehicle appears

for a minimum three-year period and shall be made available during the annual Management Review by MVM and to other appropriate authorities with auditing functions. These reports should be maintained in an active file for the current fiscal year but may be placed in an inactive file for the last two fiscal years.

1-5. Acquisition of State Vehicles

A. A vehicle specifications committee shall be appointed by the Board to advise the State Fleet Manager and the State Materials Management Officer on purchases of state vehicles. The committee shall provide technical advice and expertise to ensure that proper vehicles and equipment are available for official state use. The committee shall be composed of the State Fleet Manager as chairman and the State Materials Management Officer or his/her designee as secretary. The number and qualification of additional members of the committee shall be determined by the Board.

B. All agencies seeking to purchase, lease, or otherwise acquire vehicles, regardless of the source of funding, shall do so in accordance with the Consolidated Procurement Code. Under the direction of the Board, MVM shall annually establish classes of vehicles, with appropriate equipment, to be placed on contract by Materials Management for use in conducting official state business. MVM shall develop vehicle type and size procurement

criteria which shall be based solely on the functional task(s) to be performed by the vehicle. No deviations from the approved annual listing shall be permitted without prior written approval of the State Fleet Manager. In the event a special purpose vehicle is required and not shown on the approved listing, the requesting agency shall inform the State Fleet Manager who shall, in conjunction with that agency, determine the proper vehicle and equipment to be purchased. The approved annual listing shall be provided to each state agency.

C. Purchase orders must be submitted to MVM prior to the expiration of the annual state contract for the class of vehicle requested. If purchase orders are submitted during the period when no general vehicle purchase contracts are in effect, complete justification for off-cycle purchasing must be forwarded with a purchase requisition containing the desired specifications. Purchase of a motor vehicle to prevent loss of funds will not be considered valid justification.

D. The following requirements shall apply when purchasing new vehicles.

(1) Purchase orders for motor vehicles shall be forwarded to MVM. Agencies shall supply any additional information necessary for MVM to order vehicles on the agencies' behalf. Agencies shall indicate if the requested vehicle is a replacement for an existing vehicle. Justification must be provided for additional vehicles above current allowance. Existing vehicles to be replaced with a newly purchased vehicle shall be sent for disposal within ninety (90) days of delivery, or placement in service of the existing vehicle's replacement, unless written permission to retain the existing vehicle is obtained from MVM. Full-size non-police sedans and station wagons shall not be purchased without sufficient justification and the State Fleet Manager's written approval.

(2) MVM shall notify the requesting agency of the status of each request and forward approved purchase orders to the appropriate motor vehicle vendor. Only MVM shall submit purchase orders directly to motor vehicle vendors.

(3) All new vehicles delivered to the State shall be inspected by MVM to ensure purchase orders have been properly filled. Vehicles purchased by the Department of Transportation and school buses and service vehicles purchased by the Department of Education shall be delivered to these agencies' designated facilities for inspection. Other vehicles

delivered to State agencies may be inspected locally, upon prior approval by MVM.

(4) When a vehicle is delivered to the receiving agency, modifications shall not be made to the vehicle or optional equipment added that will alter the vehicle, without prior written approval of MVM. Addition of lights, sirens, radios, and similar equipment used on law enforcement or emergency vehicles shall not require prior approval, nor shall installation of utility bodies and features on cab and chassis-type vehicles.

(5) Agencies leasing non State vehicles for periods in excess of 30 days shall also comply with the Consolidated Procurement Code.

E. The following requirements shall apply when purchasing used state vehicles.

(1) Requests to purchase used state vehicles shall be forwarded to MVM. Agencies shall supply information concerning the make, model, body style, and mileage of the vehicle. MVM shall consider each request and notify the requesting agency and the agency from which the vehicle will be purchased if the request is approved. The transfer of funds shall be conducted by the Surplus Property Officer.

(2) As with the purchase of new vehicles, the following requirements shall apply.

(a) Agencies shall indicate if the requested vehicle is a replacement for an existing vehicle.

(b) Justification must be provided for additional vehicles above current allowance.

(c) Existing vehicles to be replaced with a purchased vehicle shall be sent for disposal within ninety (90) days of delivery of or placement in service of the existing vehicle's replacement, unless written permission to retain the existing vehicle is obtained from MVM.

(3) MVM shall request, and the agencies shall supply, information necessary for MVM to:

(a) Transfer or obtain license plate and title.

(b) Adjust the state's motor vehicle inventory.

F. MVM shall develop utilization criteria to ensure that state vehicles are used in the most cost-effective manner possible. Agencies shall submit vehicle utilization data to MVM in a format and at a frequency prescribed by MVM.

If an agency fails to submit required data, MVM shall deny that agency authority to purchase vehicles until the agency submits such data. MVM shall analyze agency utilization data to determine if agencies possess vehicles which do not meet established utilization criteria. If such vehicles are discovered. MVM shall advise the agency to take management action (reassignment. pooling, sale. etc.) on the vehicle. If the agency fails to take appropriate action.. MVM shall deny that agency authority to purchase vehicles until the agency complies.

1-6. Vehicle Inventory System.

A. MVM shall maintain a current inventory of the State's motor vehicles. Agencies shall assist MVM in keeping the inventory current. The inventory shall indicate make and type, acquisition cost and the manufacturers' identifying serial number for each vehicle.

B. Vehicles shall be added to the inventory upon receipt of title and documentation as specified by MVM. Vehicles shall be deleted from the inventory upon receipt of bill of sale for each vehicle.

1-7. Registration and Licensing of State Vehicles.

A. Every state vehicle shall be registered and licensed in accordance with State law regardless of the means by which the vehicle is acquired. All state vehicles shall be titled to the State. All such titles shall be received by and remain in the possession of MVM, except titles to vehicles specifically exempt from this requirement as specified by law. Vehicles used by state agencies or employees that are lent or leased from commercial sources, and federally-owned or registered vehicles are not considered state vehicles; however, all rules and policy directives relative to official use except identification, registration and licensing apply while such vehicles are under the control of the State.

B. The following requirements shall apply to registration and licensing of state vehicles.

(1) Requests for license plates, titles, and license plate renewals shall be submitted to MVM. MVM will obtain and forward license plates to the requesting agencies. Vehicles received through MVM's central receiving station for an agency will be registered and licensed without prior request from the agency.

(2) At the time of purchase or acquisition, all state vehicles, with the exception of Department of Transportation and Department of Education vehicles, shall be registered with the Department of Revenue and Taxation, showing the State of South Carolina as the owner.

(3) All state vehicles are to be registered through MVM regardless of the means by which vehicles are acquired. Agencies purchasing used vehicles shall supply documentation and information necessary for MVM to register, license, and inventory such vehicles.

C. Decals, signs, and stickers other than license plates and official decals may be displayed on state vehicles only under the following conditions:

(1) Decals, signs, and stickers required by law or permitted by this policy directive;

(2) Parking lot decals;

(3) Agency administrative or control decals;

(4) Others as may be approved by the MVM.

1-8. Disposal of State Vehicles.

A. MVM shall develop disposal criteria for all state vehicles. The sale of all state vehicles that qualify for disposal, or units declared to be excess to the needs of the State, shall be conducted as directed by State law, regulations and policy directives. MVM shall determine whether a vehicle is past advantageous useful life or excess to the needs of to the State before allowing its sale or disposal.

B. The following requirements shall apply to the disposal of state vehicles.

(1) Agencies may request to dispose of a state vehicle once the vehicle has reached or exceeded the recommended minimum disposal criteria or is excess to the needs of the owning agency.

(2) The State Fleet Manager shall determine whether the vehicle meets the minimum disposal criteria or is excess to the needs of the State. MVM shall notify the owning agency and the State Surplus Property Officer if the vehicle has been approved for disposal. Vehicles not excess to the needs of the State may be transferred between agencies.

(3) The State Surplus Property Officer shall sell or transfer the vehicle for the agency unless otherwise provided by state law or regulation.

(4) Seals, decals, and other identification strips as specified by the Surplus Property Officer shall be removed from vehicles before delivery for disposal.

1-9. Reimbursement Policy for Use of Privately-owned Vehicles.

A. State vehicles are intended for use by officials, officers and employees of the State who are required to travel by motor vehicle in the performance of official business.

B. Personal vehicles shall not be used to accomplish official travel on a reimbursable basis when a state vehicle is reasonably available and adequate to meet necessary travel requirements. Exceptions to this policy may be approved by the agency director authorizing the travel to meet agency requirements. When such an exception is granted, agencies shall reimburse employees at the lower privately-owned reimbursement rate as specified in the current Appropriations Act.

C. This policy does not preclude the use of aircraft, trains, or car rental services.

1-10. Complaints as to Use of State Vehicles.

MVM is responsible for receiving complaints concerning the misuse of state vehicles. MVM shall obtain information concerning the circumstances of each incident, forward complaints to the controlling agency for investigation, and notify the complainant of action taken. Agencies receiving complaints not referred from MVM shall investigate each incident, notify the complainant of action taken, and forward a copy of the complaint summary and correspondence to MVM.

1-11. Credit Cards.

A. State credit card purchases shall be made under the following restrictions.

(1) Official State of South Carolina credit cards issued by MVM and agencies are valid for the purchase of fuel, oil, lubricants and other related petroleum products in an amount not to exceed the rated capacity of the vehicle or equipment. Restricted emergency repairs, not to exceed a limit set by the agency issuing the credit card, are also permitted.

(2) State credit card purchases shall be made by state employees ,and other eligible operators, and limited to use in or by equipment owned or

leased by the State. Use of this card to procure goods or services by unauthorized persons and for privately-owned vehicles is prohibited.

(3) State credit cards shall not be used at commercial outlets except when no state facility is reasonably available. In this event, purchases shall be in the amount to enable the user to obtain or reach available state sources.

(4) MVM and agencies shall not be responsible for any charges incurred through the use of state credit cards except for legitimate and authorized purchases directly related to the operation of state equipment.

B. Vehicle operators shall protect cards against loss or theft. Missing cards shall be reported immediately to the agency financially responsible for purchases made with the missing card. Agencies may be authorized to establish commercial gasoline line credit card accounts if the agency is engaged in extensive travel in an area serviced by commercial oil companies not participating in the state credit card program. To establish such an account, prior written approval shall be obtained from MVM.

1-12. Insurance.

A. The Office of Insurance Services is designated by the Board as the agency responsible for insuring state vehicles against liability. Agencies shall insure State vehicles through the Office of Insurance Services for the cost of state vehicle repairs resulting from accidents or shall absorb the cost of such repairs within the agency budget. Non-state employee operators of state vehicles shall be covered as specified by the Office of Insurance Services.

B. Employee-operators may be assessed in accordance with Fleet Safety Program criteria. Such an assessment may be imposed only if an Accident Review Board finds an employee-operator at fault in an accident involving a state vehicle.

1-13. Appeals Procedure.

Any agency or employee adversely affected by a decision or action of MVM may appeal that decision to the Motor Vehicle Management Council. The Council shall hear the dispute and render a decision. Decisions of the Council are appealable to the Board. The decision of the Board shall be final.

1-14. Commuting and De Minimis personal use.

A. Commuting between home and place of official business shall be the only authorized personal use of a state vehicle. No state employee may commute in a state vehicle unless specifically authorized by his/her agency head.

B. Commuting mileage shall be recorded on vehicle trip logs or exceptions reports, whichever is applicable. State employees shall report commuting use in accordance with Board instructions.

C. De minimis personal use may be allowed in those situations where it would not result in the operator substantially deviating from his/her normal business related route and where such use is either necessary or in the best interest of the State.

1-15. Identification.

A. Unless specifically exempted by MVM, all State vehicles shall carry state-government (SG) license plates and display identifying decals. Identifying decals shall not be removed from the vehicle until the vehicle is sent for disposal. Decals that become unrecognizable or unsightly shall be replaced by the owning agency.

B. Identification requirements shall not apply to vehicles operated by law enforcement officers involved in undercover law enforcement if the investigation or the investigator would be jeopardized if identified. MVM shall consult with the Chief of the State Law Enforcement Division to determine which vehicles shall be exempt. No vehicle is exempt unless MVM has made an exemption determination in writing.

C. The following types of exemptions for vehicles not involved in undercover law enforcement work may be granted.

   (1) A state vehicle may be exempt from the identifying decal requirement if such exemption is requested and approved in writing by the State Fleet Manager.

   (2) A state vehicle may also be exempt from the SG license plate requirement if such exemption is requested and approved in writing by the State Fleet Manager. In such cases, the vehicle shall also be exempt from the identifying decal requirement.

D. Exemptions involving vehicles not used in undercover law enforcement work shall not be granted unless it can be shown that an identified vehicle would substantially hinder the agency's ability to fulfill its mission.

Subarticle 2
State Vehicle Maintenance Program

2-1. Purpose and Scope.
2-2. Vehicle Maintenance.
2-3. Maintenance Facility Criteria.
2-4. Facility Certification.

2-1. Purpose and Scope.

These policy directives set forth the requirements for the establishment of a cost-effective State Vehicle Maintenance Program which shall apply to all State vehicles and State vehicle maintenance facilities.

2-2. Vehicle Maintenance.

A. State agencies shall maintain vehicles in a cost-effective and safe manner by implementing a maintenance program applicable to each vehicle in their possession.

B. MVM shall develop criteria to be used by agencies in implementing various maintenance programs and preventive maintenance schedules. State agencies shall take full advantage of manufacturer's warranties.

C. State agencies shall indicate all maintenance costs incurred by each individual vehicle. This information shall be reported annually, or on request. to MVM. Effective July 1995 each agency owning state vehicles shall code all vehicle repairs, maintenance, and parts according to criteria published by MVM. This criteria is currently available at MVM or through the South Carolina Equipment Management Information System (SCEMIS). If an agency is not linked by computer to the Budget and Control Board where the SCEMIS files are maintained, they must code parts and repairs in an electronic format that can be downloaded to the SCEMIS files.

2-3. Maintenance Facility Criteria.

A. MVM shall develop a manual of procedures setting forth standards to be used in operating State vehicle maintenance facilities. This procedures

manual shall include, but not be limited to, standards for each of the following:

(1) Purchasing of supplies and parts;
(2) Inventory control;
(3) Uniform work order and records-keeping assigning actual maintenance cost to each vehicle;
(4) Preventive maintenance program for each class of vehicle7
(5) Cost-effective facility operations;
(6) Safety;
(7) Establishing new maintenance facilities.

B. Agencies operating vehicle maintenance facilities shall comply with the criteria issued by MVM An Agency wishing to establish a new maintenance facility shall obtain prior approval from MVM and must show that the agency's needs cannot be met more economically by an existing facility, State or private. A cost analysis shall be required in order for MVM to make a final determination. The methodology by which to determine if the new facility is a cost-effective alternative to the State shall be developed and published in the manual referenced in 2-3 A above. Such request shall not be approved for uneconomical duplicative efforts, or the purchase of equipment that is not in the best interest of the State.

2-4. Facility Certification.

A. MVM shall conduct an on-site review of each State Vehicle Maintenance Facility no less than once every three years to ensure compliance with program criteria. MVM shall monitor compliance in those years when an on-site review is not conducted.

B. Facilities supporting fewer than twenty licensed vehicles shall not be subject to formal certification review. Agencies operating such facilities will be provided program criteria, and the agency directors will be responsible for certifying that these facilities meet program criteria. The facility will be monitored during the Management Review or during other visits conducted by MVM. Agencies shall not arrange supported vehicle densities for the purpose of circumventing the intent of this policy directive.

C. Those facilities found in compliance with program criteria shall be certified for continued operation. Facilities not meeting program criteria shall be issued conditional certification, informed of those areas where deficiencies

exist and shall receive another on-site review within twelve months. Those facilities failing to meet program criteria for two consecutive on-site visits will be reported to the Board and General Assembly for corrective action as warranted.

Subarticle 3
State Fleet Safety Program

Policy Directive.

3-1. Purpose and Scope.

3-2. Driver Qualifications and Screening.

3-3. Driver Education.

3-4. Driving Practices and Safety Maintenance.

3-5. Accident Reporting and Review Procedures.

3-1. Purpose and Scope.

These policy directives issued by the Board set forth the policies and requirements for the establishment of a State Fleet Safety Program. The Program shall apply to all operators of state vehicles.

3-2. Driver Qualifications and Screening.

A. All operators of State vehicles shall have a valid driver's license appropriate to the type of vehicle being operated.

B. Program criteria shall include procedures to screen the motor vehicle record (MVR) of all applicants for state employment, existing employees and individuals who, as a result of their work, operate or are likely to operate a state vehicle. Restrictions shall be placed on the privilege of operating a state vehicle for those applicants, employees and individuals whose MVRs indicate a history of involvement in motor vehicle accidents, who have a considerable number of current violation points as specified in program criteria, or whose driver's licenses have been suspended by the Department of Public Safety.

3-3. Driver Education.

A. Program criteria shall include driver education requirements for state employees and individuals who have an occasion to operate state vehicles. Such criteria shall, at a minimum, take into consideration driving requirements associated with an employees's or individual's job duties, an employee's or individual's history of traffic violations or accidents involving the operation of state vehicles and, Accident Review Board findings and recommendations.

B. Special provisions shall apply to law enforcement officers. All law enforcement vehicle operators shall abide by statutes and policy directives pertaining to the operation of authorized emergency and pursuit vehicles.

3-4. Driving Practices and Safety Maintenance.

A. State vehicle operators shall abide by all applicable State and Federal laws while operating such vehicles. All traffic signs, signals, and speed limits shall be obeyed.

B. State vehicles shall be maintained in accordance with State vehicle maintenance policies and procedures in order to minimize the possibility of mechanical failure causing or contributing to vehicle accidents.

3-5. Accident Reporting and Review Procedures.

A. Operators of state vehicles involved in an accident resulting in property damage, injury, or death, shall give immediate notice of such accident to the appropriate local and/or state law enforcement authorities. The operator shall, as soon as practical, report the accident to the proper agency authority in accordance with program criteria. Any driver involved in a collision with an unattended vehicle shall immediately stop, and to the best of his/her ability, locate and notify the operator of the unattended vehicle.

B. Agencies shall establish Accident Review Boards, in accordance with program criteria, to review and make recommendations concerning accidents involving state vehicles. Decisions of these boards shall be made available to MVM.

C. The Fleet Safety Program shall include progressive corrective action criteria to be used by the agencies as a result of Accident Review Boards' decisions. Employee-operators may be assessed in accordance with program criteria for each accident if found at fault by an Accident Review Board.

D. MVM shall provide technical assistance to agencies as requested, gather and analyze data, and propose amendments to the program as necessary. State agencies shall provide fleet safety and accident-related data as required by MVM to perform these responsibilities.

1-4. Assignment and Use.

TO BE REVISED AT A LATER **DATE**

SHOWN HERE AS CURRENTLY IN EFFECT

19.603. Assignment and Use.

A. Assignment of a state vehicle for individual use shall not be made as a perquisite of office, except for statewide elected state officials and agency heads, or for the personal convenience of an individual, official or employee, nor shall personal assignment of a vehicle continue if there is no official need. The assignment of a state vehicle shall not be made as a part of an employee's compensation or benefits.

B. The assignment of a state vehicle to an individual for exclusive use shall be based on the following criteria:

(1) Vehicles required for the individual use of the Governor, statewide elected state officials and agency heads shall be provided based solely on their office;

(2) Vehicles may be assigned individually to full-time line law enforcement officers. Full-time line law enforcement officers eligible for vehicle assignment shall be designated by each agency in accordance with the agency's definition. Individuals may not qualify as law enforcement officers if non-law enforcement duties comprise the majority of their duties and time.

(3) Travel requirements of an appropriate number of annual official miles as determined by the Board. Travel between home and a place of employment i-s shall not be considered in computing official travel or mileage;

(4) Vehicles essential to the performance of official duties by individuals whose remote work site or total official business use requirements are such that they prelude shared or part-time use by members of the same or other work units;

(5) Vehicles with special mounted equipment where operator training or technical skill requirements preclude use of the vehicle by individuals not possessing such training or skills;

(6) Vehicles essential for employees required to respond to urgent or emergency calls outside of regular working hours. Employee "on call" status does not, in itself, justify permanent assignment. Assignment under this criteria must be determined based upon documented frequency of actual recall.

C. Agency heads may assign vehicles to individuals under criteria B. (1) and (2). No other employee shall be assigned a vehicle without prior approval from the Division. In order to request or make a permanent assignment, the agency shall complete a permanent assignment application as specified by the Division which shall be reviewed and updated when either the vehicle or the employee changes. Permanent assignment information shall be kept current and forwarded to the Division in accordance with its instructions.

D. Agencies operating motor pools shall develop appropriate management and dispatch procedures. These procedures shall be forwarded to the Division for approval.

E. State vehicles are authorized for use in the performance of all travel or tasks necessary to accomplish official state business that is within the rated design capacity of the vehicle. Use is not authorized for unofficial travel, the transport of unauthorized persons or items, or the performance of tasks outside the rated capacity of the vehicle.

F. State vehicles are authorized for use by individuals on official state business under the following conditions and circumstances.

(1) Non-state employees such as students, volunteers, contractual services personnel, or inmates may be permitted to operate state vehicles only if such operation is on official state business is within the insurance coverage provided on the vehicle, and is authorized by the agency head or his/her designated representative.

(2) Authorized uses of state vehicles include, but are not limited to:

(a) Travel between place of vehicle dispatch and place of performance of official business;

(b) When on official out-of-town travel status, travel between place of temporary lodging and place of official business, or between either of
these places and:

(1) Places to obtain suitable meals within a reasonable distance;

(2) Places to obtain medical assistance, including drugstores;

(3) Places of worship;

(4) Beauty and Barber Shops;

(5) Cleaning establishments; and

(6) Similar places required to sustain health and welfare or continued efficient performance of the user, exclusive of places of entertainment;

(c) Transport of officers, official employees or official guests of the State;

(d) Transport of professional or commercial representatives when on official State business;

(e) Transport of materials, supplies, parcels, luggage, kits or other items belonging to or serving the interests of the State;

(f) Transport of any person or item in any emergency situation, provided such movement does not endanger life or property;

(g) Other persons may accompany a state employee in a vehicle on authorized use provided:

(1) No additional cost or expense is incurred by the State for such travel; and

(2) Prior approval is obtained from the applicable agency director or his/her designee for such travel.

G. State vehicles shall not be used to accomplish tasks unrelated to official state business. Unauthorized uses of state—vehicles include, but are not limited to:

(1) Travel or task of a personal nature having no connection with the accomplishment of official business or beyond the rated capacity of the vehicle;

(2) Transport of other persons not serving the interests of the State;

(3) Transport of hitchhikers;

(4) Transport of items or cargo having no relation to the conduct of official business;

(5) Transport of acids, explosives, weapons, ammunition, non-prescribed medicines, alcoholic beverages, highly flammable material except by specific authorization or by a duly commissioned law enforcement officer or employee acting within his or her assigned duty;

(6) Transport of any kind of equipment or cargo projecting from the side, front or rear of the vehicle in such a manner as to constitute a hazard to safe driving, to pedestrians or to other vehicles;

(7) Extending the length of time or travel beyond that required to complete the official purposes of the trip;

(8) Use of the vehicle to provide transportation between home and place of official business unless specifically authorized by the agency head.

(9) Travel to or from social events unless acting as an official representative of the State;

(10) Use of a vehicle while on vacation.

H. Trip Logs and Exceptions Reports shall be used as follows.

(1) Trip logs, approved by the Division, shall be used by all individuals using state vehicles, whether or not permanently assigned. The log shall specify beginning and ending mileage and the job function performed. This does not pertain to the Governor, statewide elected state officials, nor to full-time line law enforcement officers, if such law enforcement officers are properly exempted by the Division. Also excluded are all vehicles above 10,500 Gross Vehicle Weight Rating.

(2) Full-time agency directors and commissioners to whom vehicles are assigned may maintain an Exceptions Report in lieu of trip logs. These reports shall be maintained on a monthly basis and shall specify only total mileage, total official mileage, and total commuting mileage.

(3) Copies of trip logs and Exceptions Reports shall be maintained by the agency on whose property account the vehicle appears for a minimum three-year period and shall be made available during the Management Review to the Division and to other appropriate authorities with auditing functions. These reports shall be maintained in an active file for the current fiscal year but may be placed in an inactive file for the last two fiscal years.

Agency	Unit ID	Yr	Make	Model Description	Retain (Y/N)?	Reason or Disposition	Miles Last Yr	License No.
Agriculture	113	1988	CHEVROLET	3/4 T PICKUP	N	This Vehicle will be turned in to State Surplus		
Blind Commission	450	2003	Dodge	Neon Sedan	N	Used in Florence and utilization fluctuates based on caseload. May have some folks getting reimbursement for POVs and not using state cars even though available. MR. BRUCE AGREED THAT WE SHOULD TAKE THIS ONE OR #136108	5144	
Clemson	45906	1967	CHEVROLET	TRUCK, DUMP 30,000 G	N	Being sold		SG54651
Clemson	G302	1985	CHEVROLET	MAXI WORK VAN	N		582	SG75269
Clemson	56360				N	SURPLUS- Sold 12/04	0	
Clemson	57471				N	SURPLUS		
Clemson	61789	1991	FORD	PASSENGER VAN	N	This vehicle is used to hauls eqipment to and/or from other University locations. It is also used to go to local businesses for purchases.	3000	SG45906
Clemson	63019				N	SURPLUS	0	SG55200
Clemson	63048				N	SURPLUS	0	SG55206
Clemson	63359				N	SURPLUS-Returned to Feds 07/02	0	SG56360
Clemson	63520	1985	JEEP	SUV	N	This vehicle is used as a utility vehicle to transport research technicican into the foerest for research work	17	SG57230
Clemson	63547				N	SURPLUS	0	SG57470
Clemson	63670				N	SURPLUS	0	SG57858
Clemson	63671				N	SURPLUS	0	SG59724
Clemson	64148				N	SURPLUS-Returned to Feds 06/04	0	SG60710
Clemson	64177				N	SURPLUS	0	SG61789
Clemson	64178				N	SURPLUS	0	SG61834
Clemson	64180				N	SURPLUS		SG61839
Clemson	64216				N	SURPLUS		SG62328
Clemson	64881				N	SURPLUS		SG62838
Clemson	64883				N	SURPLUS		SG63019
Clemson	64884	1984	CHEVROLET	3500 PICKUP	N	Maintenance Truck, has genertor, compresor, welder etc. for use in field.	519	SG63048
Clemson	64887				N	SURPLUS-Returned to Feds 01/02		SG63359
Clemson	64996				N	SURPLUS-Returned to Feds 09/02		SG63520
Clemson	67129				N	SURPLUS		SG63547
Clemson	67874				N	SURPLUS		SG63670
Clemson	67875				N	SURPLUS		SG63671
Clemson	67876				N	SURPLUS		SG63914
Clemson	67877				N	SURPLUS		SG63915
Clemson	67900	1985	PLYMOUTH	SEDAN	N	SURPLUS-Returned to Feds		SG63916
Clemson	67929	1983	DODGE	1/2 TON PICKUP	N	SOLD		SG64148

Clemson	68005	1980	VOLKSWAGEN	SEDAN	N	SURPLUS-Sold		SG64177
Clemson	68745				N	SURPLUS		SG64178
Clemson	68970				N	SURPLUS		SG64180
Clemson	69061				N	SURPLUS		SG64216
Clemson	69258				N	SURPLUS		SG64529
Clemson	69274				N	SURPLUS		SG64822
Clemson	69275	1988	CHEVROLET	COMPACT PICKUP	N	SURPLUS-Returned to Feds 09/01		SG64881
Clemson	69277				N	SURPLUS		SG64883
Clemson	69460				N	SURPLUS		SG64884
Clemson	69476				N	SURPLUS		SG64887
Clemson	69478	1986	DODGE	P/U 1/2 TON	N	Incomplete response to survey	2146	SG64996
Clemson	69637				N	SURPLUS		SG67129
Clemson	69639				N	SURPLUS		SG67133
Clemson	69640	1987	DODGE	P/U 1/2 TON	N	SURPLUS- Returned to Feds 07/02		SG67429
Clemson	70835				N	SURPLUS		SG67810
Clemson	71027	1991	CHEVROLET	SEDAN	N	SURPLUS-Returned to Feds 03/04		SG67874
Clemson	71071	1984	DODGE	1/2 TON PICKUP	N	SURPLUS-Returned to Feds 04/01		SG67875
Clemson	71072				N	SURPLUS		SG67876
Clemson	71128	1989	CHEVROLET	1/2 TON PICKUP	N	SURPLUS- Returned to Feds 02/98		SG67877
Clemson	71138				N	SURPLUS		SG67900
Clemson	71139				N	SURPLUS		SG67929
Clemson	71142				N	SURPLUS		SG68005
Clemson	71178	1988	CHEVROLET	P/U CC 4X4	N	SURPLUS-Returned to Feds 08/01		SG68745
Clemson	USDA	1985	CHEVROLET	3/4 TON PICKUP	N	SOLD		SG68818
Clemson	71297	1988	CHEVROLET	1/2 TON PICKUP	N	SURPLUS Returned to Feds 110/02		SG68970
Clemson	72175	1984	CHEVROLET	3500 PICKUP	N	SURPLUS- Returned to Feds 2000		SG69061
Clemson	72183	1988	CHEVROLET	1/2 TON PICKUP	N	SURPLUS-Returned to Feds 09/03		SG69257
Clemson	72185	1988	CHEVROLET	1/2 TON PICKUP	N	SURPLUS-Returned to Feds 08/02		SG69258
Clemson	72187				N	SURPLUS		SG69274
Clemson	72509	1981	DODGE	3/4 TON PICKUP	N	SURPLUS- Returned to Feds 09/02		SG69275
Clemson	97205	1997	DODGE	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG69277
Clemson	97204	1997	DODGE	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG69460
Clemson	97203	1997	DODGE	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG69476
Clemson	97202	1997	DODGE	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG69478
Clemson	97201	1997	DODGE	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG69637
Clemson	USDA732	1982	FORD	3/4 Ton P/U	N	SURPLUS-Returned to Feds 04/03		SG69639
Clemson	98208	1998	FORD	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG69640

Clemson	98207	1998	FORD	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG70833
Clemson	98588	1998	CHEVROLET	SUV	N	SURPLUS-Sold 09/04		SG70835
Clemson	98209	1998	FORD	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG70922
Clemson	98210	1998	FORD	VAN, 15 PASSENGER	N	Van pool being reduced by nine 15 pass vans		SG70985
Clemson	59568	1989	CHEVROLET	1/2 TON PICKUP	N	SOLD	88	SG71027
Clemson	75570	1994	CHEVROLET	SEDAN	N	SURPLUS- Sold 2004		SG71071
Clemson	75977				N	SURPLUS		SG71072
Clemson	75979	1993	DODGE	SEDAN	N	SURPLUS- Sold 2003		SG71128
Clemson	76484	1988	CHEVROLET	1/2 TON PICKUP	N	SURPLUS-Returned to Feds 03/04	2256	SG71138
Clemson	78358				N	SURPLUS		SG71139
Clemson	78617				N	SURPLUS		SG71142
Clemson	78618				N	SURPLUS		SG71178
Clemson	78619				N	SURPLUS		SG71250
Clemson	58654				N	SURPLUS		SG71251
Clemson	69636				N	SURPLUS		SG71297
Clemson	67807				N	SURPLUS	2744	SG72175
Clemson	71140	1987	CHEVROLET	1/2 TON PICKUP	N	SURPLUS-Returned to Feds 02/04		SG72183
Clemson	83153	1991	CHEVROLET	SEDAN	N	Being sold		SG72185
Clemson	75217	1993	DODGE	SEDAN	N	Being sold		SG72187
Clemson	68987	1995	FORD	P/U 1/2 TON	N			SG72432
Clemson	46018	1978	FORD	TRUCK	N	Being sold		SG72509
Clemson	478KRS	2000	FORD	CROWN VIC	N	Being sold		SG72574
Clemson	UNKOWN				N	3 Vehciels to be turned in this year from PDREC		SG72575
Clemson	UNKOWN				N	3 Vehciels to be turned in this year from PDREC		SG72576
Corrections	OLD4070	1995	CHEVROLET	CORSICA	N	SOLD	0	2108
Corrections	OLD2572	1994	CHEVROLET	LUMINA	N	SOLD	0	800
Corrections	SOLD-F200	1984	DODGE	VAN 15 PASS	N	SOLD	0	2500
Corrections	SOLD1773	1988	DODGE	VAN 15 PASS	N	SOLD	0	1000
Corrections	OLD4575	1992	FORD	VAN 15 PASS	N	SOLD	0	1500
Corrections	OLD1562	1992	FORD	VAN 15 PASS	N	SOLD	0	
Corrections	SOLD	1977	DODGE	P/U 1/2 TON	N	SOLD	0	
Corrections	OLD3862	1989	DODGE	VAN 15 PASS	N	INACTIVE	0	
Corrections	TR-VEH	1979	AMC	CONCORD	N	JUNK	0	
Corrections	49479-W10	1961	JEEP	4-WHEEL COMPACT	N	JUNK	0	
Corrections	70311-444	1970	CHEVROLET	P/U 1/2 T 4X4	N	JUNK	0	
Corrections	70294-436	1969	CHEVROLET	P/U 1/2 TON	N	JUNK	0	
Corrections	70309-408	1965	FORD	P/U 1/2 TON	N	JUNK	0	SG57565
Corrections	409420	1973	INTERNATIONAL	P/U 1/2 TON	N	SOLD	0	
Corrections	SOLD549	1975	SPEC OFF	TRUCK, MOBILE UNIT (	N	JUNK	0	
Corrections	70300-435	1970	CHEVROLET	P/U 3/4 T	N	SOLD	0	
Corrections	OLD4169	1987	CHEVROLET	P/U 3/4 T	N	SOLD	0	

Corrections	OLD444	1991	CHEVROLET	P/U 1/2 TON	N	JUNK	0	SG80177
Corrections	H285-X	1973	INTERNATIONAL	PASSENGER BUS	N	SOLD	0	SG45501
Corrections	OLD1981	1980	THOMAS	PASSENGER	N	JUNK	0	NO TAG
Corrections	70074-T07	1951	FRUEHAUF	TRAILER	N	JUNK	0	NO TAG
Corrections	70305-T14	1946	GDAN	TRAILER	N	JUNK	0	SG80192
Corrections	70306-T15	1947	EVANS	TRAILER	N	JUNK	0	SG75724
Corrections	70287-T18	1971	GRAMM	TRAILER	N	JUNK	0	SG69385
Corrections	E183	1964	BROWN	TRAILER	N	JUNK	0	SG69483
Corrections	70017-T04	1958	DIAMOND	TRAILER	N	JUNK	0	
Corrections	OLD T261A	1983	GREAT DANE	TRAILER	N	SOLD	0	
Corrections	SOLD353	1970	GRV	CRANE	N	SOLD	0	
Corrections	SOLDF194X	1973	DODGE	PICKUP, TRUCK W/SERV	N	JUNK	0	
Corrections	70145-727	1979	CHEVROLET	TRUCK	N	SOLD	0	
Corrections	SOLDF176	1979	CHEVROLET	TRUCK	N	INACTIVE	0	
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DDSN	3-914	1992	International	Hi Cube Van	N	Turn in due to low use and sell	333	SG72577

DDSN	3-516	1979	Dodge	1/2 Ton Pickup	N	Turn in due to low use and sell	592	SG72579
DDSN	3-570	1979	Dodge	1/2 Ton Pickup	N	Turn in due to low use and sell	729	SG72629
DDSN	3-571	1986	Ford	P/U Compact	N	Turn in due to low use and sell	923	SG74715
DDSN	3-272	1994	Dodge	Van 15 Passenger	N	Turn in due to low use and sell	1223	SG74716
DDSN	3-563	1984	Mazda	P/U Compact	N	Turn in due to low use and sell	1230	SG74757
DDSN	3-269	1991	Dodge	Van 15 Passenger	N	Turn in due to low use and sell	1293	SG74804
DDSN	3-263	1990	Dodge	Van 15 Passenger	N	Turn in due to low use and sell	2224	SG74807
DDSN	3-527	1984	Mazda	P/U Compact	N	Turn in due to low use and sell	2791	SG75433
DDSN	6-187	1987	Ford	VAN HANDICAP	N	Turn in due to low use and sell	74	SG75436
DDSN	6-203	1980	Chevrolet	1/2 Ton Pickup	N	Turn in for sale, bad condition and low use	103	SG75570
DDSN	4-216	1985	Chevrolet	1/2 Ton Pickup	N	Turn in due to low use and sell	242	SG75781
DDSN	4-253	1990	GMC	VAN HANDICAP	N	Turn in due to low use and sell	428	SG75977
DDSN	4-247	1990	Ford	P/U Compact	N	Turn in due to low use and sell	910	SG75979
DDSN	4-270	1990	Dodge	Van 15 Passenger	N	Turn in due to low use and sell	1051	SG76484
DDSN	4-279	1994	Dodge	Van 15 Passenger	N	Turn in due to low use and sell	1407	SG78358
DDSN	3-261	1990	Dodge	Van 15 Passenger	N	Turn in due to low use and sell	0	SG78617
DDSN	4-224	1986	Chevrolet	3/4 Ton Pickup	N	Turn in due to low use and sell	1219	SG78618
DDSN	4-281	1995	Ford	Van 15 Passenger	N	Turn in due to low use and sell	2909	SG78619
DDSN	3-129	1996	Buick	Sedan	N	Turn in due to low use and sell	0	SG78637
DDSN	3-270	1993	Chevrolet	Van 15 Passenger	N	Turn in due to low use and sell	0	SG79066
DDSN	3-252			Van 15 Passenger	N	Turn in due to low use and sell	150	SG81271
DDSN	3-116			Van 15 Passenger	N	Turn in due to low use and sell	1368	SG81694
DDSN	6-232			Van 15 Passenger	N	Turn in due to low use and sell	10600	SG82887
DDSN	6-231			Van 15 Passenger	N	Turn in due to low use and sell	9011	SG83994
DDSN	6-256			Van 15 Passenger	N	Turn in due to low use and sell	25812	
DDSN	6-217			Van 15 Passenger	N	Turn in due to low use and sell	3956	
Dept of Social Services	SG58832	1995	Buick Century	Sedan	N	Unit not needed	283	
DHEC	UNIT 0003	1994	OLDSMOBILE	STATION WAGON	N	Agency agrees to turn in for sale	1064	
DHEC	UNIT 00044	1995	OLDSMOBILE	STATION WAGON	N	Agency agrees to turn in for sale	2286	

DHEC	UNIT 00107	1994	JEEP	CHEROKEE	N	Agency agrees to turn in for sale	3398	
DHEC	UNIT 00114	1995	FORD	AEROSTAR	N	Agency agrees to turn in for sale	1701	
DHEC	UNIT 00133	1999	CHEVROLET	BLAZER	N	Agency agrees to turn in for sale	4861	
DHEC	UNIT 00197	1989	CHEVROLET	SUBURBAN	N	Agency agrees to turn in for sale	1841	
DHEC	UNIT 00285	1995	JEEP	CHEROKEE	N	Agency agrees to turn in for sale	919	
DHEC	UNIT 00341	1997	FORD	TAURUS	N	Agency agrees to turn in for sale	4094	
DHEC	UNIT 00516	1995	JEEP	JEEP SUV	N	Agency agrees to turn in for sale	3886	
DMV	146058	1998	FORD	TAURUS	N	Daily supervision of the operation of dealers and	6909	
DNR	SG111EEX	1995	CHEVROLET	3/4T PICKUP	N		3845	
DNR	SG59426	1989	DODGE	1 T PICKUP	N	Transport of gravel, rip-rap, tree limbs, and dirt fill. Used to transport large pieces of equipment, plastic pipe, and culverts.	313	
DNR	SG69681	1996	FORD	BRONCO	N		243	
DNR	SG71408	1996	BUICK	CENTURY	N		1567	
DNR	SG72215	1997	FORD	1/2 T PICKUP	N	Used by track hoe operator to haul and equipment necessary to run machine. Also used to haul hunters when necessary.	4470	
DNR	SG73654	1998	FORD	1/2 T PICKUP	N	this vehicle is used for biological field work and transports equipment used for surveys and research	4658	
DNR	SG79123	1996	FORD	BRONCO	N	GENERAL MOTOR POOL USE	2068	
DOT	012-07-0086	1987	GMC	TC6D042/TRUCK, GVWR 16,000-2	N	Unit turned in for no replacement	409	
DOT	013-03-0096	1984	FORD	F700/TRUCK, GVWR 26,000-3	N	RECOMMEND TURNIN TRUCK AND RIG NO REPL	0	
DOT	013-03-0367	1987	FORD	F800/TRUCK, GVWR 26,000-3	N	STAKE BODY TRUCK, USED FOR MOBILIZATION TURNIN NO REPLACEMENT. UTILIZE POOL OR OLD TURNIN FROM MAINTENANCE. POSSIBLE REISSUE IF CONDITION IS REAL GOOD.	0	
DOT	013-03-0440	1987	FORD	F800/TRUCK, GVWR 26,000-3	N	PLANNING TO SELL, BUT IF BETTER THAN ANOTHER EXISTING UNIT IN FIELD, REISSUE AND SELL THAT ASSET.	1311	
DOT	013-03-0447	1987	FORD	F800/TRUCK, GVWR 26,000-3	N	APPEARS IT WAS TURNED IN IN 2002. IS IT BEING USED FOR CANNABILIZATION? SELL	0	
DOT	013-03-0487	1987	FORD	F800/TRUCK, GVWR 26,000-3	N	SELL	0	
DOT	013-03-0495	1987	FORD	F800/TRUCK, GVWR 26,000-3	N	SELL IF NOT BETTER THAN ANYTHING ELSE IN STATE TO SELL.	369	
DOT	013-03-0497	1987	FORD	F800/TRUCK, GVWR 26,000-3	N	SELL	1064	
DOT	013-03-0605	1990	FORD	F800/TRUCK, GVWR 26,000-3	N	READIED FOR SELL	7860	
DOT	013-03-0629	1990	FORD	F-800/TRUCK, GVWR 26,000-3	N	TURNIN	4738	

DOT	013-03-0630	1990	FORD	F-800/TRUCK, GVWR 26,000-3	N	TURNIN	4912	
DOT	013-03-0686	1991	FORD	F800/TRUCK, GVWR 26,000-3	N	FROM D2 IN 6/2004. PREPARE FOR SALE	0	
DOT	013-03-0713	1991	FORD	F-800/TRUCK, GVWR 26,000-3	N	TURN 1 13 SERIES TRUCK IN .	2209	
DOT	013-03-0716	1991	FORD	F-800/TRUCK, GVWR 26,000-3	N	TURN IN NO REPLACE	3787	
DOT	013-03-0766	1992	FORD	F-700/TRUCK, GVWR 26,000-3	N	TURNIN	1034	
DOT	013-04-0048	1991	INTL	4700/TRUCK, GVWR 26,000-3	N	Vehicle transferred to equipment depot on January 25, 2005. Property Transfer # 103340. REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE.	746	
DOT	013-07-0088	1995	GMC	TC7H042/TRUCK, GVWR 26,000-3	N	Has mounted arrowboard and crash attenuator for use with interstate traffic control. TURN THIS OR OTHER ONE IN	796	
DOT	013-07-0105	1995	GMC	TC7h042/TRUCK, GVWR 26,000-3	N	REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE. BEING REISSUED NOW.	520	
DOT	014-03-0268	1996	FORD	F800/TRUCK, GVWR 33,000 L	N	REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE. OR REPLACE REAR AND REULILIZE AS DUMP TRUCK	1	
DOT	014-04-0035	1987	INTL	F-1954/TRUCK, GVWR 33,000 L	N	This is a tractor for a lowboy. It has been turned in to Columbia 1-24-05 RECOMMEND NO REPAIR AND SELL. USE 0039 TO REPLACE AFTER SOME REPAIRS. UNIT HAS BLOWN ENGINE	2714	
DOT	014-04-0065	1991	INTL	2574/TRUCK, GVWR 33,000 L	N	Vehicle transferred to equipment depot on January 25, 2005. Property Transfer # 103340. SELL	3610	
DOT	015-13-0003	1978	LTGC	64/TRUCK, CRANE CARRIER	N	SELLING	53	
DOT	066-08-0003	1980	LTGC	48AF/CRANE, 3/4 YARD TRUC	N	SELLING	4	
DOT	080-01-0002	1987	CASE	25+4XP/TRENCHER, SELF-PROPE	N	SELL	4	
DOT	080-01-0004	1989	CASE	25+4XP/TRENCHER, SELF-PROPE	N	SELL	16	

DOT	080-01-0005	1990	CASE	25+4XP/TRENCHER, SELF-PROPE	N	TURNIN	5	
DOT	080-01-0006	1995	CASE	MAX I/TRENCHER, SELF-PROPE	N	SELL	1	
DOT	080-02-0005	1984	DITC	2300/TRENCHER, SELF-PROPE	N	SELL	3	
DOT	080-02-0006	1987	DITC	1410/TRENCHER, SELF-PROPE	N	SELL	7	
DOT	094-11-0003	1986	JDR	690D/EXCAVATOR, CRAWLER	N	Turned in to Equipment Depot. REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE.	80	
DOT	113-02-0130	1987	ATHEY	7-12D/LOADER, BELT, SELF-P	N	Turned in to Equipment Depot REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE.	76	
DOT	114-01-0015	1989	CASE	w14B/LOADER, WHEEL, TOOL	N	Turned in to Equipment Depot SELL	66	
DOT	116-01-0021	1987	CASE	w20C/LOADER, WHEEL, 1 1/2	N	This equipment has been turned into Equipment Depot. BEING SOLD	139	
DOT	118-01-0005	1989	CASE	855D/LOADER, CRAWLER	N	Unit was turned in SELL	10	
DOT	122-04-0002	1988	SECA	747/DCLEANER, PIPE	N	SELL DO NOT REPAIR	140	
DOT	122-04-0004	1988	SECA	747/DCLEANER, PIPE	N	Turned in for no replacement BEING SOLD	12	
DOT	144-02-0005	1974	BLAW	PF-35/PAVER, ASPHALT, WHEE	N	Turned in to Equipment Depot BEING SOLD	0	
DOT	144-05-0002	1988	LEEBY	L900SR/PAVER, ASPHALT, WHEE	N	SELL	35	
DOT	145-03-0001	1990	MAULD	550/PAVER, ASPHALT, CRAW	N	Turned in to equipment depot on 1/27/05 REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE IF THIS ONE IS IN GOOD SHAPE	49	
DOT	160-01-0101	1991	MAULD	3000/ROLLER, TANDEM, SELF	N	TURNIN	24	
DOT	160-01-0140	1999	MAULD	3000/ROLLER, TANDEM, SELF	N	REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE.	15	
DOT	163-02-0014	1995	FGU	SP-912/ROLLER, MULTI-WHEEL,	N	REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE.	0	
DOT	171-02-0104	1991	DRESS	S4-6B/ROLLER, TANDEM, SELF	N	SELL	66	

DOT	171-02-0109	1991	DRESS	S4-6B/ROLLER, TANDEM, SELF	N	Unit turned in BEING SOLD	0	
DOT	171-04-0023	1994	FGU	46A/ROLLER, TANDEM, SELF	N	Turned in to equipment depot on 1/27/05 REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE. SWAP WITH ONE IN POOL?	58	
DOT	181-01-0003	1982	ETN	SPREADER, AGGREGATE,	N	SELL	0	
DOT	181-02-0010	1994	ROS	SPR-H/SPREADER, AGGREGATE,	N	Turned in to Equipment Depot REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE. PUT IN POOL	0	
DOT	201-02-0383	1984	FORD	3910/TRACTOR, WHEEL 35-100	N	Unit turned in SELL	16	
DOT	201-02-0507	1990	FORD	5610/TRACTOR, WHEEL 35-100	N	TURNIN	69	
DOT	201-02-0515	1991	FORD	5610/TRACTOR, WHEEL 35-100	N	EQUIPMENT TURNED IN. NOT TO BE REPLACED REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE.	0	
DOT	201-02-0519	1990	FORD	5610/TRACTOR, WHEEL 35-100	N	TURNIN	158	
DOT	201-02-0542	1996	FORD	6640/TRACTOR, WHEEL 35-100	N	TURNIN	34	
DOT	201-02-0609	1997	NEWH	6640/TRACTOR, WHEEL 35-100	N	Has been turned in. REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE OR SELL THIS ONE	136	
DOT	201-02-0645	1998	NEWH	6640/TRACTOR, WHEEL 35-100	N	TURNIN	3	
DOT	201-02-0646	1998	NEWH	6640/TRACTOR, WHEEL 35-100	N	REISSUE TO FIELD TO REPLACE AN EXISTING WORSE ASSET AND SELL THAT ONE OR SELL THIS ONE	51	
DOT	201-02-0678	1998	NEWH	TS100/TRACTOR, WHEEL 35-100	N	TURNIN	76	
DOT	201-03-0468	1989	CASEI	TRACTOR, WHEEL 35-10	N	Transferred to Columbia 1-24-05 SELL	9	
DOT	201-03-0531	1992	CASEI	695/TRACTOR, WHEEL 35-10	N	TURNIN	157	
DOT	201-03-0592	1994	CASEI	895/TRACTOR, WHEEL 35-10	N	Excessive down time due to poor mechanical condition - (ie. - steering, hydraulics, and transmission) MONITOR. IF CAN, REISSUE BETTER ONE TO THEM TO REPLACE THIS ASSET AND SELL THIS ONE	163	
DOT	202-01-0001	1988	CASE	580K/TRACTOR, WHEEL, WITH	N	SELL	33	
DOT	202-01-0004	1988	CASE	580K/TRACTOR, WHEEL, WITH	N	BEING REPLACED	167	

DOT	203-11-0048	1992	JDR	310D/TRACTOR, LOADER-BACK	N	TURNIN	162	
DOT	240-02-0003	1989	LEEBY	1200/ASPHALT PATCHER, POR	N	SELL	53	
DOT	001-01-0320	1990	CHEV	Automobile, Sedan	N	Reassign or Turn in without Replacement	1676	
DOT	001-02-0128	1991	DODG	Automobile, Sedan	N	Reassign or Turn in without Replacement	945	
DOT	001-02-0225	1993	DODG	Automobile, Sedan	N	Reassign or Turn in without Replacement	7025	
DOT	001-02-0226	1993	DODG	Automobile, Sedan	N	Reassign or Turn in without Replacement	3168	
DOT	001-02-0234	1993	DODG	Automobile, Sedan	N	Reassign or Turn in without Replacement	6089	
DOT	001-03-0523	1997	FORD	Automobile, Sedan	N	Reassign or Turn in without Replacement (Turn in Excess to needs)	1212	
DOT	001-03-0525	1998	Ford	Automobile, Sedan	N	Preparing to Sell	0	
DOT	001-03-0553	1999	FORD	Automobile, Sedan	N	Sold 1/26/05 (credit or replaced)	14989	
DOT	001-03-0606	2001	FORD	Automobile, Sedan	N	Reassign or Turn in without Replacement (turn this one in, too low, they might want to move it since its lowmiles to another and turn in another vehicle)	3860	
DOT	001-11-0016	1990	CHEV	Automobile, Sedan	N	Reassign or Turn in without Replacement	3227	
DOT	001-11-0042	1994	BUIC	Automobile, Sedan	N	Reassign or Turn in without Replacement	4013	
DOT	003-01-0080	1992	CHEV	Station Wagon	N	Reassign or Turn in without Replacement	94	
DOT	005-02-0126	1988	DODG	Van, (>= 8 Person)	N	Preparing to Sell	2623	
DOT	007-01-0014	1989	CHEV	Compact Pickup	N	Reassign or Turn in without Replacement	3218	
DOT	007-01-0063	1992	CHEV	Compact Pickup	N	Will sell	1396	3590
DOT	007-03-0080	1993	FORD	Compact Pickup	N	Reassign or Turn in without Replacement	2729	4590
DOT	007-03-0093	1993	FORD	Compact Pickup	N	Will sell	1379	
DPS	210KRS	1994	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	212KRS	1994	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	213KRS	1994	Buick Century	Century	N	Beyond Economic Repair		
DPS	213-PWF	1999	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	231DLY	1998	Ford Taurus	Taurus	N	Beyond Economic Repair		
DPS	249KRS	1994	Ford Explorer	Explorer	N	Beyond Economic Repair		SG62938
DPS	296ALT	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG50239
DPS	296-KRS	2000	Ford Crown Vic	Crown Vic	N	Wrecked		SG67017
DPS	445-NLY	2003	Chev. Impala	Impala	N	Wrecked		SG56783
DPS	563-HLR	1999	Chev.Camero	Camaro	N	Wrecked		SG63835
DPS	582HXW	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG54239

DPS	583-FGY	1998	Chev Camero	Camaro	N	Wrecked		SG62159
DPS	584FGY	1998	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG60987
DPS	615HXV	1999	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG54237
DPS	680-HLR	1999	Ford Crown Vic	Crown Vic	N	Wrecked		SG57408
DPS	703ALS	1996	Buick Century	Century	N	Beyond Economic Repair		SG51675
DPS	7179-APX	1995	Dodge Caravan	Dodge Caravan	N	Confiscated Veh.		SG55173
DPS	718HLR	1999	Chev. Lumina	Lumina	N	Beyond Economic Repair		SG114
DPS	762HLR	2000	Chev. Camaro	Camaro	N	Beyond Economic Repair		SG60644
DPS	772AYJ	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG53797
DPS	786NAB	1994	Ford Explorer	Explorer	N	Beyond Economic Repair		SG67645
DPS	792-NAB	2002	Chev. Camero	Camaro	N	Wrecked		SG60939
DPS	C30408		BMW Motorcycle	BMW Motorcycle	N	Confiscated Veh.		SG64015
DPS	C30409		BMW Motorcycle	BMW Motorcycle	N	Confiscated Veh.		SG68864
DPS	C32109	1993	Plymouth Voyager	Voyager	N	Confiscated Veh.		SG71094
DPS	HP1032	1996	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG63639
DPS	HP1033	1996	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG58262
DPS	HP1037	1996	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	17955	SG63681
DPS	HP1073	1996	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		SG68163
DPS	HP1142	1996	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	10100	SG68127
DPS	HP1164	1996	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	12600	SG75494
DPS	HP1304	1995	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	6804	SG63900
DPS	HP1626	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	30400	
DPS	HP1695	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP1712	1997	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP1735	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	2175	
DPS	HP1737	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	785	
DPS	HP1746	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	4220	
DPS	HP1755	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	9100	
DPS	HP1768	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	18200	
DPS	HP1771	1997	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP1902	1994	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP1989	1994	Chev. Camaro	Camaro	N	Beyond Economic Repair		
DPS	HP2006	1998	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP2063	1998	Chev. Camaro	Camaro	N	Beyond Economic Repair	4350	
DPS	HP2072	1998	Ford Crown Vic	Crown Vic	N	Wrecked	7653	
DPS	HP2074	1998	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	38459	
DPS	HP2104	1998	Ford Crown Vic	Crown Vic	N	Wrecked	3772	
DPS	HP2107	1998	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP2131	1999	Ford Crown Vic	Crown Vic	N	Wrecked	3800	
DPS	HP2141	1999	Ford Crown Vic	Crown Vic	N	Wrecked	437	
DPS	HP2144	1999	Ford Crown Vic	Crown Vic	N	Wrecked	2145	
DPS	HP2145	1999	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	28454	
DPS	HP2152	1999	Ford Crown Vic	Crown Vic	N	Wrecked	2722	
DPS	HP2166	1999	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	27332	

DPS	HP2194	1999	Ford Crown Vic	Crown Vic	N	Wrecked	22042	
DPS	HP2248	1999	Ford Crown Vic	Crown Vic	N	Wrecked	14780	
DPS	HP2259	1999	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP2276	2000	Chev.Camero	Camaro	N	Beyond Economic Repair		
DPS	HP2286	1999	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	5300	
DPS	HP2311	1999	Ford Crown Vic	Crown Vic	N	Wrecked	13075	
DPS	HP2325	1999	Chev. Camaro	Camaro	N	Beyond Economic Repair	9888	
DPS	HP2340	2000	Chev. Camaro	Camaro	N	Beyond Economic Repair	30500	
DPS	HP2363	2000	Ford Crown Vic	Crown Vic	N	Wrecked	2800	
DPS	HP2383	2000	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP2396	2000	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP2399	2000	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP2417	2000	Chev. Camaro	Camaro	N	Beyond Economic Repair	25520	
DPS	HP2420	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP2431	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP2482	2000	Chev. Camaro	Camaro	N	Beyond Economic Repair	29100	
DPS	HP2495	2000	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP2509	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	30300	
DPS	HP2525	2000	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	HP2556	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	35749	
DPS	HP2632	2000	Ford Explorer	Explorer	N	Beyond Economic Repair		
DPS	HP2663	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	23450	
DPS	HP2706	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	40094	
DPS	HP2720	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	31948	
DPS	HP2722	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	HP2742	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	28049	
DPS	HP2758	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	12556	
DPS	HP2774	2000	Chev. Camaro	Camaro	N	Beyond Economic Repair	26798	
DPS	HP2779	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	23800	
DPS	HP2801	1999	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	25660	
DPS	HP2807	1993	Nissan 300 ZX	300 ZX	N	Beyond Economic Repair		
DPS	HP2821	1999	Chev. Pickup	Pickup	N	Beyond Economic Repair		
DPS	N/A	1992	Acura Legend	Legend	N	Confiscated Veh.		
DPS	SG23305	1991	Buick Century	Century	N	Beyond Economic Repair		
DPS	SG65290	1993	Chev. Camaro	Camaro	N	Beyond Economic Repair		
DPS	SG68880		Crew Cab Truck	Truck	N	Beyond Economic Repair		
DPS	SG72203	1997	Ford Aerostar	Van	N	Beyond Economic Repair		
DPS	SG72533	1994	Ford Explorer	Explorer	N	Beyond Economic Repair		
DPS	SG77692	1985	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	SG77699	1986			N	Beyond Economic Repair		
DPS	STP1071	1994	Ford Explorer	Explorer	N	Beyond Economic Repair		
DPS	STP1071	1994	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	STP1199	1999	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	STP1201	1999	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	STP1207	1999	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	6125	
DPS	STP1247	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair	8900	

DPS	STP1248	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	STP1249	2000	Ford Crown Vic	Crown Vic	N	Beyond Economic Repair		
DPS	STP1259	2000	Ford Crown Vic	Crown Vic	N	Wrecked	2494	
DPS	STP1274	2003	Ford Crown Vic	Crown Vic	N	Wrecked		
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG76807
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG80156
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG53995
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG58153
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG64595
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG64598
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG59467
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG71201
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG50050
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG49561
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG52884
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG49512
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG49562
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG54712
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		NO TAG
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG53287
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG57467
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG61758
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG60103
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG75539
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		NO TAG
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG49264
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG49265
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG49450
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG6669
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG6670
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG69320
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DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG69139
DPS	TBD		Ford Crown Vic	Crown Vic	N	To be turned in if fleet age is decreased		SG67409
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Education	729052	2001	CHEVROLET	BLAZER	N	Inactive unit-should be disposed		
Education	530-0041	1986	unknown		N	Vehicle is past Economic life, dispose		
Education	530-0049	1989	unknown		N	Vehicle is past Economic life, dispose		
Education	536-0033	1988	Pontiac	Passenger Wagon	N	Vehicle is past Economic life, dispose	15641	
Education	536-0037	1988	Pontiac	Passenger Wagon	N	Vehicle is past Economic life, dispose	6435	
Education	541-0235	1977	unknown		N	Vehicle is past Economic life, dispose		
Education	541-0253	1978	unknown		N	Vehicle is past Economic life, dispose		
Education	551-0023	1975	unknown		N	Vehicle is past Economic life, dispose		
Education	552-0044	1973	unknown		N	Vehicle is past Economic life, dispose	15219	
Education	552-0047	1973		School Bus Fuel Tanker	N	Vehicle is past Economic life, dispose		
Education	552-0048	1973		School Bus Fuel Tanker	N	Vehicle is past Economic life, dispose		
Education	552-0050	1973		School Bus Fuel Tanker	N	Vehicle is past Economic life, dispose		
Education	552-0059	1974	unknown		N	Vehicle is past Economic life, dispose		
Education	552-0061	1974	unknown		N	Vehicle is past Economic life, dispose		
Education	552-0071	1977	unknown		N	Vehicle is past Economic life, dispose		
Education	552-0074	1977	unknown		N	Vehicle is past Economic life, dispose		
Education	552-0084	1984	unknown		N	Vehicle is past Economic life, dispose		
Education	552-0086	1984	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0010	1976	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0012	1976	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0014	1976	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0015	1976	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0030	1978	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0032	1978	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0033	1978	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0038	1979	unknown		N	Vehicle is past Economic life, dispose		
Education	553-0040	1979	unknown		N	Vehicle is past Economic life, dispose		
Education	554-0004	1980	unknown		N	Vehicle is past Economic life, dispose		
Education	554-0012	1986	unknown		N	Vehicle is past Economic life, dispose		
Forestry Comm.	11038	1974	CHEVROLET	PASS BUS	N	Bus used to transport inmate crew to lift seedlings at nursery. It is a back-up to the Dept of Corrections vehicle.	7	

Juvenile Justice	SG58119	1988	DODGE	15 PASSENGER VAN	N	Used to transport Dept. of Correction inmates that work in the DJJ cafeteria.	80	
Juvenile Justice	SG61696	1991	FORD	TEMPO	N	Used by safety staff to inspect buildings for DJJ. Have to carry fire extinguishers and a ladder in the trunk, plus other safety equipment.	1661	
Juvenile Justice	SG63924	1993	CHEVROLET	12 PASSENGER VAN	N	Used to transport juveniles committed to the group home.	1534	
Juvenile Justice	SG64779	1992	CHEVROLET	LUMINA	N	Used by Detention Center supervisor to attend meetings and training when no other vehicle is available.	521	
Juvenile Justice	SG67648	1995	BLUEBIRD	BUS	N	Used to transport juveniles to school.	862	
Juvenile Justice	SG68130	1993	DODGE	SPIRIT	N	Used by medical staff to deliver medicines to juveniles and to attend meetings with other medical staff.	2170	
Juvenile Justice	SG68749	1995	FORD	15 PASSENGER VAN	N	Used to transport incarcerated juveniles to appointments behind the DJJ security fence.	2114	
Juvenile Justice	SG68917	1995	FORD	PASSENGER VAN	N	Used by staff to attend meetings, training and to pick up supplies.	1021	
Juvenile Justice	SG70918	1996	FORD	15 PASSENGER VAN	N	Used to transport committed juveniles to various appointments. Vehicle is security screened.	2579	
Juvenile Justice	SG71945	1997	DODGE	15 PASSENGER VAN	N	Used to transport incarcerated juveniles to appointments behind the DJJ security fence.	4083	
Juvenile Justice	SG72600	1996	FORD	15 PASSENGER VAN	N	Used to transport equipment, supplies and canteen items from warehouse to DJJ campus' and juveniles laundry to DJJ laundry.	2531	
Juvenile Justice	SG74600	1998	CHEVROLET	CAVALIER	N	Used by DJJ commanders and other staff to check campus' and attend meetings.	2807	
Juvenile Justice	SG75191	1999	PLYMOUTH	BREEZE	N	Used to make visits to DJJ clients, carry parents and juveniles to court hearings, training and misc. errands.	3808	
Juvenile Justice	SG79678	2001	FORD	TAURUS	N	Used for staff to appear at court hearings, visit DJJ county offices, training and meetings.	6458	
LLR	FIRE ACAD	1975	CHEVROLET	MAXI WORK VAN	N	Surplused	0	SG63561
Mental Health	76	1991	DODGE	DYNASTY	N	Transport of patients to clincis. In need of constant servicing, seats need repair.	0	
Mental Health	82	1983	FORD	E350	N	This vehicle is used by Physical Plant Services staff and is driven daily(repeatly)from the U-building(maintenance facility) on campus to the hospital. The approx. distance is 1-2 miles,depending on which area of the hospital this vehicle is responding. This vehicle is considered essential to the operation of Harris Hospital.	769	

Mental Health	128	1967	CHEVROLET	3/4 T PICKUP	N	Vehicle is used for service calls to rescue stranded state vehicles and off road equipment (includes emergency stand by generators in hospital buildings).	358	
Mental Health	143	1980	FORD	DUMPTRUCK	N	UNKNOWN	13	
Mental Health	155	1980	CHEVROLET	1/2 T PICKUP	N	USED TO CATCH PLUMBING CALLS FOR COLUMBIA CAMPUS AS WELL AS NORTHEAST CAMPUS	9204	
Mental Health	175	1978	CHEVROLET	STEPVAN	N	Used to visit deaf clients around the state.	162	
Mental Health	197	1988	DODGE	WHLCHR	N	This vehicle is equipped with a wheel chair lift.It is the only vehicle in the Harris Hospital fleet that is capable transporting a wheel chair dependent patient. This vehicle is considered essential in the care of patients confined to a wheel chair.	56	
Mental Health	230	1991	CHEVROLET	S10	N	Transport supplies from Material Management Building to four CBHS facilities and also to when picking up products from local vendors.	1817	
Mental Health	242	1981	FORD	1/2 T VAN	N	UNKNOWN	263	
Mental Health	290	1988	FORD	AEROSTAR VAN	N	UNKNOWN	892	
Mental Health	318	1989	CHEVROLET	CAPRICE	N	UNKNOWN	731	
Mental Health	322	1991	FORD	AEROSTAR	N	Transportation of clients primarly but could also be used to move client's pocessions, transport staff to meetings, training, or community activities like court, public relations events...	2637	
Mental Health	325	1990	DODGE	B350	N	UNKNOWN	2496	
Mental Health	365	1986	FORD	13 PASSENGER VAN	N		1651	
Mental Health	467	1990	FORD	AEROSTAR	N	Behavioral Intervention Service Caregivers Service	2210	
Mental Health	479	1990	CHEVROLET	CAVALIER	N	Used by staff working with children in the schools. Traveling to different schools, transporting children when necessary to attend appointments or meetings outside of school and after hours.	695	
Mental Health	494	1991	DODGE	MAXIVAN	N	Transport clients to the doctor, grocery store, pharmacy, social security, home, etc.	2642	
Mental Health	497	1991	DODGE	B350	N	Transport client to doctors appointments and accomidate clients in an assisted living program.	147	

Mental Health	506	1985	DODGE	D-100	N	THIS VEHICLE IS USED BY PHYSICAL PLANT SERVICES STAFF AND IS DRIVEN DAILY (REPEATLY)FROM THE U-BUILDING(MAINTENANCE FACILTY)ON CAMPUS TO THE HOSPITAL. THE APPROX. DISTANCE IS 1-2 MILES,DEPENDING ON WHICH AREA OF THE HOSPITAL THIS VEHICLE IS RESPONDING.THIS VEHICLE IS CONDIDERED ESSENTIAL TO THE OPERATION OF HARRIS HOSPITAL.	919	
Mental Health	512	1990	DODGE	B350	N	This vehicle is used primarily for transporting patients to activities that are off the hospitals campus.This vehicle is the only vehicle in the Harris Hospital fleet that has the capacity of transporting up to 15 individuals.Obviously the use of this vehicle is much more economical and cost effective than the use of 3 vehicles to transport up to 15 indivduals,3 of whom would be drivers. This vehicle is considered essential to the operation of Harris Hospital.	98	
Mental Health	522	1994	FORD	TAURUS	N	Vehicle is used to transport Office Personnel to and from PPS Construction project sites, Project related meetings and in gathering information for PPS projects.	999	
Mental Health	523	1994	FORD	TAURUS	N	Transportation of residents to clinics, activities, etc.	789	
Mental Health	524	1994	FORD	TAURUS	N	This vehicle is assigned to the Columbia Cluster motor pool for all DMH staff use.	753	
Mental Health	526	1994	FORD	TAURUS	N	UNKNOWN	683	
Mental Health	530	1994	FORD	TAURUS	N	Used dailey in courier run to transport documents, checks,reports and deposit slips to and from theSCDMH and the CG's Office and the Treasurers' Office. Used to deliver mail to US Post Office. Used to go to the bank.	896	
Mental Health	546	1988	FORD	AEROSTAR	N	THIS UNIT IS USED TO TRANSPORT MATERIALS AS WELL AS WORK CREWS TO PERFORM EVERYDAY MAINTENANCE AT TUCKER CENTER.	1832	
Mental Health	551	1991	DODGE	DYNASTY	N	Used to provide staff transportation to state-wide meetings and different work sites. Used to haul housekeeping supplies.	479	
Mental Health	565	1988	ISUZU	PUP	N	THIS VEHICLE IS USED FOR LOCK MAINTENANCE FOR ALL MENTAL HEALTH FACILITIES.	2454	
Mental Health	602	1994	BUICK	CENTURY	N	Transporting staff to work sites	2144	

Mental Health	634	1985	CHEVROLET	G-10	N	Transportation of supplies, equipment, etc.	323	
Mental Health	643	1991	CHEVROLET	S10	N	THIS VEHICLE IS USED TO PERFROM STEAM MAINTENANCE ON ALL MENTAL HEALTH FACILITIES.	2514	
Mental Health	683	1997	CHEVROLET	CAVALIER	N	1. Used to transport DMH patients to various community appointments, i.e. Department of Social Services, Department of Transportation, Halfway-house interviews. 2. Used to provide staff transportation to state-wide meetings. 3. Used to haul office supplies within the program.	1633	
Mental Health	741	1990	CHEVROLET	CAVALIER	N	UNKNOWN	62	
Mental Health	746	2000	CHEVROLET	C-6500	N	Transportation of supplies, equipment, etc.	897	
Mental Health	782	1988	DODGE	B-300	N	This vehicle is used on week days to retrieve medication orders, transport and deliver medication to patients located on the Northeast Campus of the Columbia Behavioral Health System. It is also used to transport supplies/materials between the downtown and northeast campus.	3202	
Mental Health	789	1988	DODGE	B350	N	to move surplus salvage to warehouse or office	786	
Mental Health	790	1988	DODGE	B350	N	Hauling food service equipment and large quantities of supplies to outlying locations.	1730	
Mental Health	798	1992	CHEVROLET	CORSICA	N	UNKNOWN	496	
Mental Health	801	1991	FORD	TEMPO	N	Transport clients to work and school. Also clinical home visits.	2501	
Mental Health	806	1991	FORD	TEMPO	N	Used by a Program that is for emergency services 24/7 and a client may have to be transported to ER or home. May also have to pickup medication from the Drug store for a client.	914	
Mental Health	823	1991	DODGE	MAXIVAN	N	UNKNOWN	1250	
Mental Health	827	1991	CHEVROLET	VAN	N	TRANSPORT CLIENTS IN THE COMMUNITY	547	
Mental Health	835	1991	DODGE	B350	N	Transport consumers for services and/or programs.	626	
Mental Health	842	1992	FORD	TEMPO	N		3208	
Mental Health	851	1992	FORD	E350	N	Transport consumers to grocery store, pharmacy for medications and other independent living services.	808	
Mental Health	852	1992	FORD	E350	N	Transport clients to the doctor, grocery store, pharmacy, social security, home, etc.	2233	
Mental Health	858	1992	FORD	E350	N	The vehicle is being transferred to the Crisis Program on 02/17/2005. The vehicle will be used to transport clients and for other needs of the program. The number of miles the van will travel will be limited because of the proximity of the locations to which the van will be traveling.	2148	

Mental Health	860	1992	FORD	E350	N	Transport consumers Crisis Unit to Anderson Mental Health Center for doctor appointments.	2043	
Mental Health	917	1993	CHEVROLET	CG31306	N	The vehicle is basically used by Children Services and Case Management Services to transport clients for planned activities. The area is a rural area and the majority of the clients have to catch a ride or utilize the RTA. Transportation has to be provided by the Clinic for any planned activities. The vehicle is also used by School Base Service personnel if the car is not available.	1364	
Mental Health	921	1993	CHEVROLET	CG31606	N	To transport clients as needed by various programs as need for additional transportation. Additional vehicles are needed for large group activities.	998	
Mental Health	927	1993	DODGE	CARAVAN	N	Transport Clients to and from Day Treatment Programs, and Client outings.	2254	
Mental Health	955	1994	DODGE	VAN	N	Client living skill development in the community as part of a day treatment program or when not being used by day program, general transportation of clients to/from appointments at the mental health center	1720	
Mental Health	957	1994	DODGE	VAN	N	Transport client to and from program and outings.	258	
Mental Health	980	1994	CHEVROLET	VAN	N	Transport clients to the doctor, grocery store, pharmacy, social security, home, etc.	0	
Mental Health	996	1994	DODGE	B350	N	UNKNOWN	1520	
Mental Health	997	1994	DODGE	B350	N	Asservive Case Management Team has been assigned this vehicle. Transport clients, judicial appointments, and home visits.	2182	
Mental Health	1002	1994	CHEVROLET	CAVALIER	N	USED BY STAFF TO VISIT CLIENTS IN THE COMMUNITY	1347	
Mental Health	1013	1994	CHEVROLET	CAVALIER	N	Transport clients in the community.	2402	
Mental Health	1024	1994	CHEVROLET	CORSICA	N	Transport clients to the doctor, grocery store, pharmacy, social security, home, etc.	1922	
Mental Health	1028	1994	OLDSMOBILE	CUTLASS	N	Transportation of clients to treatment facilities, school programs and Case Management within the catchment area.	1553	
Mental Health	1038	1985	ISUZU	PUP	N	To transport a mobile work crew of clients to clean buildings in local area. Due to condition and mileage, very little useage of this vehicle.		
Mental Health	1069	1995	BUICK	CENTURY	N	Transportation of clients to treatment facilities. Group outings, case service and home visits.	2705	

Mental Health	1074	1995	CHEVROLET	CORSICA	N	Staff works with Homeless Outreach dealing with several different locations. Clients that are homeless that to be transported to Dr. appointments and meetings.	2210	
Mental Health	1131	1997	DODGE	B350	N	Transport clients to the doctor, grocery store, pharmacy, social security, home, etc.	1512	
Mental Health	1189	1998	FORD	CLUBWAGON	N	Transportation of Medication Compliance Groups and for assistance in helping clients move to RCF or into the community.	1812	
Mental Health	1290	1995	BUICK	CENTURY	N	Transport clients from a residential 24 hour a day 7 day a week program to doctors appointments etc..	2403	
Mental Health	1354	2000	FORD	TAURUS	N	Transport clients to and from programs,outings,Doctor appointments.	3305	
Mental Health	1380	1996	BUICK	CENTURY	N	Job coach Vehicle	2610	
Mental Health	1450	1996	BUICK	CENTURY	N	CRS Staff makes home and nursing home visits. Transport clients. Vehicle used for committee meetings (ex.Risk Management, Corporate Compliance, C&A counselors travel to schools. Hospital consults.	3223	
Mental Health	2003	1991	FORD	AEROSTAR	N	THIS UNIT IS USED TO GO GET PARTS AT DIFFERENT VENDERS TO KEEP THE FOOD PROCESSING EQUIPMENT WORKING.	2375	
Mental Health	2017	1996	BUICK	CENTURY	N	Transportation of residents to clinics, activities, etc.	2155	
Mental Health	2068	1992	CHEVROLET	10 PASSENGER VAN	N	THIS UNIT IS USED FOR THE EVERYDAY MAINTENANCE FOR TUCKER CENTER	1697	
Mental Health	146095	1998	FORD	TAURUS	N	Transport Clients to Various treatment facilities. Staff conduct home visits within catchment area.	1350	
MUSC	B-13	1987	Chev	Pass. Van	N	Sell or Donate to **Anchors Aweigh**	86	
MUSC	B-37	1990	Dodge	Pass. Van	N	Adopt other available transportation	377	
MUSC	B-39	1990	Ford	Bus	N	Primary purpose is to transport Board of Trustees and special events. We recommend researchingg other less dedicated options.	892	
MUSC	B-57	1991	Ford	Cargo Van	N	Use other storage facilities	3	
MUSC	C-30	1991	Ford	Tempo Sedan	N	Adopt other available transportation	1504	
MUSC	B-01	1993	Chev	Cargo Van	N	Already removed	1754	
MUSC	B-22	1993	Jeep	Cherokee	N	Adopt other available transportation	2136	
MUSC	B-42	1995	Ford	E-150 Van	N	Outsource	206	
MUSC	B-35	1995	Ford	Aerostar Van	N	Exclusive use by senior administrators at Columbia Airport. We recommend researching other options.	857	
MUSC	B-05	1995	Ford	Aerostar Van	N	Exclusive use by senior administrators at Florence Airport. We recommend utilizing other options.	368	
MUSC	R-13	1999	Plymouth	Voyager	N	Sell to IT Outside contractor		

MUSC	R-15	2000	Chev	Pass. Van	N	Sell to IT Outside contractor		
MUSC	B-79	1991	Chev	Cargo Van	N	Replace with leased vehicle	1050	
MUSC	A-26	1990	International	24' Box Van	N	Adopt other available transportation	427	
MUSC	C-01	1990	Chev	Caprice Sedan	N	Adopt other available transportation	1884	
Revenue	SG73580	1998	Ford	Ford Taurus	N	Not needed by agency	4377	
SCSDB	C-15	1986	CHEVROLET	CELEBRITY	N	This vehicle is used to transport AV equipment around campus	261	
SCSDB	SC-10	1970	CUSHMAN	SCOOTER	N	Surplused 03/99	0	
SCSDB	SC-12	1979	CUSHMAN	SCOOTER	N	Surplused 03/99	0	
SCSDB	SC9	1983	CUSHMAN	SCOOTER	N	Surplused 03/99	0	
SCSDB	V-7	1988	DODGE	VAN 15 PASS	N	Waiting for Auction	0	
SLED	TBD			Police Interceptor	N	Reduce 56 vehicles by December 2005		
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Univ. South Carolina	5220	1995	Ford	Contour Sedan	N	Low mileage. Better to reimburse POV mileage.	740	
Univ. South Carolina	6217	1996	Buick	Buick Century	N	Assigned to administrator, cheaper to reimburse POV	621	
Univ. South Carolina	6218	1996	Buick	Century	N	Already turned in. Do not replace	1210	
Univ. South Carolina	8235	1998	Chevrolet	Cavalier	N	Low mileage, better to reimburse POV	2222	
Univ. South Carolina	8237	1998	Chevrolet	Cavalier Sedan	N	Turn in when security kiosk constructed (est. time, 3 mos)	1980	
Univ. South Carolina	9250	1999	Ford	Taurus Sedan	N	Low mileage	984	
Univ. South Carolina	9258	1999	Ford	Taurus/Sedan	N	Turn in and use as pool vehicle	1106	
Univ. South Carolina	10094	1990	Chevrolet	Caprice Sedan	N	Low mileage	1182	
Univ. South Carolina	15067	1985	Chevrolet	Cavalier/Sedan	N	Low mileage. Better to reimburse POV mileage.	245	
Univ. South Carolina	20133	2000	Dodge	Caravan Mini Van	N	Low Utilization/Used only by Admissions	1505	
Univ. South Carolina	24096	1994	Dodge	15-Pass Van	N	Already turned in. Do not replace	1929	
Univ. South Carolina	24098	1994	Dodge	12-Pass Van	N	Replace two 12/15-pass vans with one 7-pass van	1544	

Univ. South Carolina	25153	1995	Ford	Ford Aerostar	N	Seasonal use needs could be met by idle vehicles	907	
Univ. South Carolina	28066	1988	Dodge	12-Pass Van	N	DEIS has 7 vehicles used similarly, of those, 5 should suffice	696	
Univ. South Carolina	28069	1988	Dodge	12-Pass Van	N	Replace two 12/15-pass vans with one 7-pass van	216	
Univ. South Carolina	29071	1989	Ford	Passenger Van	N	DEIS has 7 vehicles used similarly, of those, 5 should suffice	2780	
Univ. South Carolina	31047	2001	Ford	Handicap Bus	N	This is a bus that is used to transport prople on tours of the University and for special functions	134	
Univ. South Carolina	50138	1990	Chevrolet	3/4 Ton Pick Up	N	Two other pick-ups that should suffice	984	
Univ. South Carolina	51149	1991	Chevrolet	1/2 Ton Pick-Up	N	Have other pick-ups that will suffice	580	
Univ. South Carolina	52223	2002	Chevrolet	Compact Pick-Up	N	Other similar vehicles with low utilization to pick up the slack	1031	
Univ. South Carolina	52243	2002	Chevrolet	Compact Pick-Up	N	Other vehicles that can pick up the slack	1241	
Univ. South Carolina	55165	1995	Ford	Ford 1/2 Ton Pick-Up	N	Have other pick-ups that will suffice	365	
Univ. South Carolina	56096	1986	Chevrolet	3/4 Ton Pick Up	N	Low mileage.	1724	
Univ. South Carolina	60079	1990	Dodge	Van	N	Low mileage, other vehicles that could be used for same purpose	1275	
Univ. South Carolina	60114	1990	Chevrolet	Cargo Van	N	Low utilization	121	
Univ. South Carolina	62092	1992	Chevrolet	Cargo Van	N	Two other vans that will suffice	1789	
Univ. South Carolina	68062	1988	Dodge	Van	N	Other vehicles that can pick up the slack	209	
Univ. South Carolina	68109	1998	Ford	Cargo Van	N	Low mileage	585	SG71119
Univ. South Carolina	80017	1980	GMC	GMC Truck	N	Already turned in. Do not replace	219	SG79734
Univ. South Carolina	84029	1984	Ford	Truck	N	Low mileage, other vehicles that could be used for same purpose	507	SG58289
Univ. South Carolina	87005	1977	International	Int'l Fuel Tanker	N	Very infrequent use, emergency only…fuel delivery should be contracted	113	SG62755
Univ. South Carolina	88036	1988	Ford	Dump Truck	N	Small dump truck will suffice	377	SG58448
Univ. South Carolina	88037	1988	Chevrolet	Maxi-Work Van	N	Low mileage	438	
Univ. South Carolina	89040	1989	GMC	GMC Step Van	N	Unit 20078 suffices for these tasks	2092	
Voc Rehab	VR31876	1990	FORD TRUCK	TRUCK	N	Agency wants to turn in for sale	3142	

Winthrop University	17	1985	Dodge	1/2 Ton Pickup	N	Unit has been Surplused due to condition and age		
DHEC	UNIT 00999	1994	DODGE	15 PASSENGER VAN	N	Agency agrees to turn in for sale	2084	
Adjutant Generals	SG52326	1981	Ford	1/2 T PICKUP	N*	Unit is federally funded 24yrs old and bad condition, unit needs to be sold.	815	
Agriculture	127	1977	DODGE	3/4 T PICKUP	N*	No information supplied by agency		
Citadel	731	1996	Ford	Cargo Van	N*	Assigned to Post Office, used to deliver mail. Have a dedicated route and handle federal mail. Once in the morning and once in the afternoon. Combine duties with Unit 736059. Citadel folks disagreed somewhat, but not too strongly.	1095	SG70141
Clemson	55206	1985	DODGE	1/2 TON PICKUP	N*	Transport of radioactive chemicals and wastes on the Main Campus.	0	
Clemson	57230	1987	JEEP	P/U 1/2 TON	N*	Incomplete response to survey	0	
Clemson	57858	1984	FORD	P/U 3/4 T	N*	Incomplete response to survey	2215	
Clemson	U326	1989	CHEVROLET	1/2 TON PICKUP	N*	Occasional use as cabinet delivery vehicle	212	
Clemson	60710	1990	CHEVROLET	3/4 TON PICKUP	N*	PDREC has promised a reduction of three vehicles this could be one	2396	
Clemson	U159	1991	CHEVROLET	1/2 TON PICKUP	N*		1863	
Clemson	B267	1991	CHEVROLET	P/U 1/2 TON	N*	Incomplete response to survey	181	
Clemson	62328	1992	FORD	P/U 1/2 TON	N*	Incomplete response to survey	2976	
Clemson	62838	1992	DODGE	DYNASTY	N*	Incomplete response to survey	1418	
Clemson	63914	1994	DODGE	VAN 15 PASS	N*	Incomplete response to survey	3000	
Clemson	63915	1994	DODGE	VAN 15 PASS	N*	Incomplete response to survey	396	
Clemson	63916	1994	DODGE	VAN 15 PASS	N*	Incomplete response to survey	2108	
Clemson	E561	1992	CHEVROLET	COMPACT PICKUP	N*	Architects and engineers travel to job site and on-campus project meetings or off-campus meetings.	439	
Clemson	64822	1993	FORD	P/U 1/2 TON	N*	Incomplete response to survey	245	
Clemson	67133	1992	DODGE	P/U 1/2 TON	N*	Incomplete response to survey	682	
Clemson	67429	1994	FORD	P/U COMPACT	N*	Incomplete response to survey	332	
Clemson	67810	1984	CHEVROLET	3500 PICKUP	N*	I believe vehicle was used to complete field studies; however attempts to locate have not been successful. This is a Federal vehicle and a better point of contact would be Mike Simmons at (8640656-2511.		
Clemson	68818	1995	FORD	P/U 1/2 TON	N*		1845	
Clemson	69257	1988	DODGE	MAXIVAN 15 PASS	N*	Incomplete response to survey	396	
Clemson	70833	1985	CHEVROLET	MAXI WORK VAN	N*	Incomplete response to survey	428	
Clemson	96170	1996	BUICK	SEDAN	N*	Listed as inactive	1989	
Clemson	96176	1996	BUICK	SEDAN	N*	Director of Maintenance and his assistant use the vehicle to monitor work and attend meetings.	831	

Clemson	71250	1984	CHEVROLET	SUV	N*	Incomplete response to survey	176	
Clemson	97101	1997	CHEVROLET	SEDAN	N*	Incomplete response to survey	971	
Clemson	57979	1988	CHEVROLET	1/2 TON PICKUP	N*	PICKUP FARM SUPPLIES, OFFICE SUPPLIES, PARTS FOR EQUIPMENT, TRANSPORT PARTS TO BE REPAIRED, CARRY DEPOSITS TO BANK, AND CARRY MAIL TO POST OFFICE	174	
Clemson	75781	1999	CHEVROLET	1/2 TON PICKUP	N*			
Clemson	513	2002	CHEVROLET	3500 PICKUP	N*	Available for any shop at Facilities needing to haul material when aining or when the load is larger than a pickup can handle in one trip.	129	
Clemson	83994	1991	FORD	P/U 1/2 TON	N*	Incomplete response to survey	168	
Clemson	71250	1984	CHEVROLET	SUV	N*			
Clemson	UNKOWN			DUMP TRUCK	N*	To be identified by the University		
College of Charleston	TBD				N*	Unit to be determined, 10% Reduction recommendation		
College of Charleston	TBD				N*	Unit to be determined, 10% Reduction recommendation		
College of Charleston	TBD				N*	Unit to be determined, 10% Reduction recommendation		
College of Charleston	TBD				N*	Unit to be determined, 10% Reduction recommendation		
DHEC	UNIT 00091	1995	OLDSMOBILE	STATION WAGON	N*	Sell due to bad condition and low use	627	
DHEC	UNIT 00306	1996	FORD	AEROSTAR	N*	Sell due to bad condition and low use	4272	SG60309
DHEC	UNIT 00506	1992	CHEVROLET	S10 BLAZER	N*	Low current use, multiple veh at this location, Mercury suggests sale and using pools	1243	SG71781
DHEC	UNIT 00507	1995	OLDSMOBILE	STATION WAGON	N*	Low current use, multiple veh at this location, Mercury suggests sale and using pools	473	SG76795
DHEC	UNIT 00508	1995	OLDSMOBILE	STATION WAGON	N*	Low current use, multiple veh at this location, Mercury suggests sale and using pools	123	SG77748
DHEC	UNIT 00510	1995	CHEVROLET	ASTRO MINI VAN	N*	Veh is 10 yrs old and only 20K, Mercury says sell and pool use or POV	2065	SG78279
DHEC	UNIT 00517	1995	JEEP	JEEP SUV	N*	Low current use, multiple veh at this location, Mercury suggests sale and using pools	1176	SG75588
DHEC	UNIT 00999	1989	FORD	PASSENGER VAN	N*	Sell due to bad condition and low use	1457	SG81174
DNR	SG61827	1991	CHEVROLET	1/2 T PICKUP	N*	Yard and custodial supplies	573	
DNR	SG62284	1991	JEEP	WRANGLER	N*		403	
DNR	SG63005	1993	CHEVROLET	1/2 T PICKUP	N*		2656	
DNR	SG63407	1993	CHEVROLET	1/2 T PICKUP	N*	Standard mariculture activities	4696	
DNR	SG64720	1992	CHEVROLET	BLAZER	N*	back in service	2259	
DNR	SG64980	1994	CHEVROLET	15 PASSENGER VAN	N*	Transport students and other groups on the islands and emergency use vehicle on mainland	1319	
DNR	SG67404	1994	FORD	BRONCO	N*	used as a spare vehicle to carry personnel & equipment ; vehicle has a Warn winch	2391	

DNR	SG67987	1995	FORD	EXPLORER	N*		2990	
DNR	SG68981	1995	FORD	BRONCO	N*	4wd in remote mountainous terrain	3395	
DNR	SG69301	1995	FORD	TRUCK W/BED	N*	This is a service vehicle	80	
DNR	SG69678	1996	FORD	BRONCO	N*	MOTOR POOL	4377	
DNR	SG70150	1996	DODGE	1/2 T PICKUP	N*	GENERAL PURPOSE 4 X 4 MOTOR POOL VEHICLE	2336	
DNR	SG71789	1997	CHEVROLET	BLAZER	N*	GENERAL MOTOR POOL USE	4849	
DNR	SG71892	1997	FORD	3/4T PICKUP	N*		4862	
DNR	SG71973	1997	CHEVROLET	BLAZER	N*		1676	
DNR	SG72053	1997	FORD	1/2 T PICKUP	N*		39	
DNR	SG72181	1997	DODGE	12 PASSENGER VAN	N*		4837	
DNR	SG72220	1997	FORD	1/2 T PICKUP	N*		2753	
DNR	SG73652	1998	FORD	1/2 T PICKUP	N*	ASSIGNED TO STATE RECEIVING FACILITY / GENERAL USE TRUCK	3764	
DNR	SG75073	1999	DODGE	1/2 T PICKUP	N*	Vehicle used to transport staff and equipment to conduct geologic mapping studies.	1426	
DNR	SG75074	1999	DODGE	1/2 T PICKUP	N*	GENERAL USE 4X4 PICKUP	3060	
DNR	SG75106	1999	DODGE	3/4T PICKUP	N*	used to pull trailer with tractor and implement on it	4602	
DNR	SG79944	1994	FORD	PATROL	N*	MOTOR POOL	1330	
DNR	SG81281	1995	FORD	PATROL	N*		4407	
DNR	SG83756	1997	FORD	1/2 T PICKUP	N*	GENERAL USE MOTOR POOL 4X4 PICKUP	4712	
DOT	012-07-0051	1987	GMC	TC6D042/TRUCK, GVWR 16,000-2	N*	TRASH DUMP TRUCK. HAS STAMP WITH DUMP PASS TO ALLOW TRASH RUNS TO DUMP. OLD VEH BEING RETAINED FOR NECESSARY BUT INFREQUENT USE. MERC RECOMMENDS TURNIN AND USE ANOTHER ASSET. 5 YD FROM ANOTHER UNIT A POSSIBLE.	374	
DOT	013-03-0771	1992	FORD	F-700/TRUCK, GVWR 26,000-3	N*	BEING USED FOR CANNIBALIZATION?? IF NOT SELL	0	
DOT	163-08-0001	1997	HAMM	GRW-5/ROLLER, PNEUMATIC, S	N*	BIENG USED AS CANNIBALIZATION? IF NOT, SELL	0	
DOT	001-01-0404	1997	CHEV	Automobile, Sedan	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	3142	
DOT	001-01-0427	1998	CHEV	Automobile, Sedan	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	2443	
DOT	007-01-0010	1989	CHEV	Truck, Compact Pickup (Standard Cab)	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	6032	

DOT	007-01-0039	1991	CHEV	Truck, Compact Pickup (Standard Cab)	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	6153	
DOT	007-01-0046	1991	CHEV	Truck, Compact Pickup (Standard Cab)	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	4929	
DOT	007-01-0053	1992	CHEV	Truck, Compact Pickup (Standard Cab)	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	2154	
DOT	007-03-0132	1997	FORD	Truck, Compact Pickup (Standard Cab)	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	2994	
DOT	010-03-0037	1987	FORD	Truck, 1 Ton, Platform Body (Standard Cab)	N*	Agency wants to keep and When appropriate, plan to replace with a similar vehicle Mercury recommends turning in and using pool vehicle or POV	729	
Educational Television	SG62755	1992	FORD	VAN 15 PASS	N*	Low annual usage, noSurvey responses on any vehicle for this agency	1888	SG62842
Educational Television	SG58448	1988	CHEVROLET	MAXI WORK VAN	N*	Low annual usage, noSurvey responses on any vehicle for this agency	478	SG69009
Election Commission	SG72050	1997	Ford	Taurus Sedan	N*	Low annual usage, use POV or another of their vehicles instead	2748	SG81093
Employment Sec. Comm.	62	1996	BUICK	CENTURY	N*	Low usage, turn in for sale	2,733	SG69142
Employment Sec. Comm.	51	1992	FORD	CROWN VIC	N*	Low usage, turn in for sale	1235	SG71807
Employment Sec. Comm.	32	1988	DODGE	HI-CUBE VAN	N*	Low usage, turn in for sale	977	SG72160
Forestry Comm.	F-01752	1976	INTERNATIONAL	DUMP	N*	This vehicle is a dump truck on loan from the federal govt used to haul dirt in repair of dirt roads on the state forest. This vehicle will be returned to the federal government once the Forestry Commissioin does not have any future needs.	460	SG69007
Forestry Comm.	7749	1985	INTERNATIONAL	TRUCK	N*	Truck used in the fire control forest fire program; transports a crawler tractor that responds to forest fires. Unit listed as spare, went zero miles last year	0	SG68991
Forestry Comm.	7750	1985	INTERNATIONAL	TRUCK	N*	truck is assigned to our forest fire suppression program that transports a crawler tractor, unit is spare, went zero miles last year	0	SG69173

Forestry Comm.	7756	1985	INTERNATIONAL	TRUCK	N*	Truck used in Commission's forest fire suppression progoram to transport a crawler tractor	462	SG69171
Forestry Comm.	8554	1986	INTERNATIONAL	TRUCK	N*	vehicle used in Commission's forest fire program to transport crawler tractor	53	SG64892
HSS	446235	2000	Ford	Taurus/Sedan	N*	Agency feels they should keep this vehicle, they have only 9 pool vehicles for 600 employees, Mercury feels that the vehicle did not go enough miles to justify keeping	377	
HSS	446084	1998	Ford	Taurus/Sedan	N*	Agency feels they should keep this vehicle, they have only 9 pool vehicles for 600 employees, Mercury feels that the vehicle did not go enough miles to justify keeping	#REF!	
Lander University	90	1976	Ford	Econoline Van	N*	Used to address complaints by residents in housing. Vehicle is 30 yrs old and bad condition. Didn't agree to my suggestion that they not replace this one. But probably put it on the "take away" list anyway.		SG54779
LLR	NO TAG	1978	MACK	FIRE TRUCK	N*	Train firefighters	77	
LLR	FIRE ACAD	1985	CHEVROLET	SHUTTLEBUS	N*		0	
LLR	FIRE ACAD	1985	DODGE	P/U 1/2 TON	N*		118	
Museum	UNIT H95	1986	GMC	GMC HI CUBE VAN	N*	Agency can pick up a van from SFM for these occasional needs	621	SG60073
PRT	P-182	2001	DODGE	1/2 T PICKUP	N*	Maintenance of state historic site including building and grounds maintenance hauling supplies and materials from local vrndors	1786	
PRT	C-4	2001	CHEVROLET	TRUCK	N*	Park cleanup storm cleanup light hauling	1200	
PRT	C-3	1999	CHEVROLET	TRUCK	N*	this truck is assigned to the construction crew and is set up for servicing our heavy equipment it goes where ever the crew is working and stays on the site until the project is completed	0	
PRT	S-5	1998	CHEVROLET	TRUCK S/B	N*	it is assigned to a master craftsman who works on building and maintenance projects state wide it is equiped with tools required to do construction and remodeling	1200	
SCSDB	B-11	1995	THOMAS	BUS	N*	Transport students on bus routes, field trips as needed	1857	
SCSDB	B-13	1995	THOMAS	BUS	N*	Transport students on bus routes as needed.	1175	
SCSDB	B-9	1995	THOMAS	BUS	N*	Transporting Mainstream students to and from school as needed	2692	
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		SG81991

South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		SG54849
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		
South Carolina State	TBD				N*	Unit to be determined, 10% Reduction recommendation		
Springdale Race	SG 58743	1988	Dodge	Truck/dump<30,000	N*	No response to survey or email		SG80874
State Housing Auth.	124517	2001	Chevrolet	Cavalier/Sedan	N*	Agency feels they need vehicle to carry cash from operations, Mercury feels that this activity can be done in private vehicle with POV usage, no extra security from having a state vehicle	1565	
Voc Rehab	VR40209	1997	DODGE	CARGO VAN	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	755	
Voc Rehab	VR42604	2000	CHEVROLET	HI-CUBE VAN	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	765	
Voc Rehab	VR42867	2000	CHEVROLET	HI-CUBE VAN	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	891	
Voc Rehab	VR42996	2000	CHEVROLET	VAN 15 PASSENGER	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	792	
Voc Rehab	VR44220	1999	CHEVROLET	VAN 15 PASSENGER	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	442	
Voc Rehab	VR94942	2002	DODGE	15 PASSENGER VAN	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	462	

Voc Rehab	VR94943	2002	DODGE	15 PASSENGER VAN	N*	Agency wants to keep in case business increases, Mercury recommends turning in and picking up a lease vehicle if need arises from SFM	448	
DNR	SG70162	1996	DODGE	1/2 T PICKUP	N**		1518	
DNR	SG72219	1997	FORD	1/2 T PICKUP	N**	position is currently posted	2870	
DNR	SG75044	1999	DODGE	3/4T PICKUP	N**	Hauling 20' trailer loaded with tractor and attachments.	1882	

Agency Name	POV Data Overview	FY04 Miles In State	FY04 Reim. In State	FY04 Miles Out of State	FY04 Reim. Out of State	FY04 Avg. Rate per Mile (in-State)
Adjutant General's Office	Instate/Out of State 02-04	27,937	$9,356.08	30,704	$10,510.09	0.3349
Agriculture	02-04 Rollup by Driver	572,120	$196,685.19		$2,018.12	0.343783105
Administrative Law Judges	Comptroller Report		$2,918.70			
Archives & History	By driver by trip 02-04	10,021	$3,114.61	1,976	$614.19	0.3108
Arts Commission	Comptroller Report		$3,039.16		$302.56	
Attornery General --	Comptroller Report		$30,435.39		$894.31	
Attornery General -- Com Indigent Defense	Comptroller Report		$2,756.97			
Attornery General -- Off. Appellate Defense	Comptroller Report		$575.84			
Attornery General -- SC Com Prosecution	Comptroller Report		$1,776.60		$57.34	
Blind Commission	9 files 02-04 -- Really confusing	99,910	$30,658.47			0.306860875
Board of Financial Institutions	Comptroller Report		$145,868.12		$3,663.90	
Budget & Control Board	By driver totals by office 02-04, miles not tracked until '04	293,225	$96,082.81	21,938	$7,154.57	0.327676051
Citadel	by purpose/not by driver, but not enough to worry about		$49,971.95			
Clemson University	by "Journal" number not by driver		$1,076,554.52		$344,924.97	
Coastal Carolina	MISSING					
College of Charleston	MISSING					
Commerce	By driver by trip 02-04	151,649	$47,049.16			0.310251193
Consumer Affairs Commission	Comptroller Report		$1,311.72			
Corrections	Dept Total 02-04, not enough to worry about, Comptroller report		$2,619.60		$777.63	
Dept of Disabilities & Special Needs (DDSN)	By Driver by Year 02-04	116,548	$38,236.32			0.328072976
Dept of Juvenile Justice (DJJ)	By driver by trip 02-04, commute info, too	80,420	24,528.00			0.305000349
Dept of Mental Health	Hardcopy???		$548,925.19		$1,904.05	

Agency Name	POV Data Overview	FY04 Miles In State	FY04 Reim. In State	FY04 Miles Out of State	FY04 Reim. Out of State	FY04 Avg. Rate per Mile (in-State)
Dept of Motor Vehicles (DMV)	By driver by trip 02-04		101,455.54			
Dept of Revenue	Comptroller Report		$289,180.53		$42,349.26	
Dept of Transportation SCDOT	Commute Reimbursement 02-04		$2,276.15			
Dept of Transportation SCDOT	No 02, 2 files for 04 same drivers & trips/different totals		$29,501.03		$7,249.81	
Dept of Transportation SCDOT Infrastructure	Comptroller Report		$2,115.89		$80.73	
Dept. of Alcohol & Other DR	Comptroller Report		$10,086.85		$225.43	
Dept. of Education	By trip by driver, no miles, 02-04		$270,336.31			
Education Oversight Committee	Comptroller Report		$13,545.08		$417.12	
Educational Television Commission (ETV)	By driver by date 02-04	85,213	$28,681.62	10,230	$3,342.84	0.336587375
Election Commission	Comptroller Report		$1,914.84			
Employment Security Commision (ESC)	Rollup by driver, maybe 2 years (2003 / 2004)	1,391,361	$472,830.89			0.339833365
Forestry Commission	By driver rollup 02-04	453,198	$154,223.23	14,653	$5,040.47	0.3403
Francis Marion	By driver by trip FY03 and FY04	164,343	$49,883.42			0.303532368
Governor's Office	02-04 by Driver by Date --some miles w no reim. & reim w no miles	278,139	$92,326.84			0.331944963
Governor's Office -- DEPP	Comptroller Report		$83,830.78		$1,312.44	
Governor's Office-- SLED	Comptroller Report		$4,072.22		$1,129.77	
Governor's Office-EC of Dollars	Comptroller Report		$662.39		$655.50	
Health & Environmental Control (DHEC)	By driver totals 02 -04	10,647,063	$3,647,377.33	126,242	$42,184.00	0.342571232
Health and Human Services	Comptroller Report		$341,359.08		$992.28	
Higher Ed Commission	Comptroller Report		$21,136.56		$991.62	
Higher Ed Grant	Comptroller Report		$3,756.33		$22.08	
Housing Authority	Comptroller Report		$15,680.78		$2,252.28	
Hunan Affairs Commission	Comptroller Report		$472.65			

Agency Name	POV Data Overview	FY04 Miles In State	FY04 Reim. In State	FY04 Miles Out of State	FY04 Reim. Out of State	FY04 Avg. Rate per Mile (in-State)
Insurance Dept	Comptroller Report		$48,296.33		$15,781.37	
John de la Howe School	By driver by month 02 - 04	10,378	$3,567.71			0.343770017
Judicial Dept	Comptroller Report		$407,429.11		$3,577.32	
Labor, Licensing And Regulations (LLR)	02-04 by Driver Detail & Rollup	1,437,691	$496,003.40			0.345
Lander University	By driver by trip '02-'04	87,383	$30,146.98			0.345
Law Enforcement Division (SLED)	See under Gov's Office?					
Legislatiive: House of Reps	Comptroller Report		$44,726.55			
Legislative: Council	Comptroller Report		$692.82			
Legislative: Legal Audit Council	Comptroller Report		$1,409.90		$99.36	
Legislative: Legal Printing/Info	Comptroller Report		$188.37		$376.05	
Legislative: Senate	Comptroller Report		$62,960.00			
Lottery Commission	By driver by trip 02 -04	672,195	$231,765.90			0.344789734
Lt. Governor	Comptroller Report		$1,979.97			
Medical University of SC	By transaction, not by driver	1,114,363	$384,455.12			0.345
Museum Commission	By driver by trip 02-04	2257	$778.67			0.345
Natural Resources (DNR)	FY03, FY04 and FY05 to date info	84,603	$28,337.69			0.334948997
Patients Compensation Fund	Comptroller Report		$1,673.96		$881.15	
Patriots Point	By driver by trip 02-04	13788	$4,756.85			0.344999275
Probation, Parole & Pardon	Comptroller Report		$54,804.55			
Procurement Review Panel	Comptroller Report		$1,949.64			
Public Safety (DPS)	$ only by driver 02-04, no miles		$80,413.00			
Public Service Commission	Comptroller Report		$24,346.33		$2,871.21	
SC Conservation Bank	Comptroller Report		$518.88			

Agency Name	POV Data Overview	FY04 Miles In State	FY04 Reim. In State	FY04 Miles Out of State	FY04 Reim. Out of State	FY04 Avg. Rate per Mile (in-State)
SC Dept of Parks Recreation & Tourism (PRT)	By Driver, no miles, 02-04		$110,701.38			
SC State University	MISSING					
SC Workers Comp	Comptroller Report		$195.13		$436.06	
School for the Deaf & Blind	hardcopy		$52,210.11		$536.61	
Sea Grant Consortium	Comptroller Report		$3,835.52		$1,591.29	
Second Injury Fund	Comptroller Report		$14,410.46		$685.52	
Secretary of State	Comptroller Report		$717.27		$510.08	
Sentencing Guideline Committee	Comptroller Report		$283.59			
Social Services (DSS)	FY04 only		$746,764.20			
Springdale Race Course	MISSING					
State Accident Fund	Comptroller Report		$16,786.06		$772.82	
State Auditor	Comptroller Report		$1,525.51			
State Board for Techincal & Comprehensive Ed	By driver totals 02 -04	391,084	$134,923.89			0.345
State Commission for Minor	Comptroller Report		$996.00			
State Ethics Commission	Comptroller Report		$2,914.92			
State Library	By driver by trip 02-04	852	$259.86	1,060	$323.30	0.305
State Treasurer	Comptroller Report		$1,260.32			
Tech and Comp Education Board	Comptroller Report		$131,666.98		$3,254.91	
University of South Carolina (USC)	By trip, no miles, not in Excel		$714,691.34			
Vocational Rehabilitation	Roll up for FY 02-02 cost only, no drivers		$527,469.58		$6,410.42	
Wil Lou Gray Opportunity School	Rollup by dept 02-04		$3,356.71			
Winthrop University	By driver by trip 02-04	66,608	$21,137.00			0.317334254
Subtotal			**$12,346,478.28**		**$519,174.83**	

FY04 Total $ **$12,865,653.11**

Agency Name	POV Data Overview	FY04 Miles In State	FY04 Reim. In State	FY04 Miles Out of State	FY04 Reim. Out of State	FY04 Avg. Rate per Mile (in-State)

37721495.45

For Agencies with Both Miles and Reimbursement Amounts:	
FY04 Total $	$6,066,588.71
FY04 Total Miles	17,786,955
Avg. Rate Per Mile	$0.3411

State Fleet Management
Fleet Replacement Parameters

Asset Class Code	Asset Class Description	Asset Type	Replacement Cycle in Months	Replacement Cycle in Miles or Hours	Purchase Price (today's dollars)
A2	Sedan, Compact	Sedan	84	100,000	$9,880
A3	Sedan, Mid-size	Sedan	84	110,000	$12,134
A4	Sedan, Full-size	Sedan	72	125,000	$18,500
A5	Sedan, Executive	Sedan	72	125,000	$22,000
B4	Sedan, Police	Emergency	48	125,000	$20,244
C3	Station Wagon, Mid-size	Sedan	84	125,000	$13,567
D1	Van, Mini, Passenger	Van	84	125,000	$15,374
D3	Van, Window, 250 Reg., 12 Pass	Van	96	150,000	$16,355
D4	Van, Window, 350 Extended, 15 Pass	Van	96	150,000	$18,669
D7	Van Handicapped	Van	120	150,000	$25,000
E1	Van, Mini, Cargo	Van	120	125,000	$14,038
E3	Van, Cargo,2500 >8500	Van	120	150,000	$12,745
G1	Utility, Mid-size, 4x2	SUV	84	125,000	$18,934
G2	Utility, Mid-size, 4x4	SUV	84	125,000	$15,898
G3	Utility, Full-size, 4x2	SUV	84	150,000	$22,000
G4	Utility, Full-size, 4x4	SUV	84	150,000	$24,000
H3	Pickup 2500 >8500, 4x4	Pickup	84	150,000	$16,000
HA	Pickup, Compact, 4x2	Pickup	96	125,000	$10,331
HB	Pickup, 1500 <8500, 4x2	Pickup	120	150,000	$10,600
HC	Pickup, 2500 >8500, 4x2	Pickup	120	150,000	$14,300
L3	Hi-Cube Van, 30,000 GVWR & Below	Van	120	150,000	$30,153
V5	Bus, other Front Engine	Bus	120	150,000	$50,000
V7	Bus, Handicap	Bus	120	150,000	$40,000
V8	Bus, School, Mini	Bus	120	150,000	$38,000