



**State Motor Vehicle Fleet Reduction Demonstration Project
Report, Pertaining to Laws 2017, Ch. 297**

**To the Governor,
President of the Senate, and
Speaker of the House of Representatives**

December 2019

PREPARED BY

Arizona Department of Child Safety



DCS Fleet Reduction Report

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Pursuant to Laws 2017, First Regular Session, Chapter 297 the Department of Child Safety (DCS) is required to submit a report to the Governor, President of the Arizona Senate and the Speaker of the Arizona House of Representatives that studies the Department's efforts to reduce the number of light motor vehicles that are in the Department's state motor vehicle fleet and to reduce the amount of reimbursement for mileage paid to state employees in fiscal years 2018-19 and 2019-20, including efforts made in fiscal years 2016-2017 and 2017-2018.

DCS is required to evaluate the use of transportation network companies, vehicle for hire companies, fleet management companies, rental car companies and other public-private partnerships to provide transportation for state officers and employees.

The mission of the Department is to successfully engage children and families to ensure safety, strengthen families, and achieve permanency. Vehicles are a key resource for the 2,916 full-time employees (FTE) helping serve this mission. Approximately 90 percent of vehicles are utilized by DCS field staff who provide direct client services which includes investigations and ongoing case management services.

In 2016, the Statewide Fleet Council was established to assess managing individual state agency fleet operations through an enterprise approach. Working with the Fleet Council, DCS prioritized the following initiatives:

- Establish a scorecard and targets to measure performance & health of the DCS Fleet;
- Establish policies & procedures to align with operational targets and goals;
- Increase utilization of State Owned Vehicles (SOV);
- Reduce Personal Owned Vehicle (POV) reimbursement;
- Develop a vehicle replacement strategy; and
- Reduce vehicle accidents.

DCS has significantly reduced its POV reimbursement expenditures since 2016 while increasing utilization of SOV. Historically, DCS averaged approximately \$150,000 in monthly POV reimbursements. Currently for FY2020, DCS is averaging \$20,000 in monthly POV reimbursements. Below are the total amount of POV reimbursement paid for period FYs 2016-2019:

Department of Child Safety - Fleet Operations

Fiscal Year	Number of Vehicles	% Under-Utilized (under 800 miles driven per month)	POV Reimbursement
FY 2017	786	33%	\$ 706,433
FY 2018	756	28%	\$ 348,434
FY 2019	802	25%	\$ 273,435
FY 2020*	800	26%	\$ 233,000

*FY 2020 reflects YTD projected figures

DCS has increased its utilization of SOV while reducing POV by implementing the following:

- Developed Monthly Utilization Report of State Vehicles. Data reporting has helped determine which vehicles are over/under utilized in order to reallocate to where the need is. Increasing the utilization of state vehicles has a direct impact to reducing POV usage.
- Developed Monthly POV Reports by office level & user level. A targeted approach to identify which areas and individuals were utilizing POV the most. Allocated additional state vehicles to reduce the POV for offices with high utilization.
- Developed standard work to manage all shared motor vehicle pools. Conduct monthly discussions and site visits with field offices to ensure process and standard work is being followed.
- Weekly visual management to measure the following key metrics:
 - Cost per Mile
 - Vehicle Utilization
 - POV Reimbursements
 - Preventative Maintenance Timeliness
 - Vehicle Replacement Eligibility (based on ADOT 10-point system)
 - Vehicle Accidents

In 2017, the Fleet Council explored a CarShare program through Enterprise Rent-A-Car. The CarShare program was a model designed for short trips and usage of less than 4 hours. The Department of Public Safety (DPS) participated in the CarShare program for 6 months with 3 vehicles costing \$36,000. Based on this pilot program, DPS reported that the cost of CarShare program outweighed the benefit. While staff enjoyed driving new cars, the program resulted in an operating cost of 55 cents per mile. DPS operated at 38 cents per mile and the state POV reimbursement is established at 45 cents per mile. DCS currently operates its fleet with a cost of 29 cents per mile. DCS also needs to consider the cost of insurance for transporting children when utilizing private transportation companies. Based off these conclusions, DCS did not move forward with implementing the CarShare program. DCS will continue to evaluate the use of transportation network companies and public-private partnerships through the Statewide Fleet Council.