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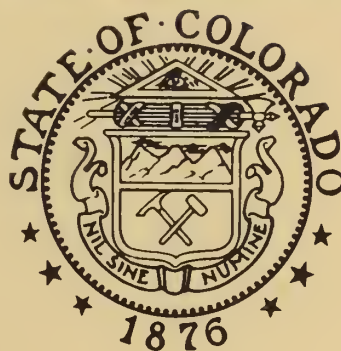
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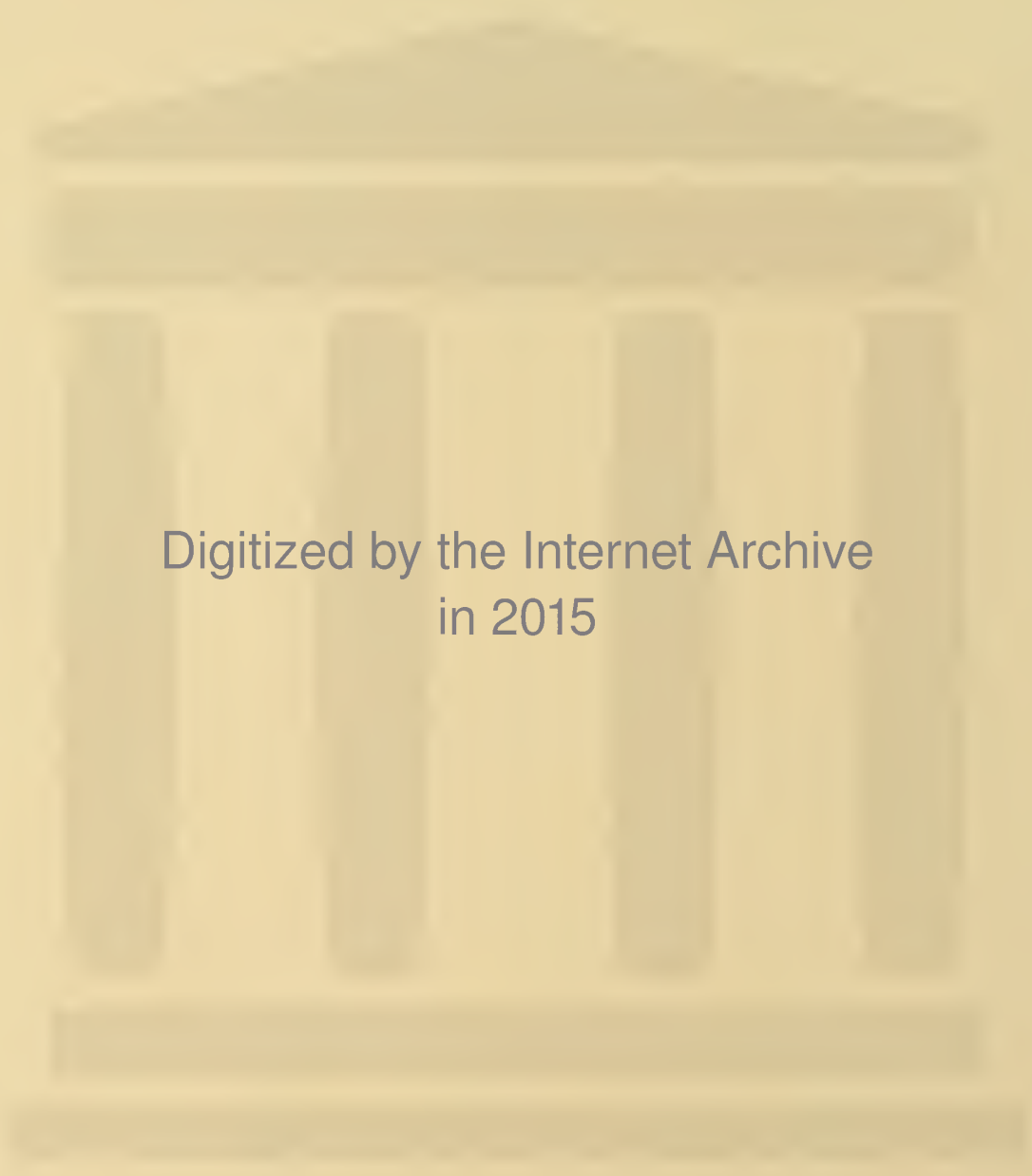
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A State-Wide Survey of Administrative Passenger Vehicles . . Their Use, Cost and Control

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DEPARTMENT OF ADMINISTRATION
Management Services Office
December 1973



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DEPARTMENT OF ADMINISTRATION

617 State Services Building
Denver, Colorado 80203

January 9, 1974

JOHN D. VANDERHOOF
Governor

EUGENE T. PETRONE
Executive Director

Eugene T. Petrone, Executive Director
Department of Administration
617 State Services Building
1525 Sherman Street
Denver, Colorado 80203

Dear Mr. Petrone:

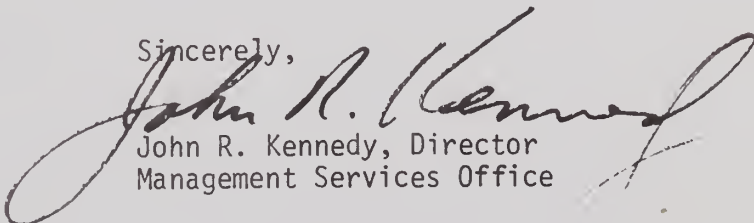
Attached is our report concerning the use, cost and control of passenger vehicles used by Departments and Agencies in the conduct of State business.

The recommendations contained herein are major, as they impact upon present methods of using automobiles, as well as the types of automobiles employed.

Implementation of the recommendations contained herein will require from two to four years to accomplish, as fleet changes will have to be phased to the normal depreciation cycle. However, when complete, these changes, if fully implemented, offer recurring savings in excess of \$1,000,000 annually. (See EXHIBIT XVIII.)

This office stands ready to assist, or at your direction, take charge of implementing the recommendations detailed in this report. We plan to submit updated data relative to the progress of implementation and other pertinent information about vehicle use in the form of supplements to this report.

Sincerely,



John R. Kennedy, Director
Management Services Office

JRK:ad
enc.

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Summary of Recommendations

In the body of this report, we have outlined our findings and recommendations in considerable detail. This summary has been prepared to aid the reader in obtaining an overview of what we recommend should be done to improve the overall use and control of passenger vehicles in the State of Colorado.

An Overview

1. Require all State agencies to take a physical inventory of all vehicles within their agency jurisdiction. The inventory count is to be reported to the Division of Purchasing, Department of Administration, so that current computer vehicle inventory records may be validated for accuracy and completeness.
2. Require all State agencies to take an annual physical inventory, as of 30 June, of all vehicles within their agency jurisdiction. The inventory count is to be reported to the Division of Purchasing, Department of Administration, so that the computer vehicle inventory records can be validated for accuracy and completeness.
3. Develop a vehicle inventory system that updates the computer vehicle inventory on a regularly scheduled and current basis, i.e., the inventory should be updated each time a vehicle is disposed of or bought.

4. A study should be made to determine the feasibility of establishing a central maintenance facility for all vehicles in the Denver Metropolitan area. It is contemplated that the central maintenance facility would be equipped to perform minor maintenance, minor repairs, and tune-ups on all "Denver based" vehicles, as well as other State-owned vehicles, whenever practical.
5. In conjunction with the study mentioned above, the feasibility of establishing similar central maintenance facilities in Greeley, Pueblo, Colorado Springs and Grand Junction should be investigated.
6. Whether establishment of central maintenance facilities proves feasible or not, a State-wide policy should be adopted, which requires all vehicle maintenance and repair work to be performed on a contractual or formal procedure basis (other than work done by State employees and/or in State-owned facilities). The Division of Purchasing, Department of Administration, should let annual bids for maintenance and repair work, or establish some type of formal procedures.
7. Section 1. 3-4-10 (1), Colorado Revised Statutes 1963 (1971 Supp.), should be repealed and reenacted. (Reference is made to House Bill No. 1293, shown as EXHIBIT I-B.) The section needs to be strengthened to close loopholes and amended to reflect

the Governor's Executive Order of November 7, 1973, shown as EXHIBIT IV. The words "for use primarily within fifty miles of its base" are ambiguous and consequently, make the subject section ineffective. The requirement for a written justification to buy other than compact and sub-compact cars should be included in the section. Both compacts and sub-compacts can be purchased for under \$2,500 during FY 73-74.

8. The State of Colorado should adopt the following policy for disposing of all State-owned vehicles:

State-owned vehicles will be disposed of after they have accumulated 70,000 miles, or have reached an age of four years, whichever is sooner. Exceptions to this policy may be granted by the Executive Director of a department, or his duly authorized representative, on an individual vehicle basis when certain circumstances prevail, e.g., significant major repairs require selling the automobile sooner, a wrecked vehicle would cost more to repair than it would be worth.

(NOTE: Currently, Article 4, Section 3-4-10, Subsection (3), Colorado Revised Statutes 1963, requires that no State-owned vehicle (with certain exceptions) may be disposed of before it has reached the age of two years or before it has had 100,000 miles of service, whichever occurs first.)

9. Investigate the feasibility of setting up travel centers to coordinate all State travel. At first glance, it appears

that logical locations would be Denver, Greeley, Grand Junction and the Colorado Springs/Pueblo area.

10. A standard accounting system and forms should be developed for all agencies to use in accounting for expenses incurred in operating their motor pool. Specifically, costs should be broken down into fixed costs, operating or variable costs, and general and administrative costs, on a per car/total pool and monthly basis. (EXHIBITS VIII, IX and XIV are examples of the type of forms recommended.)
11. The criteria for justifying the addition of vehicles to an agency's inventory should be standardized for the entire State. In addition, procedures should be established for the periodic review of these criteria and for the review/approval of the justification prior to either inclusion in the agency's budget or acquisition of the vehicle.
12. The criteria for use of motor pool vehicles should be strengthened and standardized for all motor pools throughout the State. In this regard, it should be standard policy that motor pool vehicles must be used when available; especially in lieu of personal vehicles for which the employee is reimbursed.
13. The State of Colorado should adopt a firm policy relative to paying reimbursement for use of personal cars versus using State-owned vehicles as follows:

Authorization to use a personal car for official business shall be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director shall authorize the use of personal cars only in cases where a State-owned vehicle is unavailable, or where other arrangements cannot be made, e.g., re-scheduling of trips, using another agency's State-owned vehicle, etc.

(NOTE: The State of Colorado Fiscal Rule on travel should be rewritten to reflect the above policy.)

14. Determine the number of sub-compact vehicles required by the Departments of Health and Social Services to allow them to eliminate the practice of paying employees reimbursement for use of their personal vehicles in the conduct of State business. Amend these agencies' budget requests for FY 73-74 to reflect the additional funds required to acquire a sub-compact fleet of vehicles.
15. All State agencies are encouraged to increase their "passenger load", i.e., pool their trips whenever and wherever practical. Implementation of this recommendation should include the establishment of central control points within each agency for the scheduling of trips. The central control point would coordinate the scheduling of agencies' trips with those of other

agencies, as well as its own intra-agency trips.

16. Meetings requiring travel should be reduced to the bare minimum and arranged in such a way as to require the smallest number of persons to travel. For example, a meeting held in Denver that requires 10 people to travel from Grand Junction to meet with four Denver people should be rescheduled to be held in Grand Junction, if at all practical.
17. A policy should be adopted by all State agencies to "share" their motor pool vehicles with other State agencies whenever possible. In conjunction with this, all State agencies not having a motor pool of their own should make every effort to use other agency motor pool vehicles whenever possible.
18. The State of Colorado should adopt the following policy relative to the current practice of allowing employees to use State-owned vehicles to go to and from work:

Authorization to use a State-owned vehicle to go to and from work will be granted only by the Executive Director of a department, or his duly authorized representative. The criteria for use of State-owned vehicles for this purpose should be standardized for the entire State and a committee established to review, coordinate, and approve the criteria before

publication. In addition, procedures should be established for periodic review by an independent body of the application and/or enforcement of the policy/criteria by each agency.

19. The criteria for assignment of State-owned vehicles to specific individuals should be standardized and strengthened for all State agencies. In addition, procedures should be established for the periodic review of these criteria, and for the review/enforcement thereof.
20. All State agencies should be advised that all automobiles purchased by them must be bought from the authorized dealers as determined by awards made by the Division of Purchasing, Department of Administration, resulting from the sealed bid procedure. Any exception must be approved by the State Purchasing Director.
21. All State agencies should be instructed to require their employees to fuel State-owned vehicles at State-owned facilities whenever and wherever possible and practical.
22. Change the State of Colorado's overall mix of passenger-type vehicles to the following as soon as practical within fiscal constraints.

5% - Standard Size

35% - Mid Size

30% - Compact Size

30% - Sub-compact Size

(Note: If Recommendation No. 14 (Sub-compacts for Health and Social Services) is implemented, the percentage of mix will change and will be approximately as follows: 4% standard; 32% mid-size; 27% compact; and 37% sub-compact.)

23. The State of Colorado should develop a standard procedure for establishing charges to agencies for use of motor pool vehicles. Charges should include not only the cost of operations, but should have a built-in charge sufficient enough to replace the vehicle when it is disposed of.
24. More stringent controls should be developed by all agencies to insure that State-owned vehicles are used for official business only.
25. The State of Colorado should adopt the following policy relative to the speed at which State-owned vehicles shall be driven: (See EXHIBIT X.)

In the interest of conserving fuel, all State vehicles shall be driven at speeds not to exceed 50 miles per hour, excepting those emergency vehicles which, by the nature of their use, must operate at higher speeds.

26. The practice of issuing State license plates for use on State-owned vehicles, and the marking of the automobile with either a "seal" or "For Official Use Only", should be left to the discretion of the Executive Director of a department.

27. Investigate the practicability of issuing regular Colorado license plates to agencies requiring "unmarked" cars to effectively carry out their mission. In this regard, it may be possible to issue special "blocks" of numbers to an agency; thereby providing a means of ready identification and control.

Penn Garage Central Motor Pool

28. The State should continue to maintain the central motor pool for the Capitol Complex area at the Penn Garage.
29. Transfer responsibility for administration and control of the Penn Garage motor pool from the Division of Purchasing to the Office of Administrative Services, Department of Administration.
30. Require prior approval of the Office of Administrative Services, Department of Administration, for all maintenance and/or repair work performed on Penn Garage motor pool vehicles. (This recommendation assumes acceptance and implementation of Recommendation No. 29. Should Recommendation No. 29 not be implemented, require prior approval of the Division of Purchasing.)
31. A new accounting system and forms should be adopted to account for fixed costs, operating or variable costs, and general and administrative costs, on a per car/total pool and monthly basis. (EXHIBITS VIII, IX, and XIV are examples of the type of forms recommended.)

32. Revise current accounting reports to match current month's income against current month's expenses.
33. Encumber gasoline and oil purchases to allow for the implementation of the previous recommendation (No. 32), by saving all customer copies of gasoline sales slips, and posting them at the end of the month.
34. Require agencies to reimburse the Division of Purchasing, Department of Administration, for repairs to vehicles involved in accidents when the accident is not covered by insurance. (The wording, Division of Purchasing, would be changed to the Office of Administrative Services, if Recommendation No. 29 is implemented.)
35. Install procedures and develop a form for users of Penn Garage motor pool vehicles to "sign-off" on the beginning and ending mileage of the vehicles used; and, to account for the gasoline required to fill up the vehicles for the next user.
36. Revise the salvage values and methods of determining salvage value for Penn Garage motor pool vehicles to more closely reflect the actual value at time of sale.
37. Sell the 11 cars identified in TABLE 12, Page 70, as they are economically undesirable to operate. Request a supplemental appropriation to replace them with smaller cars.

38. Provide one FTE position for the Department of Administration to provide services such as scheduling of cars, pooling of riders, and maintenance of standard procedures.
39. Change the mix of Penn Garage motor pool automobiles to the following as soon as practical and within fiscal constraints:
1 standard size; 11 mid-size; 9 compact; 9 sub-compact.
40. Increase utilization of Penn Garage motor pool cars from an average of about 13,500 miles per year to 17,500.
41. Instruct users of Penn Garage motor pool vehicles to fill up with gasoline at State-owned facilities whenever and wherever possible and practical.
42. The State of Colorado should adopt the following policy relative to renting or leasing of vehicles:

Authorization to rent or lease a car from a private concern will be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director will authorize such rental or leasing only in cases where no State vehicle is available, and the employee refuses to use his private vehicle for official business.

43. The State of Colorado should adopt the following policy relative to paying reimbursement for use of personal cars versus

using Penn Garage motor pool vehicles:

Authorization to use a personal car for official business will be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director will authorize the use of personal cars only in cases where a Penn Garage motor pool car is unavailable, or where other arrangements cannot be made, i.e., re-scheduling of trip, using another State-owned vehicle, etc.

44. The charge of 10 cents per mile to agencies for use of the Penn Garage motor pool vehicles should be revised to more closely reflect the cost of operating and replacing the different types of vehicles. In addition, the Department of Administration should be allowed to adjust the rates to reflect current operating costs. (The anticipated significant increase in the cost of gasoline makes the latter part of the recommendation extremely appropriate.) The following rates are suggested at this time:

Standard size-Station Wagon	- 14 cents per mile
Standard size-Sedan	- 13 cents per mile
Mid size-Station Wagon	- 13 cents per mile
Mid size-Sedan	- 12 cents per mile
Compact size	- 11 cents per mile
Sub-Compact size-Station Wagon	- 11 cents per mile
Sub-Compact size-Sedan	- 10 cents per mile

Introduction

In August of 1973, at the direction of the Executive Director of the Department of Administration, the Management Services Office began a State-wide survey of passenger vehicles used for official purposes. Excluded from this survey were maintenance, repair, emergency, police and other special purpose vehicles.

Purpose

The purpose of this study was to obtain an overview of the operational practices and procedures used to allocate, control, maintain, and manage this important State resource. Additionally, the Management Services Office was to offer recommendations that could improve the present systems and still deliver adequate and economical personal transportation for the conduct of State business.

Scope

This study was designed to include all Departments* and the central motor pool. We were to examine the use of all passenger vehicles minus

* In the Department of Higher Education, we sent questionnaires to three institutions showing large vehicle inventories, namely, the University of Colorado, Colorado State University, and Southern Colorado State College.

the exceptions listed previously. Specifically, we sought answers to such questions as

- What is our present vehicle inventory?
- How are vehicles generally used in our agencies?
- What are the criteria applied to vehicle acquisition?
- What determines the payment of personal reimbursement versus use of State-owned cars?
- Is the Penn Garage central motor pool effective, economical, and generally useful?
- Did agencies conform to House Bill 1137 during FY 72-73 and to House Bill 1293 effective July 1, 1973? (See EXHIBIT I and I-B.)
- Are vehicle records systematic and useful?
- Are vehicles assigned to individuals in a fair and equitable manner, consistent with the best interests of the State?

The answers to these and other questions are contained in this report. Some subjects covered by this study surfaced as a result of respondents' ideas and suggestions. To the extent they bear on the overall problem of State-owned passenger vehicles, they have been included in the report.

Methodology

The data were collected primarily via a detailed questionnaire (See EXHIBIT II). These questionnaires were augmented where necessary with telephone and personal follow-up.

Research of pertinent publications also was made, along with an analysis of available studies of automobile management practices in other states. Details of these inputs are contained in the Bibliography. (See EXHIBIT XIX.)

SECTION I
AN OVERVIEW

Findings

An analysis of questionnaire data, plus personal conversations with agency managers and research into publications, yielded the following findings.

1. A count of passenger vehicles germane to this study, taken from the Division of Purchasing records, indicated that the State owns 1756 vehicles. (See EXHIBIT XV.) Data from the questionnaires indicates the number was 1747. The latter figure was used to calculate percentages.
2. The number of units reported by type of passenger vehicle is shown in TABLE 1, Page 17.
3. There are 669 cars based in Denver, or 38.3% of the total fleet.
4. Forty-one agencies reported purchase of cars since July 1, 1972 (House Bill 1137, EXHIBIT I); and, 11 since July 1, 1973 (House Bill 1293, EXHIBIT I-B). These purchases involved 322 cars (300 and 22, respectively). The overall weighted price average of all agencies reported was \$2,905 and \$3,131, respectively. Agencies purchasing new cars that were to travel regularly within 50 miles of their bases are shown in TABLE 2, Page 17. House Bills 1137 and 1293 state that the purchase price of cars of this type should not exceed \$2,300 and \$2,500 respectively. The mean overage reported was \$742 per car for House Bill 1137 and \$429 per car for House Bill 1293.

TABLE 1

Passenger Vehicle Inventory
(Data Obtained from Questionnaire)

Type of Vehicle	Number	Percent of Total
Sedans	958	54.8
Carry Alys	227	13.0
Station Wagons	330	18.9
Others (e.g., Pickups)	232	13.3
Total	1747	100.0

TABLE 2

Agencies Purchasing Cars That Regularly
Travel Within 50 Miles of Their Bases
(Data Obtained from Questionnaire)

Department/Agency	Number Cars Purchased		Average Price	
	July 1, 1972- July 1, 1973	Since July 1, 1973	July 1, 1972- July 1, 1973	Since July 1, 1973
Agriculture/Markets Div.	2	-	\$2,616	-
Agriculture/State Fair	1	1	2,858	\$2,897
Higher Ed./CSU	3	-	3,053	-
Higher Ed./UCMC	-	1	-	2,914
Higher Ed./CU (Boulder)	29	-	3,181	-
Higher Ed./His. Soc.	1	-	2,857	-
Highways	9	-	2,797	-
Institutions/Adult Parole	7	-	2,580	-
Institutions/Deaf & Blind	1	-	2,882	-
Institutions/Fort Logan	4	-	2,724	-
Institutions/Men. Retard.	1	-	3,255	-
Institutions/Reformatory	1	-	3,207	-
Institutions/State Hosp.	3	-	3,090	-
Institutions/Youth Serv.	4	4	3,252	2,954
Labor & Emp./Oil Inspec.	1	-	2,580	-
Nat. Res./Parks & Recre.	14	1	3,101	2,878
Nat. Res./Wildlife	16	-	3,199	-
Reg. Agencies/PUC	2	-	2,984	-
Soc. Serv/Trinidad N/H	1	-	2,900	-
Total	100	7	\$3,042	\$2,929

NOTE: There was a total of 300 cars purchased between July 1, 1972 and July 1, 1973, 221 or 74% of which cost over \$2,300; a total of 22 were purchased since July 1, 1973, all of which cost over \$2,500. Of the 322, 107 or 33% were used within 50 miles of their bases; 215 or 67% were used over 50 miles from their bases. Wildlife had 61 pickups costing an average of \$3,049 that were used within 50 miles of their bases, but are not included in the table due to their being considered "special purpose" passenger vehicles.

5. The primary method of disposing of State cars is sale or auction. The sealed bid technique has been the most successful method in terms of returning the best price to the State. Trade-ins for purchase of new cars are not used.
6. Internal consistency questions were asked relative to the age of the car when it was discarded. One question asked the average age and mileage on agency motor pool cars in particular, and then we asked about passenger cars generally.

	<u>Question #9</u>	<u>Question #17</u>
Average Age	= 5.84 Years	6.31 Years
Average Mileage	= 89,230 Miles	84,857 Miles

These responses indicate that, generally, the State-wide pattern is consistent. We keep cars about six years and drive them about 87,000 miles. The composite agency figure for value received when a car was sold amounted to \$439.51 (26.8% of the purchase price) on the average. The Penn Garage motor pool sold four cars in Fiscal Year 1972-1973. They had an average age of about seven years and an average mileage of 89,484 miles. They sold for an average price of \$316.00. The Penn Garage motor pool has a higher percentage of mid-sized cars (91%) than the general fleet (79%) so their sales price would be somewhat lower.

The Penn Garage motor pool on the sale of four cars during Fiscal Year 1972-1973 (FY 72-73) recovered 18.2% of the

original purchase value as compared to 26.8% for the passenger fleet as a whole. The difference is accounted for, in our opinion, because the Penn Garage motor pool keeps its cars about a year longer. High age is a primary factor in receiving a lower sales price upon disposal.

An example of this was taken from the NADA price lists as follows. If one sold, in 1972, a

1967 Chevelle with over 65,000 miles,
\$25 would be subtracted for high mileage from the average retail price yielding \$700.00, and a

1968 Chevelle with over 65,000 miles,
\$100 would be subtracted for high mileage from the average retail price yielding \$900.00, illustrating that

the younger car with the same mileage brings \$200 more. (See official used car guide, NADA, high mileage table, EXHIBIT III.)

7. There is a concentration of passenger-type cars in four metropolitan areas other than Denver. These areas are Greeley, Pueblo, Colorado Springs and Grand Junction.
8. Twenty agencies reported that they operated their own motor pools, (other than the Penn Garage). All of these had some type of formal controls, and all stressed the point that cars were to be used for official purposes only. These 20 agencies

reported a total of 498 cars as being pooled. The pertinent finding is that usage cost control methods are not uniform.

9. Fifteen of the 20 motor pools use State property to garage or park their units. The balance rent garage space. Those who rent showed this cost in their cost-per-mile figures. But only half of the agencies operating their own motor pools showed depreciation as a cost. In fact, the methods used to cost motor pool operations varied to such an extent that direct comparisons among agencies or with the Penn Garage motor pool costs would not be credible.
10. Criteria for the addition of automobiles to agency fleets were based on an "increase in staff" or on "type of job." A detailed study would have to be made of each agency and their employee work load, as well as type and location of work to determine exactly when a car should be added to a given fleet.
11. The use of personal cars versus motor pool cars or assigned State cars appears to be excessive. For example, our total State mileage in FY 72-73 was 33,201,184 miles. TABLE 3, Page 21, presents a breakdown by type of car.

Routine use of personal cars when motor pool cars are available or when an assigned car can be justified is an unnecessary practice. In some cases, managers felt this practice was justified because of the special nature of

their agencies' missions. At least one agency, the Department of Health, paid reimbursement to avoid public criticism, since their cars are, of necessity, often seen near restaurants, hotels, bars, etc.

In the Recommendations Section of this report, we have outlined methods that can be employed to reduce the use of personal cars, and to offer guidelines to agency managers in the planning of their passenger vehicle needs.

Discussions with managers in the Department of Health and in the Department of Social Services, two large users of the personal reimbursement method, led to a tentative agreement that State cars (sub-compacts) can be used in the future.

TABLE 3

Total Passenger Vehicle Mileage
Fiscal Year 1972-1973
(Data Obtained from Questionnaire)*

Types of Cars	Miles	Percent of Total
Assigned Cars	16,874,389	50.8
Reimbursed, Personal Cars	8,097,430	24.4
Agency Motor Pools	7,825,481	23.6
Penn Garage Motor Pool	403,884	1.2
Total	33,201,184	100.0

* Except Penn Garage data, which was obtained from the Division of Purchasing records.

These two agencies paid a total of \$304,599 for 3,045,992 reimbursed miles in Fiscal Year 1972-1973. If these miles are replaced by State-owned vehicles, we could realize a savings of \$158,392, and reduce the percent of reimbursed miles from 24.4% to 15.2%.

One institution (CSU) represents 31.3% of the total reimbursement mileage. In Fiscal Year 1972-1973, this agency reported it paid for 2,533,105 miles. In addition to the above, CSU reported total motor pool mileage of 3,626,000 for a total mileage in one year of 6,159,105, which represents 18.6% of all mileage reported driven in the State for Fiscal Year 1972-1973. The University of Colorado at Boulder indicated a response was not possible on their use of personal cars for which reimbursement was paid, "because it would require the review of a large number of petty cash vouchers for each day of the year. Neither time nor staff are available for such extensive research at this time."

12. Data gleaned from questionnaires regarding use of a State car to drive to and from work are summarized in TABLE 4, Page 24.
13. Car assignments were justified in most cases by one or more of the following reasons:
 - "position held"
 - "work requirements," or
 - "annual mileage exceeds" (range of

answers given on questionnaire was
from 11,000 miles up to 25,000 miles)

Generally, we believe that in those cases where a State employee uses the automobile as an "office," as well as a mode of transportation, it is in the best interests of the State to permit that employee to go to and from work in a State car.

To do otherwise would require parking facilities, security arrangements, maintenance schedules, administrative assistance, etc., all of which would increase the cost of providing transportation.

Beyond these considerations is the lost-time cost. It is inefficient for an employee to drive to a central pickup point at the beginning of the day, transfer to a State car, and then begin his day's work. This lost time is repeated at the end of his work cycle. This procedure would result in higher costs and reduced productivity.

However, the above comments do not justify a State-assigned car, regardless of where it is garaged, if the employee does not need the car to carry out his primary duty, or if he uses it only occasionally. Cars assigned on a "prestige" basis cannot, in our opinion, be justified for any reason. These types of assignments are rarely made equitably and, in reality, provide an increased income to the recipient.

TABLE 4

ASSIGNED CARS SHOWING THOSE DRIVEN TO AND FROM WORK
WITH AVERAGE MILEAGE

Department/Agencies	No. Cars Assigned	No. Cars To/ From Work	Per- Cent	Average Mileage	Department/Agencies	No. Cars Assigned	No. Cars To/ From Work	Per- Cent	Average Mileage
Administration	5	5	100	19,700	Local Affairs	14	14	100	22,857
Public Works	4	4	100	22,500	Housing	0	0	0	0
Communications	1	1	100	8,500	Criminal Justice	0	0	0	0
Agriculture	102	101	99	19,400	Property Tax	6	6	100	20,000
Animal Industries	26	26	100	21,800	Bureau of Investigation (CBI)	8	8	100	25,000
Brand Boards	44	44	100	18,200	Law/Governor/Military	2	1	50	12,000
Inspection Services	25	25	100	19,200	Highway Safety	0	0	0	0
Markets	3	2	67	21,200	Consumer Affairs	2	1	50	12,000
Plants and Industries	4	4	100	19,200	Military Affairs	0	0	0	0
State Fair	0	0	0	0					
Highways	44	44	100	28,000	Natural Resources	351	351	100	28,595
Higher Education	4	4	100	11,913	Water	33	33	100	20,000
Historical Society	0	0	0	0	Oil/Gas	2	2	100	15,000
Colorado State University	1	1	100	9,400	Parks and Recreation	3	3	100	14,000
So. Colo. State College	0	0	0	0	Wildlife	296	296	100	30,000
Univ. of Colorado (Boulder)	3	3	100	12,750	State Land	4	4	100	25,000
Univ. of Colorado (Med Ctr)	0	0	0	0	Mines	13	13	100	25,000
					Geological	0	0	0	0
Institutions	96	69	72	11,933	Regulatory Agencies	31	25	81	20,129
Mental Retardation	0	0	0	0	Cosmetology	2	2	100	14,000
Mental Health	0	0	0	0	Civil Rights	4	4	100	25,000
Youth Services	23	0	0	0	Racing Commission	4	3	75	10,000
State Penitentiary	16	16	100	12,600	Public Utilities Commission	6	4	67	17,000
State Reformatory	7	6	86	10,100	Electrical Board	12	12	100	25,000
Adult Parole	44	44	100	17,000	Pharmacy	3	0	0	18,000
Deaf and Blind	0	0	0	0	Revenue	114	102	89	17,000
Finance	0	0	0	0					
Home & Trng. (Gr. Junction)	3	0	0	6,700	Social Services	3	0	0	22,000
Fort Logan	0	0	0	0	Finance and Accounting	1	1	0	12,000
Corrections	0	0	0	0	Trinidad	2	0	0	27,000
Home & Trng. (Wheat Ridge)	0	0	0	0					
State Hospital	3	3	100	19,300	TOTAL	815	764	93.7	18,518
Labor & Employment	49	48	98	14,449					
Oil Inspection	4	3	75	15,000					
Safety Inspection	45	45	100	14,400					

In some cases, cars were found to be assigned to an individual but used by several members of his staff during the day. These multi use vehicles are, in fact, mini car pools, except that the assignee received free transportation to and from work.

There are some cases where a car is assigned to an "office" of an agency. This again is a mini car pool. The temptation is strong for the head of that office to become the car custodian, garaging it at home. This results in free transportation to and from work for someone who would normally not be assigned a State car.

Some respondents indicated that they were required to be "on call" at any time; thus they needed a State car. One of the responsibilities of a manager is that he be available to tend to problems occurring in his unit, regardless of the timing of the problem. If the "on-call" criteria were justification for an assigned car, most managers in the State would qualify. These comments do not apply if the frequency of "on-call" incidents is high, or if a vehicle requires special communications equipment.

In a general survey such as this, all "arrangements" could not be followed up and analyzed. But we do find evidence that there has been some, albeit not widespread, misuse of assigned vehicles.

14. We asked how often criteria for the assignment of State cars were reviewed. The responses ranged from "never" to as often as "monthly." The most frequent reply was that criteria were examined annually. TABLE 5, below , portrays the responses by category, frequency and percent of total.

Essentially, these criteria varied widely, their common thread being "cars must be used only on State business." What constitutes "State business" is left up to the approving agency. We found that these criteria and their review lack standardization.

TABLE 5

Response Relating to How Often Assigned Cars
Criteria Were Reviewed
(Data Obtained from Questionnaire)

Response Category	Frequency	Percent of Total
Annually	14	40%
Bi-Annually	1	3%
Quarterly	1	3%
Monthly	3	8.5%
Periodically	4	11%
Never	3	8.5%
No Answer	9	26%
Total	35	100%

Maintenance of our State-owned cars is carried out primarily by private mechanics on a non-contract basis. According to an April 1972 publication of the U. S. Department of Transportation, "Cost of Operating an Automobile," a charge for shop labor of \$10.50 an hour is not unusual. Therefore, this cost to the State should be carefully examined to see if we cannot improve the method of seeking maintenance for our vehicles.

TABLE 6, Page 28, illustrates how responding agencies are presently handling this function. Maintenance of an automobile* averages around two cents per mile. This routinely includes items such as lubrication, repacking wheel bearings, flushing cooling systems, aiming headlamps; replacement of minor parts, such as spark plugs, fan belts, pollution control filters; minor repairs, such as a complete "valve job," also are included in this figure.

Records from the Penn Garage motor pool (private contract) indicate that their charges average 1.3 cents per mile for maintenance and repairs (Fiscal Year 1972-1973) of the types listed above. We receive a 15% discount on parts and flat rate manual charges on labor.

* This refers to a typical mid-size car, such as a Matador, Chevelle, Torino, etc.

TABLE 6

Methods of Obtaining Maintenance Used
by State Agencies
(Data Obtained from Questionnaire)

Response Category	Frequency	Percent of Total
Private Mechanic - No Contract	31	55%
In-House Maintenance	19	34%
Contract with Maintenance Facility	4	7%
Employee Discretion	1	2%
"If Over \$50, Need 3 Bids"	1	2%
Total	56	100%

If we assume that the private mechanic-no contract arrangement is no higher than two cents per mile (and we had arrangements similar to Penn Garage), we could have realized a .7 cent per mile savings, or \$95,095, calculated as follows: 55% of 24,699,870 miles driven (13,584,929) at .7 cent savings.

Admittedly, this projection is speculative. It is, however, illustrative of the type of savings that are available to our agencies if a concerted effort is made to seek contract arrangements with maintenance facilities in the private sector.

15. Each respondent was asked to offer suggestions as to how the State could reduce its automobile travel costs and how it could improve acquisitions, allocation, use and control of State vehicles. A summary of replies to these questions follows.

<u>Paraphrased Response</u>	<u>Frequency & Response</u>
(a) "Use State agencies to do repairs instead of private garages"	1 - Cost benefit analysis is needed
(b) "Centralize maintenance in the motor pools"	3 - Cost benefit analysis is needed
(c) "Increase passenger loads, i.e., pool our trips"	5 - Recommended
(d) "Reduce speed limits...adjust size of car to need"	1 - Implemented via Executive Orders dated November 7 and 8, 1973 (See EXHIBITS IV and V.)
(e) "Establish a State garage, hire our own mechanics. . . do our own maintenance"	1 - Cost benefit analysis needed
(f) "Use compacts and sub-compacts"	2 - Implemented via Executive Order dated November 7, 1973 (See Exhibit IV.)
(g) "Purchase fully equipped mid-size cars and auction annually"	2 - Not recommended - this would be too costly
(h) "Consider the use of a shuttle bus in key population centers"	1 - More study needed on this
(i) "Reduce speed limits and use low octane fuel"	1 - Partially implemented (see above); availability of low octane fuel unknown

<u>Paraphrased Response</u>	<u>Frequency & Comment</u>
(j) "Purchase a State car when private car used over 15,000 miles"	1 - Not practical-see Motor Pool Section of this report.
(k) "Schedule meetings better. . . arrange for smallest number of persons to travel"	1 - Recommended
(l) "Use State gasoline pumps"	1 - Recommended
(m) "Standardize requirements for all cars"	1 - Need to define "requirements"
(n) "Require more stringent controls to make sure cars are used for business only"	1 - Recommended
(o) "Pay employees' mileage . . . this will improve image"	1 - Not recommended
(p) "The State should have a blanket \$100 to \$200 deductible comprehensive and collision insurance policy to prevent a total car loss due to accident"	1 - See Motor Pool Section of this report. Self insurance recommendation from previous study pending.
(q) "Sell car only after 100,000 miles. . . employee and his supervisor are responsible for cars . . . set up a committee to review each accident"	1 - This mileage is excessive as per research. . . committee value questionable
(r) "Set up travel centers . . . coordinate all State travel"	1 - Recommended
(s) "Replace cars every two or two and one-half years and/or replace after 50,000 to 60,000 miles"	1 - See data in Motor Pool Section of this report.
(t) "Set size limits on cars rather than a dollar limit"	1 - More study needed on this

<u>Paraphrased Response</u>	<u>Frequency & Comment</u>
(u) "Adopt GSA policy . . . dispose of cars at six years of age or 60,000 miles"	1 - See data in Motor Pool Section of this report.
(v) "Use pickups wherever possible . . . they last longer"	1 - Conjectural-more data needed. May be valid for specific agencies
(w) "Reduce personal use to a minimum . . . buy only from Central Purchasing Bids"	1 - Recommended
(x) "Do not limit agencies to a specific car make"	1 - Not recommended
(y) "Share agency motor pools with other agencies when practical"	1 - Recommended, but will need better administrative charge back controls
(z) "Standardize control procedures"	1 - Recommended
(aa) "Use motor pool rather than personal cars"	2 - Recommended
(bb) "Allocated funds should include provisions for increased cost of maintenance"	1 - Not recommended
(cc) "Buy standard size cars only . . . they seem to hold up better"	1 - Conjectural Not recommended

Many of these suggestions and comments are treated in greater detail in other parts of this report, primarily in the Recommendations and Motor Pool Sections.

Generally, agencies were sincere in their suggestions. Some responses were not useful and are not shown because they did not address the subject at hand. While several agencies offered more than one suggestion, 38 had no suggestions.

16. The use of smaller than standard sized cars has been a general practice of the State for several years. Presently, our passenger car (exclusive of pickups) fleet is composed of the following mix:

Standard Size Cars: (e.g., Chevrolet, Ford, Plymouth) 20%

Mid-size Cars: (e.g., Matador, Torino, Satellite) 79%

Compact Cars: (e.g., Falcon, Nova, Duster) 1%

However, this mix is not in the best interests of economy, energy conservation, or ecology. In the majority of cases, employees can carry out their tasks without hardship or loss of efficiency in cars that are cheaper to buy, cheaper to maintain, use less fuel, and are easier to park than those presently in our fleet.

Responses to our questionnaire bear this out. For example,

-- 56% of the agencies queried said they could use mid-size cars,

-- 22% said compact cars were acceptable, and

-- 16% responded that sub-compact cars were acceptable for their use. (This response does

not include the acceptance of sub-compacts
by the Departments of Health and Social
Services mentioned earlier in this report.)

-- 6% stated they required full size cars.

While these responses are encouraging, they do not represent what we believe to be an optimum vehicle mix. A recent study by the U. S. Environmental Protection Agency indicated that vehicle weight was the single most important vehicle design parameter affecting fuel economy.* (See EXHIBITS VI and XI.)

Conversations with several respondents revealed that there exists "scare stories" about sub-compacts alluding to such items as

-- "they can't be used in the mountains."

-- "they eat up initial savings in high
repair costs."

-- "employees won't accept them."

We believe that when the facts are known, detractors of the small American car (sub-compact) will accept it as a viable alternative to cars that are over-engineered to do the jobs at hand.

For example, anyone driving to remote ski areas cannot help but notice the high percentage of small cars in the

* A Report on Fuel Economy, U.S. Environmental Protection Agency, P. 1, October 1973.

parking lots . . . a recent study made on American sub-compacts' maintenance costs indicates they do not exceed 1.78 cents per mile after two years . . . as far as acceptance is concerned, fully half of the cars sold in America last year were in the compact or sub-compact range in size and cost, with the sub-compacts gaining steadily.

In any event, the energy "crunch" plus increasing costs of owning and operating standard or even mid-size cars forces us to review our practices in the use of vehicles. When done in the light of our real needs versus what we would "like to have," the movement toward smaller, more economical automobiles will be, we believe, a clear and sensible resolve.

17. We found a large number (42.5%) of agencies stated that they paid personal reimbursement mileage when cars from their motor pools were unavailable. The balance (57.5%) stated that they did not do this. Clearly, it is in the best interests of the State to use pool cars whenever they are available and the job situation permits.
18. In the Recommendations Section of this report, it is being recommended that the State of Colorado completely revamp its passenger vehicle mix. Implementation of this recommendation is very important to the State from a long-range viewpoint, in that it provides a major savings opportunity.

If the State converts from what is essentially a mid-size fleet, interlaced with full-size cars, to a fleet that is composed mostly of compacts and sub-compacts, it could realize tremendous savings in cost per mile, plus reducing fuel consumption.

As indicated in TABLE 7, Page 36, auto fuel consumption could be reduced by over 500,000 gallons annually by revamping the vehicle mix as outlined in Recommendation 22, Page 57.

TABLE 8, Page 37, illustrates that a potential dollar savings of approximately \$420,000 per year could be realized from implementation of Recommendation 22, Page 57.

TABLE 9, Page 38, shows the potential dollar savings that could be realized by the State if we were to convert the entire passenger-type vehicle fleet to the new 1974 models under the current award prices, and under the proposed vehicle mix.

With the current mix, the purchase price would be \$4,772,747; with the proposed mix the purchase price would be \$4,411,846. The total potential savings is \$360,901. If we assume that the useful life of these types of vehicles would be four years, an annual savings of \$90,225 would result.

19. Reduced speeds offer significant savings in fuel economy.
(See EXHIBIT X.)

TABLE 7

Potential Fuel Savings
Resulting from
Revamped Passenger Vehicle Mix

Present Fleet 1,747 Vehicles	Constant Miles* Per FY 1972-1973	Proposed Fleet 1,747 Vehicles
Standard cars @ 20% = miles 6,640,000 @ 10.5 MPG = 632,400 gallons	33,201,000	Standard cars @ 5% = miles 1,660,000 @ 10.5 MPG = 158,100 gallons = Savings 474,300 gallons
Mid-size cars @ 79% = miles 26,229,000 @ 12.0 MPG = 2,185,800 gallons	33,201,000	Mid-size cars @ 35% = miles 11,620,400 @ 12.0 MPG = 968,400 gallons = Savings 1,217,400 gallons
Compact cars @ 1% = miles 332,010 @ 15.8 MPG = 21,000 gallons	33,201,000	Compact cars @ 30% = miles 9,960,300 @ 15.8 MPG = 630,400 gallons = Savings (609,400) gallons
Sub-Compact cars @ 0% = miles -0- @ 17.3 MPG = -0-	33,201,000	Sub-Compact cars @ 30% = miles 9,960,300 @ 17.3 MPG = 575,700 gallons = Savings (575,700) gallons
Total Gallons = 2,839,200		Total Gallons = 2,332,600
Savings = 506,600 Gallons		

* Assumes constant mileage of approximately 33,201,000 miles per year, based on FY 1972-73 miles driven as per questionnaire data and central motor pool records.

TABLE 8

Potential Dollar Savings
Resulting from
Revamped Passenger Vehicle Mix

Present Fleet 1,747 Vehicles	Constant Miles* Per FY 1972-1973	Proposed Fleet 1,747 Vehicles
Standard cars @ 20% = miles 6,640,000 @ .1050 = \$ 697,000	33,201,000	Standard cars @ 5% = miles 1,660,000 @ .1050 \$ 174,000 = Savings \$ 523,000
Mid-size cars @ 79% = miles 26,229,000 @ .0920 \$2,413,000	33,201,000	Mid-size cars @ 35% = miles 11,620,000 @ .0920 \$1,069,000 = Savings \$1,344,000
Compact cars @ 1% = miles 332,000 @ .0800 \$ 26,560	33,201,000	Compact cars @ 30% = miles 9,960,000 @ .0800 \$ 796,800 = Savings \$ (770,000)
Sub-Compact cars @ 0% = miles -0- @ .0680 -0-	33,201,000	Sub-Compact cars @ 30% = miles 9,960,000 @ .0680 \$ 677,000 = Savings \$ (677,000)
Total Cost = \$3,137,000		Total Cost = \$2,717,000
Potential Savings \$420,000		

* Assumes constant mileage of approximately 33,201,000 miles per year, based on FY 1972-1973 miles driven as per questionnaire data and central motor pool records.

TABLE 9

Potential Dollar Savings
Resulting from
Revamped Passenger Vehicle Mix^{1/}

Vehicle Types	Current Mix		Proposed Mix		Purchase Costs		Potential Savings
	Number	Per-Cent	Number	Per-Cent	Current Mix	Proposed Mix	
Standard size (1974 Plymouth Fury I 4-Door Sedan, \$2,849.60)	350	20	87	5	\$ 997,360	\$ 247,915	\$ 749,445
Mid-size (1974 Plymouth Satellite 4-Door Sedan, \$2,705.35)	1380	79	612	35	\$3,733,383	\$1,655,674	\$2,077,709
Compact size (1974 American Motors Hornet 4-Door Sedan, \$2,740.80)	17	1	524	30	\$ 42,004	\$1,294,699	(\$1,252,695)
Sub-compact size (1974 American Motors Gremlin 2-Door Sedan, \$2,315.95)	0	0	524	30	\$ ---	\$1,213,558	(\$1,213,558)
Total	1747	100	1747	100	\$4,772,747	\$4,411,846	\$ 360,901 ^{2/}

^{1/} Assumes acquisition of new vehicle fleet based on FY 73-74 Award prices, see EXHIBIT VII.

^{2/} \$360,901 divided by four years useful life of the automobile equals \$90,225 annual savings.

20. Certain agencies, e.g., Department of Revenue, Department of Health, Department of Social Services, expressed the need to have their employees operate "unmarked" automobiles. Either a State license plate or the words "For Official Use Only" marked on the car would hamper the effective completion of their respective missions. Although a State license plate and the official use marking offer some form of control over the use of the vehicle, the benefit of control versus mission accomplishment is debatable.

Recommendations

After thorough study and evaluation of the findings set forth, the following recommendations are offered for consideration to improve the overall management, control and use of passenger-type vehicles in the State of Colorado.

1. Require all State agencies to take a physical inventory of all vehicles within their agency jurisdiction. The inventory count is to be reported to the Division of Purchasing, Department of Administration, so that current computer vehicle inventory records may be validated for accuracy and completeness.

Reasons:

- The current computer vehicle inventory is dated March 1, 1972. The Director of Purchasing does maintain a manual updating of the subject computer run. Changes, however, are not reflected in other copies which may be used in the decision/policy making procedure.
- Agency responses to our questionnaire relative to the number of vehicles on hand do not reflect the same number of vehicles listed by agency on the computer vehicle inventory.

2. Require all State agencies to take an annual physical inventory, as of 30 June, of all vehicles within their agency jurisdiction. The inventory count is to be reported to the Division of Purchasing, Department of Administration, so that the computer vehicle inventory records can be validated for accuracy and completeness.

Reasons:

- Annual physical inventories should be a regularly scheduled requirement in order to maintain control over this valuable State asset.
- By taking the inventory as of 30 June each year, the accurate count of vehicles will coincide with the closing of the State Controller's books at the end of the Fiscal Year.

3. Develop a vehicle inventory system that updates the computer vehicle inventory on a regularly scheduled and current basis, i.e., the inventory should be updated each time a vehicle is disposed of or bought.

Reasons:

- The current updating system for the vehicle inventory involves manually recording charges made by agencies.

Only one working copy is maintained in the Division of Purchasing that adequately reflects the present vehicle count. The last computer updating was as of March 1, 1972.

- A computer vehicle inventory that is not "up-to-date" is not a useful management tool.
- Vehicles are a costly asset of the State and should be accounted for accordingly.

4. A study should be made to determine the feasibility of establishing a central maintenance facility for all vehicles in the Denver Metropolitan area. It is contemplated that the central maintenance facility would be equipped to perform minor maintenance, minor repairs, and tune-ups on all "Denver based" vehicles, as well as other State-owned vehicles, whenever practical.

Reasons:

- There are 669 passenger-type vehicles (38% of the total passenger fleet) based in the Denver area. The majority of maintenance and repair

work done on these vehicles is performed by private mechanics (garages) on a "no-contract" basis. (We are recommending that the "no contract" procedure be eliminated, regardless of establishment of the central maintenance facility.)

- The large number of vehicles based in Denver leads us to believe that it would be more economical for the State to perform their own minor maintenance, etc.

5. In conjunction with the study suggested in Recommendation No. 4, the feasibility of establishing similar central maintenance facilities in Greeley, Pueblo, Colorado Springs, and Grand Junction should be investigated.

Reasons:

- These cities, like Denver, have a large concentration of State-owned vehicles.
- It can be assumed that if a central facility is feasible for Denver, it probably would be feasible for one or more of these cities.

6. Whether establishment of central maintenance facilities proves feasible or not, a State-wide policy should be adopted, which requires all vehicle maintenance and repair work to be performed on a contractual or formal procedure basis (other than work done by State employees and/or in State-owned facilities). The Division of Purchasing, Department of Administration, should let annual bids for maintenance and repair work or establish some type of formal procedures.

Reasons:

- Contracted work should produce economies by allowing the State to receive a discount on parts and guarantee a "flat rate" schedule for all labor. (The Penn Garage gives the State a 15% discount on all parts, and uses Chilton's Flat Rate Manual for labor on all maintenance and repair work performed on central motor pool vehicles.)
- Better control of costs can be effected by requiring work to be done on a contractual basis.

7. Section 1. 3-4-10 (1), Colorado Revised Statutes 1963 (1971 Supp.), should be repealed and reenacted. (Reference is made to House Bill No. 1293, shown as EXHIBIT I-B.) The section needs to be strengthened to close loopholes and amended to reflect the Governor's Executive Order dated November 7, 1973, shown as EXHIBIT IV.

Reasons:

- The words "for use primarily within fifty miles of its base" are ambiguous and consequently make the subject section ineffective.
- The word "primarily" should be eliminated so as not to permit a mix of 50+ or 50- usage.
- The requirement for a written justification to buy other than compact and sub-compact cars should be included in the section. Both compacts and sub-compacts can be purchased for under \$2,500 during FY 73-74. (See EXHIBIT VII.)

8. The State of Colorado should adopt the following policy for disposing of all State-owned vehicles:

State-owned vehicles will be disposed of after they have accumulated 70,000 miles, or have reached an age of four years, whichever is sooner. Exceptions to this policy may be granted by the Executive Director of a department, or his duly authorized representative, on an individual vehicle basis when certain circumstances prevail, e.g., significant major repairs require selling the automobile sooner, a wrecked vehicle would cost more to repair than it would be worth.

(NOTE: Currently, Article 4, Section 3-4-10, Subsection (3), Colorado Revised Statutes 1963, requires that no State-owned vehicle (with certain exceptions) may be disposed of before it has reached the age of two years or before it has had 100,000 miles of service, whichever occurs first.)

Reasons:

- Currently, agencies are keeping their vehicles too long, resulting in higher operating costs than can be economically justified.

- Other governmental units dispose of their vehicles much sooner than the State of Colorado, e.g., the Department of the Army after 72,000 miles; the General Services Administration after 60,000 miles. The two agencies mentioned above have found it not economically feasible to operate "high" mileage vehicles in their motor pools.
- It should be noted that the 70,000 is offered as a "guide", and that each vehicle should be reviewed on an individual basis prior to disposal.

9. Investigate the feasibility of setting up travel centers to coordinate all State travel. At first glance, it appears that logical locations would be Denver, Greeley, Grand Junction and the Colorado Springs/Pueblo area.

Reasons:

- Travel centers would facilitate the "pooling" of trips, and the equal utilization of individual vehicles.
- Travel centers would provide a central controlling point for the gathering and analyzing of utilization and maintenance data.

-- The locations mentioned in the recommendation have high concentrations of State vehicles, State employees, and are centers where the majority of State business is transacted.

10. A standard accounting system and forms should be developed for all agencies to use in accounting for expenses incurred in operating their motor pool. Specifically, costs should be broken down into fixed costs, operating or variable costs, and general and administrative costs, on a per car/total pool and monthly basis. (EXHIBITS VIII, IX and XIV are examples of the type of forms recommended.

Reasons:

- A new system, including standard forms and procedures, is required to improve management, control and accounting.
- A standard accounting system would allow cost comparisons to be made between agencies. Variances could be analyzed and improvements suggested for those agencies experiencing high operating costs.
- Currently, no standard system exists to review the utilization of vehicles, especially on an individual and periodic basis.

11. The criteria for justifying the addition of vehicles to an agency's inventory should be standardized for the entire State. In addition, procedures should be established for the periodic review of these criteria and for the review/ approval of the justification prior to either inclusion in the agency's budget or acquisition of the vehicle.

Reasons:

- Standardization of justification criteria will facilitate the review/ approval process by agency heads, and the appropriate budget bodies.
- Standardization of criteria, forms and procedures should produce cost savings through elimination of duplication.
- Standardization will provide for a more equitable basis for distribution of this valuable State asset.

12. The criteria for use of motor pool vehicles should be strengthened and standardized for all motor pools throughout the State. In this regard, it should be standard policy that motor pool vehicles must be used when available; especially in lieu of personal vehicles for which the employee is reimbursed.

Reasons:

- Currently, units within departments and agencies have varying criteria for use

of motor pool vehicles. Some are stringent, some are not. Tighter controls by all agencies over the use of motor pool vehicles versus personal cars will effect economies and efficiencies in operations.

- Standardization of criteria, as well as forms and procedures, should produce cost savings through elimination of duplication.
- The State can realize considerable savings through use of motor pool cars versus paying reimbursement for use of personal cars for official business.

13. The State of Colorado should adopt a firm policy relative to paying reimbursement for use of personal cars versus using State-owned vehicles as follows:

Authorization to use a personal car for official business shall be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director shall authorize the use of personal cars only in cases where a State-owned vehicle is unavailable, or where other arrangements cannot be made, e.g., rescheduling of trips, using another agency's State-owned vehicle, etc.

(NOTE: The State of Colorado Fiscal Rule on travel should be rewritten to reflect the above policy.)

Reasons:

- Savings can be realized through use of State-owned vehicles versus paying reimbursement.
- Many trips can be rescheduled to coincide with other agency trips, or when other agency vehicles are available.

14. Determine the number of sub-compact vehicles required by the Departments of Health and Social Services to allow them to eliminate the practice of paying employees reimbursement for use of their personal vehicles in the conduct of State business. Amend these agencies' budget requests for FY 73-74 to reflect the additional funds required to acquire a sub-compact fleet of vehicles.

Reasons:

- Both agencies mentioned above have stated that they could and would use sub-compact vehicles in lieu of having their employees reimbursed.
- A significant cost savings would be realized by both agencies through implementation of this recommendation. We estimate this to be \$158,392 annually.

15. All State agencies are encouraged to increase their "passenger load," i.e., pool their trips whenever and wherever practical. Implementation of this recommendation should include the establishment of central control points within each agency for the scheduling of trips. The central control point would coordinate the scheduling of agencies' trips with those of other agencies, as well as its own intra-agency trips.

Reasons:

- It is our opinion that many times concurrent trips are made by agencies to and from the same or nearby locations.
- Combining of trips and increasing passenger load will produce savings not only in terms of energy, but also in travel funds.

16. Meetings requiring travel should be reduced to the bare minimum and arranged in such a way as to require the smallest number of persons to travel. For example, a meeting held in Denver that requires 10 people to travel to Grand Junction to meet with four Denver people should be rescheduled to be held in Grand Junction, if at all practical.

Reasons:

- It is our opinion that many trips are scheduled at the "home office" when it is not necessary.
- The fewer people who are required to travel will not only conserve energy, but will reduce travel expenses, etc.

17. A policy should be adopted by all State agencies to "share" their motor pool vehicles with other State agencies whenever possible. In conjunction with this, all State agencies not having a motor pool of their own should make every effort to use other agency motor pool vehicles whenever possible.

Reasons:

- Many State agencies cannot justify a motor pool of their own due to low vehicle usage requirements. These same agencies, however, could realize cost savings by utilizing other motor pools in lieu of paying reimbursement to their employees for use of their private vehicles on State business.
- Although we recognize that "charge back" procedures would create an additional accounting workload, it is believed that the cost avoidance realized would override this additional work.

-- State-owned vehicles, being a total State asset, should be available to all agencies for State business, regardless of vehicle assignment.

18. The State of Colorado should adopt the following policy relative to the current practice of allowing employees to use State-owned vehicles to go to and from work:

Authorization to use a State-owned vehicle to go to and from work will be granted only by the Executive Director of a department, or his duly authorized representative. The criteria for use of State-owned vehicles for this purpose should be standardized for the entire State and a committee established to review, coordinate, and approve the criteria before publication. In addition, procedures should be established for periodic review by an independent body of the application and/or enforcement of the policy/criteria by each agency.

Reasons:

-- The practice of using State-owned vehicles to transport employees from

their homes to places of employment cannot always be justified.

-- It is not the State's responsibility to provide "to and from work" transportation except in exceptional, and most of the time, emergency situations.

-- Even in cases where the practice is justified and authorized, a periodic review should be conducted to insure that employees are not abusing the privilege.

19. The criteria for assignment of State-owned vehicles to specific individuals should be standardized and strengthened for all State agencies. In addition, procedures should be established for the periodic review of these criteria, and for the review/enforcement thereof.

Reasons:

- Currently, units within departments and agencies have varying criteria for individual assignment of vehicles. Some are stringent, some are not.
- Tighter controls by all agencies over the practice of assigning cars to individuals will produce economies and efficiencies in operations.
- Standardization of criteria, as well as forms and procedures, should produce cost savings

through elimination of duplication.

20. All State agencies should be advised that all automobiles purchased by them must be bought from the authorized dealers as determined by awards made by the Division of Purchasing, Department of Administration, resulting from the sealed bid procedure. Any exception must be approved by the State Purchasing Director.

Reasons:

- A suggestion in response to the vehicle questionnaire gave some indication that not all agencies were adhering to the requirement stated in the recommendation.
- The purpose of the sealed bid and subsequent award procedures is to obtain the lowest purchase price for the State.

21. All State agencies should be instructed to require their employees to fuel State-owned vehicles at State-owned facilities whenever and wherever possible and practical.

Reasons:

- Many State-owned vehicles are being fueled at privately-owned gasoline stations and the State pays commercial prices.
- State-owned facilities pay approximately 10 cents per gallon less for gasoline than the on-going commercial prices.

22. Change the State of Colorado's overall mix of passenger-type vehicles to the following as soon as practical within fiscal constraints:

5% - Standard size

35% - Mid size

30% - Compact size

30% - Sub-compact size

(NOTE: If Recommendation No. 14 (Sub-compacts for Health and Social Services) is implemented, the percentage of mix will change and will be approximately as follows: 4% standard ; 32% mid-size; 27% compact; and 37% sub-compact.)

Reasons:

- Economy and efficiency of operation will be realized. (See EXHIBITS VI and XI.)
- Energy will be conserved; thereby helping the nation to preserve this valuable resource.
- This recommendation reflects the Governor's policy as stated in his Executive Order of November 7, 1973.
- The nature of the State's travel in the conduct of official business can be satisfied with the above mix without an adverse effect on the overall mission.

23. The State of Colorado should develop a standard procedure for establishing charges to agencies for use of motor pool vehicles. Charges should include not only the cost of operations, but should have a built-in charge sufficient enough to replace the vehicle when it is disposed of.

Reasons:

- The State should have standard procedures for all agencies to insure the equitable distribution of costs to users.
- Standard procedures will facilitate the review processes involved in comparing costs for different agencies.
- User agencies should pay total costs of motor pool operations, including replacement of vehicles since the motor pool is a convenience to them.
- Federal funds can be used to pay part of the replacement of vehicles; thereby relieving some of the burden from the General Fund.

24. More stringent controls should be developed by all agencies to insure that State-owned vehicles are used for official business only.

Reasons:

- Certain responses to questions indicated that the possibility of the misuse of State-owned vehicles exists, that is, they may be used for personal travel.
- It must be firmly established in the minds of all State employees that State-owned vehicles are paid for by taxpayers, and the use of these vehicles for personal reasons cannot and should not be condoned.

25. The State of Colorado should adopt the following policy relative to the speed at which State-owned vehicles shall be driven: (See EXHIBIT X.)

In the interest of conserving fuel, all State vehicles shall be driven at speeds not to exceed 50 miles per hour, excepting those emergency vehicles which, by the nature of their use, must operate at higher speeds.

Reason:

- Implementation of this policy will conserve energy; thereby helping the Nation and State to preserve this valuable resource.

26. The practice of issuing State license plates for use on State-owned vehicles, and the marking of the automobile with either a "seal" or "For Official Use Only," should be left to the discretion of the Executive Director of a department.

Reasons:

- The Executive Director of a department is in the best position to determine if identifying markings on a vehicle will hinder the successful accomplishment of his agency's mission.
- The Executive Director is responsible for the proper control of his agency's vehicles; specifically, he is responsible for insuring that they are used for State business only.

27. Investigate the practicability of issuing regular Colorado license plates to agencies requiring "unmarked" cars to effectively carry out their mission. In this regard, it may be possible to issue special "blocks" of numbers to an agency; thereby, providing a means of ready identification and control.

Reasons:

- Regular Colorado license plates would allow agencies to operate a vehicle without being identified as a "State employee" (Investigator); thereby, allowing them to effectively carry out their mission.
- The special identifying block would provide some means of control by the supervisors of vehicle drivers to insure it is being used for official State business.

SECTION II
CAPITOL COMPLEX MOTOR POOL

General Findings

Interviews, observations, research and data collection have revealed the following findings relevant to specific items and the central motor pool as a whole.

General

1. The central motor pool for the Capitol Complex area is located at the Penn Garage, 1300 Pennsylvania Street, Denver, Colorado. Garage hours are from 7:00 a.m. to 5:30 p.m., Monday through Friday, and from 7:00 a.m. to 4:00 p.m. on Saturday.
2. The central motor pool is part of the Division of Purchasing, Department of Administration. The pool normally consists of 30 passenger vehicles, available to the employees of all State agencies for official business upon request.
3. Written requests for the use of vehicles are submitted to the Division of Purchasing, who schedules the use of all vehicles and prepares a "Letter of Authority," authorizing the Penn Garage to release a pool car to the bearer. (See EXHIBIT XII for combined letter of request and authority.)
4. The current charge to the using agency is 10 cents per mile, with a minimum charge of 25 miles per trip. The charge is established by the State Purchasing Director.
5. Responsibility for billing, accounting and report preparation is charged to the Office of Administrative Services, Department of Administration.

6. All motor pool vehicles are housed in the Penn Garage when not in use. The Penn Garage is paid a \$15.00-per-month storage fee for each vehicle.
7. The \$15.00 storage fee for covered parking is below the average charge for similar parking in the downtown area (\$20 to \$25 per month). Covered parking in a downtown area facility is \$40 per month. Answers to the State-wide questionnaire showed an average of \$19.58 for storage fees. Similar covered parking facilities in the downtown area are not as conveniently located as the Penn Garage.

Covered facilities next to the State Services Building are available; however, currently they are used by State employees for their personal cars. State employees are charged \$15.00 per month for use of these facilities.

8. The Penn Garage performs all repairs, preventive maintenance (except for emergency work done at locations outside Denver), and provides gasoline and oil. No discount is given on gasoline and oil. However, a 15% discount is given on all parts used in maintenance and repair work.
9. Maintenance records are kept on each vehicle by the owner of the Penn Garage. Preventive maintenance work is done according to the manufacturer's specifications and/or suggested guidelines for each type of vehicle.

10. Maintenance and repair work is performed by the owner of the Penn Garage without prior approval by the State Purchasing Director. Further, no verification of work performed is made by any State employee.
11. Current accounting procedures do not provide for "costing out" the expenses of administration, record keeping, billing, etc., (overhead costs) associated with managing the motor pool operation. Currently, two persons, one in the Division of Purchasing and one in the Office of Administrative Services, spend time on administering the motor pool operation.
12. The present accounting and/or reporting system does not provide for breaking down motor pool costs into its major cost areas, i.e., fixed, variable and administrative costs. This type of cost breakdown is necessary to properly manage and control costs.
13. The utilization of motor pool cars indicates that their scheduling could be improved. On the average, cars were checked out only about 75% to 80% of the available days during FY 72-73.
14. There is no system or procedure for the individual turning-in a motor pool car to "sign-off" on the ending mileage of the vehicle used, or on the amount of gasoline required to fill up the vehicle for the next user.

15. Motor pool cars are not covered by collision insurance, and it is possible to have a total loss as a result of an accident. There are no procedures for recovering the loss due to accident, whether it is a "total" or "partial" loss. Under current procedures, the loss due to accident would have to be recovered either from funds generated through operating profit, or through the appropriation process.
16. No formal procedures exist for compiling or reviewing utilization of vehicles on an individual basis, which makes it virtually impossible to determine the optimum number of cars required by the motor pool.
17. The present practice of the Division of Purchasing is to set the salvage or disposal value of each vehicle at 25% of the original purchase price. Current statistics show we receive about 18% of the original purchase price when a vehicle is disposed of. An overstated salvage value means that charges for depreciation are undervalued. Later in this study, a revised method for establishing depreciation rates will be discussed.
18. Overall, the central motor pool is an economically sound operation from the State's viewpoint. The central motor pool provides a valuable service, i.e., furnishing automotive transportation to State employees so that official State business can be conducted in an economical and efficient manner.

Specific Findings

Vehicle Inventory

1. A total of 35 passenger-type vehicles were included in the motor pool inventory at one time or the other during Fiscal Year 1972-1973. Thirty-one vehicles were on hand at the beginning of the fiscal year; one was sold in November 1972, and four were sold during April 1973; four new cars were purchased during February 1973, bringing the ending inventory to 30 vehicles. TABLE 10 on Page 67, provides a listing of the 35 vehicles by year, make, model and type, date of purchase and their disposition, i.e. sold, bought, or in use throughout the fiscal year. TABLE 10 also breaks the cars down by size, i.e., mid-size or standard. The current motor pool fl  et includes 27 mid-size vehicles and 3 standard size. There are 25 four-door sedans and 5 station wagons included in the pool inventory.
2. The five cars sold during Fiscal Year 1972-1973 had attained an average age of six years nine months; average total mileage of 87,787; and brought an average disposal price of \$279.40 (17.7% of purchase price).
3. The four new cars added to the motor pool were purchased at an average cost of \$2,649.25.
4. TABLE 11 on Page 68, shows the estimated value of the motor vehicles on hand at the end of Fiscal Year 1972-1973. The total fleet is about 43% depreciated. The original purchase price of all 30 vehicles was \$58,609.05, and the estimated current market value is \$33,532.66.

TABLE 10

Penn Garage Motor Pool
Inventory of Vehicles
Fiscal Year 1972-1973

Number	Year - Make - Model - Type	Date of Purchase
Vehicles Sold During Fiscal Year		
3070	1966 Ford, Fairlane, 4-Door Sedan	Apr 1966
3700	1966 Ford, Fairlane, 4-Door Sedan	Jun 1966
3701	1966 Ford, Fairlane, 4-Door Sedan	Jun 1966
998	1967 Chevrolet, Chevelle, 4-Door Sedan	Apr 1967
2943	1965 Ford, Century, 4-Door Stn Wgn	Aug 1965
Vehicles Bought During Fiscal Year		
2786	1973 Plymouth, Satellite, 4-Door Sedan	Feb 1973
3034	1973 Plymouth, Satellite, 4-Door Sedan	Feb 1973
3050	1973 Plymouth, Satellite, 4-Door Sedan	Feb 1973
999	1973 Plymouth, Satellite, 4-Door Stn Wgn	Feb 1973
Vehicles On Hand Begin/End Fiscal Year		
3071	1966 Ford, Fairlane, 4-Door Sedan	Apr 1966
997	1967 Chevrolet, Chevelle, 4-Door Sedan	Apr 1967
3165	1967 Chevrolet, Chevelle, 4-Door Sedan	May 1967
3166	1966 Chevrolet, Chevelle, 4-Door Sedan	May 1967
3167	1967 Chevrolet, Chevelle, 4-Door Sedan	May 1967
4213	1968 Ford, Fairlane, 4-Door Sedan	Jul 1969
4214	1968 Ford, Fairlane, 4-Door Sedan	Jul 1969
4215	1968 Ford, Fairlane, 4-Door Sedan	Jul 1969
4216	1968 Ford, Fairlane, 4-Door Sedan	Jul 1969
4049	1968 Chevrolet, Chevelle, 4-Door Sedan	Sep 1968
4050	*1968 Chevrolet, Biscayne, 4-Door Sedan	Sep 1968
4051	*1968 Chevrolet, Biscayne, 4-Door Sedan	Sep 1968
4052	*1968 Chevrolet, Bellaire, 4-Door Sedan	Sep 1968
4240	1970 Plymouth, Belvedere, 4-Door Sedan	Jun 1970
4241	1970 Plymouth, Belvedere, 4-Door Sedan	Jun 1970
4242	1970 Plymouth, Belvedere, 4-Door Sedan	Jun 1970
4243	1970 Plymouth, Belvedere, 4-Door Sedan	Jun 1970
4244	1970 Plymouth, Belvedere, 4-Door Sedan	Jun 1970
4245	1970 Plymouth, Belvedere, 4-Door Sedan	Jun 1970
993	1972 American Motors, Matador, 4-Door Sedan	Jan 1972
994	1972 American Motors, Matador, 4-Door Sedan	Jan 1972
995	1972 American Motors, Matador, 4-Door Sedan	Jan 1972
222	1966 Ford, Century, 4-Door Stn Wgn	Mar 1966
2573	1967 Plymouth, Belvedere, 4-Door Stn Wgn	Mar 1967
996	1972 American Motors, Matador, 4-Door Stn Wgn	Jun 1972
992	1972 American Motors, Matador, 4-Door Stn Wgn	Dec 1971

* These three vehicles are standard size; remainder are mid-size.

TABLE 11

Penn Garage Motor Pool
Estimated Value of Vehicles on Hand
(30 Cars on Hand - End of Fiscal Year)
Fiscal Year - 1972-1973

Number	Age Years/Months	Mileage	Purchase Price	Depreciation ^{1/}	Estimated Current Value
999	0 yr. - 4 mo.	5,243	\$ 2,857.00	\$ 141.12	\$ 2,715.88
3050	0 yr. - 4 mo.	4,765	2,580.00	115.88	2,464.12
3034	0 yr. - 4 mo.	4,896	2,580.00	119.07	2,460.93
2786	0 yr. - 4 mo.	5,248	2,580.00	127.53	2,452.47
992	1 yr. - 6 mo.	24,697	2,729.00	636.44	2,092.56
996	1 yr. - 0 mo.	24,965	2,729.00	643.35	2,085.65
994	1 yr. - 5 mo.	21,620	2,504.00	511.31	1,992.69
993	1 yr. - 5 mo.	21,880	2,504.00	517.46	1,986.54
995	1 yr. - 5 mo.	25,296	2,504.00	598.25	1,905.75
4243	3 yr. - 1 mo.	42,856	1,692.99	685.27	1,007.72
4240	3 yr. - 1 mo.	44,717	1,692.99	715.02	977.97
4245	3 yr. - 1 mo.	45,441	1,692.99	726.60	966.39
4244	3 yr. - 1 mo.	45,685	1,692.99	730.50	962.49
4242	3 yr. - 1 mo.	47,270	1,692.99	755.85	937.14
4241	3 yr. - 1 mo.	47,334	1,692.99	756.87	936.12
4214	3 yr. - 11 mo.	57,200	1,619.19	874.59	744.60
4213	3 yr. - 11 mo.	59,521	1,619.19	910.08	709.11
4216	3 yr. - 11 mo.	59,529	1,619.19	910.20	708.99
4215	3 yr. - 11 mo.	61,266	1,619.19	936.76	682.43
4052	4 yr. - 9 mo.	67,306	1,776.25	1,129.39	646.86
4050	4 yr. - 9 mo.	66,394	1,696.10	1,063.63	632.47
4051	4 yr. - 9 mo.	67,721	1,696.10	1,084.89	611.21
4049	4 yr. - 9 mo.	71,680	1,640.64	1,111.04	529.60
3167	6 yr. - 1 mo.	77,710	1,518.42	1,114.36	404.06
3166	6 yr. - 1 mo.	78,579	1,518.42	1,126.82	391.60
3165	6 yr. - 1 mo.	78,951	1,518.42	1,132.16	386.26
997	6 yr. - 2 mo.	83,730	1,518.42	1,200.69	317.73
2573	6 yr. - 4 mo.	85,275	1,663.95	1,340.52	323.43
222	7 yr. - 4 mo.	93,386	2,179.39	1,921.88	257.51
3071	7 yr. - 3 mo.	90,608	1,681.24	1,438.86	242.38
TOTALS			\$58,609.05	\$25,076.39 ^{2/}	\$33,532.66 ^{3/}

^{1/} Depreciation: Based on a sales price of 15% of the original purchase price; with a useful life of 90,000 miles per car.

^{2/} 43% of original purchase price.

^{3/} 57% of original purchase price.

5. About one-third of the cars in the inventory at the end of the fiscal year had reached an age, and/or had accumulated enough total mileage, to make them economically unfeasible to retain, and should be disposed of.

Vehicles Recommended for Disposal

1. Eight vehicles (see TABLE 12, Page 70) cost more per mile to operate during Fiscal Year 1972-1973 than the 10-cent-per-mile charge to agencies.
2. Three other vehicles (see TABLE 12, Page 70) cost less per mile to operate during the fiscal year than the 10-cent charge. They have, however, reached an age and/or mileage which makes them susceptible to high operating costs and will probably begin to cost more than the 10 cents.
3. These 11 vehicles should be disposed of as economically unfeasible to operate.
4. Two of the vehicles are station wagons and should be replaced with the same type of vehicle. The remaining nine are sedans, and also should be replaced with similar type vehicles.
5. The nine sedans should be replaced with sub-compact cars, and the two station wagons with mid-size station wagons.

TABLE 12

Perin Garage Motor Pool
Vehicles Recommended for Disposal
(End of Fiscal Year 1972-1973 Data)

Number	Make/Model	Mileage	Cost Per Mile to Operate*	Estimated Current Value*	Age Years/Months
4052	Byscane 4-Dr Sedan	67,306	11.141	\$ 646.86	4 Yr-9 Mo
4050	Byscane 4-Dr Sedan	66,394	10.024	632.47	4 Yr-9 Mo
4051	Byscane 4-Dr Sedan	67,721	10.885	611.21	4 Yr-9 Mo
4049	Chevelle 4-Dr Sedan	71,680	7.605	529.60	4 Yr-9 Mo
3167	Chevelle 4-Dr Sedan	77,710	10.391	404.06	6 Yr-1 Mo
3166	Chevelle 4-Dr Sedan	78,579	10.549	391.60	6 Yr-1 Mo
3165	Chevelle 4-Dr Sedan	78,951	9.603	386.26	6 Yr-1 Mo
997	Chevelle 4-Dr Sedan	83,730	8.741	317.73	6 Yr-2 Mo
3071	Ford 4-Dr Sedan	90,608	15.769	242.38	7 Yr-3 Mo
2573	Plymouth Stn Wagon	85,275	10.151	323.43	6 Yr-4 Mo
222	Ford Stn Wagon	93,386	10.340	257.51	7 Yr-4 Mo
Total	---	861,340	---	\$4,743.11	---
Average	---	78,304	10.473	\$ 431.19	5 Yr-10 Mo

* Cost per mile in cents for Fiscal Year 1972-1973; estimated current value is based on a disposal price of 15% of the original purchase price, with a useful life of 90,000 miles, as of the end of Fiscal Year 1972-1973.

Increased Cost of Cars

1. TABLE 13, Page 71, illustrates the increased cost of automobiles over the past few years. The percent of cost increase for 1974 models over previous year model ranges from a low of 4% for the 1974 mid-size station wagon versus a 1973 model, to a high of 79% for the 1974 mid-size 4-door sedan versus a 1967 model.

TABLE 13

Vehicle Award Cost Comparisons

Vehicle	Award Price	Cost Increase	Percent of Cost Increase	
			Over Previous Award Year	1974 Over Previous Award Years
<u>Standard Size 4 Door Sedan</u>				
1968 Model	\$ 1,722.82	--	--	65.4
1974 Model	2,849.60	\$ 1,126.78	65.4	--
<u>Mid-Size Station Wagon</u>				
1966 Model	2,179.39	--	--	36.3
1967 Model	1,663.95	(515.44)	(23.7)	78.6
1972 Model	2,729.00	1,065.05	64.0	8.9
1973 Model	2,857.00	128.00	4.7	4.0
1974 Model	2,971.27	114.27	4.0	--
<u>Mid-Size 4 Door Sedans</u>				
1966 Model	1,681.24	--	--	60.9
1967 Model	1,518.42	(162.82)	(9.7)	78.2
1968 Model	1,678.69	160.27	10.6	61.2
1970 Model	1,692.99	14.30	.9	59.8
1972 Model	2,504.00	811.01	47.9	8.0
1973 Model	2,580.00	76.00	3.0	4.9
1974 Model	2,705.35	125.35	4.9	--

2. A significant jump in cost occurred for the 1972 model year when the price to the State rose from an average of about \$1,700 per vehicle to an average of \$2,600, or a 53% increase. The cause of this dramatic increase was the removal of manufacturer support, through special discounts, to automobile dealers selling governmental accounts, including special incentives, such as the manufacturer picking up the transportation expense.

3. The motor pool charges to agencies were adjusted from eight to 10 cents per mile to compensate for the increased cost of automobiles.

4. Using the Award prices for the past three model years, (1972, 1973 and 1974), the average increase in cost per year is about 4.4% for the mid-size station wagon, and 4% for the mid-size sedan. If this trend continues, and it is anticipated to do so, it appears practical to increase the charges to agencies by a similar percentage, only on a per-mile basis, in order to recover the cost of replacing automobiles with newer models. The following example illustrates the concept:

Example

A 1974 mid-size station wagon purchased by the State costs \$2,971.27. If we assume an increase in cost to the State of about 4.4% of purchase price per year, a 1978 mid-size station wagon will cost \$558.48 more, or \$3,529.75. Further, if we assume that the wholesale price of the 1974 model in 1978 is approximately 47%* of the original purchase price, and that the 1974 model is driven 70,000 miles, it will be called a "high mileage" automobile, and \$100** additional will be deducted from the wholesale

* Estimated wholesale value of a 4-year-old station wagon is projected in Army Regulation 700-88, dated 22 June 1972, and shown as EXHIBIT XIII.

** Amount to be deducted from the wholesale price of an automobile due to high mileage as shown in the N.A.D.A. Official Used Car Guide, dated April 1972, and shown as EXHIBIT III.

price. Therefore, the 1974 model will wholesale at approximately \$1,296.50 in 1978. Thus, we must depreciate the 1974 at .0319 cents per mile over the 4-years/70,000-miles in order to have \$3,529.75 in funds to purchase a similar 1978 model replacement vehicle.

(NOTE: Under current Division of Purchasing practices and procedures, we would assign a salvage value of 25% of original purchase price (\$742.82) to be depreciated over approximately 90,000 miles. Accordingly, the depreciation rate would be about .02476 cents per mile; the car would be driven for about two years longer and replaced by a 1980 model which would cost about \$3,847.20.)

Total Motor Pool Costs

1. There are three major cost areas involved in operating the motor pool:
 - a. Fixed Costs
 - b. Operating or Variable Costs
 - c. General and Administrative Costs
2. Fixed costs include depreciation, insurance, inspections, and storage. These costs change very little with changes in annual auto mileage.

3. Operating or variable costs include charges for gas, oil, maintenance and repair, tires, and miscellaneous (cleaning, windshield washer fluid, front end alignment, etc.). Most of these costs vary in direct proportion to mileage.
4. General and administrative costs include part-time costs of clerical employees in both the Division of Purchasing and the Office of Administrative Services.
5. Total Costs - 35 Cars. TABLE 14 on Page 75 portrays the total fixed, operating or variable, and general and administrative costs for operating the entire motor pool during Fiscal Year 1972-1973. In summary, pool cars were driven a total of 403,884 miles at a cost of 9.120 cents per mile, and an annual per car cost of \$1,188.13 for a total cost of \$36,833.90. Fixed costs represented 38% of total cost, operating or variable costs 48%, and general and administrative costs the remaining 14% of total costs.
6. Since all 35 cars were not included in the inventory for the entire fiscal year, separate summary sheets of costs are included for cars according to their disposition during the year. Summary sheets for the various categories are as follows:
 - a. Twenty-six cars in use throughout the entire fiscal year, TABLE 15, Page 76.
 - b. Five cars sold during the fiscal year, TABLE 16, Page 77.
 - c. Four cars bought during the fiscal year, TABLE 17, Page 78.

TABLE 14

Penn Garage Motor Pool Costs
Fiscal Year 1972-1973(35 ^{1/} Cars - 403,884 Miles Driven)

Area of Cost	Cost Per Mile (Cents)	Annual Costs		Percent Of Total Costs
		Per Car	Total Pool	
FIXED COSTS:	(3.454)	(450.05)	(13,951.74)	(37.88)
Purchase New Cars	2.142	279.06	8,650.94	23.48
Less: Disposal Receipts	- .324	- 42.20	- 1,308.20	- 3.55
Net Depreciation	1.818	236.86	7,342.74	19.93
Insurance	.264	34.35	1,065.00	2.89
Inspections	.024	3.19	99.00	.28
Storage	1.348	175.65	5,445.00	14.78
OPERATING OR VARIABLE COSTS:	(4.412)	(574.78)	(17,818.16)	(48.37)
Gasoline	1.708	222.56	6,899.24	18.73
Oil	.150	19.52	605.03	1.64
Repairs	1.277	166.34	5,156.56	14.00
Tires ^{2/}	.275	35.76	1,108.79	3.01
Miscellaneous	1.002	130.60	4,048.54	10.99
GENERAL AND ADMIN- ^{3/} ISTRATIVE COSTS:	(1.254)	(163.35)	(5,064.00)	(13.75)
TOTAL MOTOR POOL COSTS	9.120	\$1,188.18	\$36,833.90	100.00

^{1/}

26 cars in pool for the entire fiscal year; 4 cars sold in April 1973, 1 in November 1972; 4 new cars purchased in February 1973; current pool consists of 30 cars.

^{2/}

Includes costs, such as washing cars, front-end alignment, changing tires, balancing tires, towing, charging batteries, etc., i.e., all costs not considered as actual repairs to the vehicle.

^{3/}

Includes part-time costs of clerical employee work on Motor Pool in both the Office of Administrative Services (Accounting), and the Division of Purchasing (Administration).

TABLE 15

Penn Garage Motor Pool Costs
Fiscal Year 1972-1973

(Summary of 26 Cars in Use Throughout Fiscal Year 1972-1973) ^{1/}

Area of Cost	Cost Per Mile (Cents)	Annual Costs		Percent of Total Costs
		Per Car	Total Pool	
FIXED COSTS:	(3.325)	(471.84)	(12,267.78)	(37.03)
Purchase New Car(s)	2.105	298.63	7,764.32	23.43
Less: Disposal Receipts	- .316	- 44.79	- 1,164.54	- 3.51
Net Depreciation	1.789	253.84	6,599.78	19.92
Insurance	.247	35.00	910.00	2.75
Inspections	.021	3.00	78.00	.23
Storage	1.268	180.00	4,680.00	14.13
OPERATING OR VARIABLE COSTS:	(4.466)	(633.63)	(16,474.39)	(49.72)
Gasoline	1.716	243.54	6,332.11	19.11
Oil	.154	21.83	567.55	1.71
Repairs	1.331	188.76	4,907.77	14.82
Tires ^{2/}	.293	41.58	1,081.18	3.26
Miscellaneous	.972	137.92	3,585.78	10.82
GENERAL AND ADMIN- ISTRATIVE COSTS: ^{3/}	(1.190)	(168.80)	(4,388.80)	(13.25)
TOTAL MOTOR POOL COSTS	8.981	\$1,274.27	\$33,130.97	100.00

^{1/} 26 cars in the pool were purchased prior to Fiscal Year 1972-1973, and were still on hand at the end of the Fiscal Year.

^{2/} Includes costs, such as washing cars, front-end alignments, changing tires, balancing tires, towing, charging batteries, etc., i.e., all costs not considered as actual repairs to the vehicle.

^{3/} Includes part-time costs of clerical employee work on Motor Pool in both the Office of Administrative Services (Accounting), and the Division of Purchasing (Administration).

TABLE 16

Penn Garage Motor Pool Costs
Fiscal Year 1972-1973

(Summary of 5 Cars Sold During Fiscal Year 1972-1973) ^{1/}

Area of Cost	Cost Per Mile (Cents)	Annual Costs		Percent of Total Costs
		Per Car	Total Pool	
FIXED COSTS:	(6.451)	(191.87)	(959.36)	(38.87)
Purchase New Car(s)	1.978	58.83	294.16	11.92
Less: Disposal Receipts	- .369	- 10.96	- 54.80	- 2.22
Net Depreciation	1.609	47.87	239.36	9.70
Insurance	.807	24.00	120.00	4.86
Inspections	.101	3.00	15.00	.61
Storage	3.934	117.00	585.00	23.70
OPERATING OR VARIABLE COSTS:	(6.742)	(200.51)	(1,002.57)	(40.62)
Gasoline	2.823	83.96	419.82	17.01
Oil	.252	7.50	37.48	1.52
Repairs	1.673	49.76	248.79	10.08
Tires ^{2/}	.186	5.52	27.61	1.12
Miscellaneous	1.808	53.77	268.87	10.89
GENERAL AND ADMIN- ^{3/} ISTRATIVE COSTS	(3.410)	(101.28)	(506.40)	(20.51)
TOTAL MOTOR POOL COSTS	16.603	\$ 493.66	\$2,468.33	100.00

^{1/}

5 cars on hand at the beginning of the Fiscal Year were sold during Fiscal Year 1972-1973.

^{2/}

Includes costs, such as washing cars, front-end alignment, changing tires, balancing tires, towing, charging batteries, etc., i.e., all costs not considered as actual repairs to the vehicles.

^{3/}

Includes part-time costs of clerical employee work on Motor Pool in both the Office of Administrative Services (Accounting), and the Division of Purchasing (Administration).

TABLE 17

Penn Garage Motor Pool Costs
Fiscal Year 1972-1973

(Summary of 4 Cars Purchased During Fiscal Year 1972-1973) ^{1/}

Area of Cost	Cost Per Mile (Cents)	Annual Costs		Percent Of Total Costs
		Per Car	Total Pool	
FIXED COSTS:	(3.604)	(181.15)	(724.60)	(58.69)
Purchase New Car(s)	2.947	148.11	592.46	47.99
Less: Disposal Receipts	- .442	- 22.21	- 88.86	- 7.20
Net Depreciation	2.505	125.90	503.60	40.79
Insurance	.174	8.75	35.00	2.83
Inspections	.030	1.50	6.00	.49
Storage	.895	45.00	180.00	14.58
OPERATING OR VARIABLE COSTS:	(1.697)	(85.30)	(341.20)	(27.64)
Gasoline	.733	36.83	147.31	11.93
Oil	-0-	-0-	-0-	-0-
Repairs	-0-	-0-	-0-	-0-
Tires	-0-	-0-	-0-	-0-
Miscellaneous ^{2/}	.964	48.47	193.89	15.71
GENERAL AND ADMINISTRATIVE COSTS: ^{3/}	(.840)	(42.20)	(168.80)	(13.67)
TOTAL MOTOR POOL COSTS	6.141	\$308.65	\$1,234.60	100.00

^{1/}

4 new cars were purchased during Fiscal Year 1972-1973, bringing the total cars on hand to 30 at the end of the fiscal year.

^{2/}

Includes costs, such as washing cars, front-end alignment, changing tires, balancing tires, towing, charging batteries, etc., i.e., all costs not considered as actual repairs to the vehicle.

^{3/}

Includes part-time costs of clerical employee work on Motor Pool in both the Office of Administrative Services (Accounting), and the Division of Purchasing (Administration).

7. Significant facts from the summaries are:

- a. 26 Cars. The categories of costs for these cars do not vary significantly from the total motor pool cost categories due to the average miles driven during the fiscal year for the 26 cars being about the same as for the total pool average (26 = 14,189; 35 = 13,029). The cost per mile for the 26 is somewhat lower (8.981 versus 9.120) due to the 26 being driven about 1,000 miles more than the overall average.
- b. 5 Cars. Although fixed costs as a percent of total costs are about the same for the five as the 35, there is a significant difference in specific categories, i.e., insurance, and storage. Cost per mile for insurance and storage are significantly higher for the five. These cars were on hand for nine months of the year (except for one, which was on hand for only four and one-half months), and had low mileage. The average mileage for all 35 cars was 13,029, while it was only 2,974 for the five cars sold. General and administrative costs on a per mile

basis were significantly higher for the five for the same reason, i.e., low mileage driven.

- c. 4 Cars. High average mileage driven for these cars made the cost per mile (especially in the operating or variable cost area) significantly lower than for the total pool (6.141 versus 9.120). Another significant factor is that these four, being new, required no oil, repairs or tires.
- d. The major point is that older cars cost more to operate due primarily to increased operating or variable costs.

- 8. TABLE 18 on Page 81 portrays cost per mile comparisons for the three categories (bought, sold, etc.) of vehicles included in the total inventory for Fiscal Year 1972-1973.
- 9. TABLE 19 on Page 82 shows individual costs per mile as a percent of total cost comparison for the same three categories of vehicles.

TABLE 18

Overall Penn Garage
Cost Per Mile Comparisons
Fiscal Year 1972-1973

Area of Cost	Five Cars Sold	Four Cars Bought	Twenty-six Cars in Use Full FY	Total Motor Pool
Fixed Costs:	(6.451)	(3.604)	(3.325)	(3.454)
Purchase New Car(s)	1.978	2.947	2.105	2.142
Less: Disposal Receipts	- .369	- .442	- .316	- .324
Net Depreciation	1.609	2.505	1.789	1.818
Insurance	.807	.174	.247	.264
Licensing/Inspections	.101	.030	.021	.024
Storage	3.934	.895	1.268	1.348
Operating or Variable Costs:	(6.742)	(1.697)	(4.466)	(4.412)
Gasoline	2.823	.733	1.716	1.708
Oil	.252	-0-	.154	.150
Repairs	1.673	-0-	1.331	1.277
Tires	.186	-0-	.293	.275
Miscellaneous	1.808	.964	.972	1.002
General & Admin. Costs:	(3.410)	(.840)	(1.190)	(1.254)
TOTALS	16.603	6.141	8.981	9.120

TABLE 19

Individual Costs Per Mile as a Percent of Total Cost Comparisons
Fiscal Year 1972-1973

Area of Cost	Five Cars Sold	Four Cars Bought	Twenty-six Cars in Use Full FY	Total Motor Pool
Fixed Costs:	(38.87)	(58.69)	(37.03)	(37.88)
Purchase New Car(s)	11.92	47.99	23.43	23.48
Less: Disposal Receipts	- 2.22	- 7.20	- 3.51	- 3.55
Net Depreciation	9.70	40.79	19.92	19.93
Insurance	4.86	2.83	2.75	2.89
Licensing/Inspections	.61	.49	.23	.28
Storage	23.70	14.58	14.13	14.78
Operating or Variable Costs:	(40.62)	(27.64)	(49.72)	(48.37)
Gasoline	17.01	11.93	19.11	18.73
Oil	1.52	-0-	1.71	1.64
Repairs	10.08	-0-	14.82	14.00
Tires	1.12	-0-	3.26	3.01
Miscellaneous	10.89	15.71	10.82	10.99
General & Admin. Costs:	(20.51)	(13.67)	(13.25)	(13.75)
TOTALS	100.00	100.00	100.00	100.00

Major Cost Areas

1. TABLE 20 on Page 86 summarizes the costs developed on a per mile, per car and total pool basis for Fiscal Year 1972-1973. The table shows the contribution of each individual cost to the total motor pool cost.
2. The table includes the total costs in dollars and percent of total motor pool costs for the three types of costs involved in operating the motor pool, i.e., Operating or Variable Costs, Fixed Costs, and General and Administrative Costs.
3. In addition, the table includes six major individual cost areas in dollars and percent of the total motor pool costs. These six individual cost areas account for 92.2 percent of total motor pool costs.

Rental Cars Versus State-owned Cars

1. The feasibility of replacing the State-owned automobiles with rental cars also was studied. It was determined that rental cars would have tripled the cost of the motor pool operation.
2. TABLE 21 on Page 87, shows the costs avoided during Fiscal Year 1972-1973 by operating the motor pool with State-owned vehicles versus renting cars from a private concern. The total cost avoided was \$72,782.90.
3. Reference TABLE 21 on Page 87, the number of days for which a car would be rented was computed as follows:

- a. There were 5 working days in a week times 52 weeks in a year, which allows for 260 working days per year.
- b. It is estimated that the central motor pool cars are used about 80% of the working days.
- c. 80% times 260 equals 208 working days per year per car.
- d. The motor pool includes 5 station wagons, 5 times 208 equals 1,040 days; there are 25 sedans, and 25 times 208 equals 5,200 days.

Lease Cars Versus State-owned Cars

1. The feasibility of replacing the State-owned automobiles with leased cars was studied. It was determined that leased cars would almost double the cost of the motor pool operation.
2. TABLE 22 on Page 88 shows the costs avoided during Fiscal Year 1972-1973 by operating the motor pool with State-owned vehicles versus leasing cars from a private concern. The total cost avoided was \$28,429.69.
3. Governments represent an exception to the rules that generally govern the decision to lease automobiles. Generally, they do not lease fleet cars because of one or a combination of the following:

- a. Capital is not as critical a factor in government operations as in private enterprise.
- b. The ability to secure additional loans by freeing credit through leasing is not necessary for governments.
- c. Volume purchases by governments usually yield the same purchase price savings that are available to a large lessor.
- d. Governments do not pay the auto sales taxes that face a lessor.
- e. The tax advantages of deducting depreciation and leasing expenses do not apply to governments.

Agency Savings from Use of Central Motor Pool

- 1. The State pays employees a per diem rate of 12 cents per mile for use of their personal cars while on State business.
- 2. Agencies are charged 10 cents per mile for the use of cars from the central motor pool.
- 3. TABLE 23 on Page 89 shows that agencies using the central motor pool saved a total of \$8,077.68 through the use of the pool versus paying per diem to employees.
- 4. The central motor pool should be used in all cases when vehicles are available, rather than allowing individuals to use their personal cars.

TABLE 20

Penn Garage Motor Pool Major Cost Areas
Fiscal Year 1972-1973

(35 1/ Cars - 403,884 Miles Driven)

Cost Item	Dollar Costs	Percent of Total Motor Pool Costs
OPERATING OR VARIABLE COSTS	\$17,818.16	48.3%
FIXED COSTS	\$13,951.74	37.9%
GENERAL AND ADMINISTRATIVE COSTS	\$ 5,064.00	13.8%
TOTAL COSTS	\$36,833.90	100.0%
Depreciation (Fixed)	\$ 7,342.74	19.9%
Gasoline (Variable)	\$ 6,899.24	18.7%
Storage (Fixed)	\$ 5,445.00	14.8%
Repairs (Variable)	\$ 5,156.56	14.0%
Administration (General)	\$ 5,064.00	13.8%
Miscellaneous (Variable)	\$ 4,048.54	11.0%
TOTAL COSTS	\$33,956.08	92.2%

1/ 26 cars in pool for the entire fiscal year; 4 cars sold in April 1973, 1 in November 1972; 4 new cars purchased in February 1973; current pool consists of 30 cars.

TABLE 21

Penn Garage Motor Pool Cost Avoidance
 Rental Cars Versus Motor Pool Cars
 Fiscal Year 1972-1973
 (403,884 Miles Driven)

Cost Item	Item Cost	Total Cost
<u>Rental Cost</u>		
<u>Station Wagons</u>		
78,860 Miles @ \$.14 per mile	\$11,040.40	
1,040 Days @ \$14 per day	\$14,560.00	
Gasoline	1,492.67	
Insurance	174.49	
Sub Total	\$27,267.56	
<u>4-Door Sedans</u>		
325,024 Miles @ \$.09 per mile	\$29,252.16	
5,200 Days @ \$9 per day	46,800.00	
Gasoline	5,406.57	
Insurance	890.51	
Sub Total	\$82,349.24	
TOTAL RENTAL COSTS		\$109,616.80
<u>Motor Pool Cost</u>		
<u>Station Wagons</u>		
78,860 Miles @ \$.08718 per mile	\$ 6,875.24	
<u>4-Door Sedans</u>		
325,024 Miles @ \$.09217 per mile	\$29,958.66	
TOTAL MOTOR POOL COSTS		\$ 36,833.90
TOTAL COST AVOIDANCE		\$ 72,782.90

TABLE 22

Penn Garage Motor Pool Cost Avoidance
 Lease Cars Versus Motor Pool Cars
 Fiscal Year 1972-1973
 (403,884 Miles Driven)

Cost Item	Item Cost	Total Cost
<u>Lease Cost</u>		
<u>Station Wagons (78,860 Miles Driven)</u>		
5 @ \$110.09 per month	\$ 6,605.40	
Fixed Costs	\$ 872.99	
Operating or Variable Costs	\$ 2,398.62	
General & Administrative Costs	\$ 657.14	
Sub Total	\$10,534.15	
<u>4-Door Sedans (325,024 Miles Driven)</u>		
25 @ \$107.09 per month	\$32,127.00	
Fixed Costs	\$ 4,795.01	
Operating or Variable Costs	\$14,075.77	
General & Administrative Costs	\$ 3,731.66	
Sub Total	\$54,729.44	
TOTAL LEASE COSTS		\$65,263.59
<u>Motor Pool Cost</u>		
<u>Station Wagons</u>		
78,860 Miles @ \$.08718 per mile	\$ 6,875.24	
<u>4-Door Sedans</u>		
325,024 Miles @ \$.09217 per mile	\$29,958.66	
TOTAL MOTOR POOL COSTS		\$36,833.90
TOTAL COST AVOIDANCE		\$28,429.69

TABLE 23

Agency Savings from Use of Penn Garage
Versus Paying Per Diem
Fiscal Year 1972-1973

Cost Item	Cost
Miles Driven	403,884
<u>Per Diem Cost</u> @ .12 Per Mile	\$48,466.08
<u>Motor Pool Charges to Agencies</u> @ .10 Per Mile	\$40,388.40
Total	\$ 8,077.68

Savings to the State from Use of Central Motor Pool

1. As stated previously, the State pays employees a per diem rate of 12 cents per mile for use of their personal cars while on State business.
2. Considering that motor pool cars drove 403,884 miles during Fiscal Year 1972-1973, had the 12 cents per mile per diem rate been paid for these miles driven, the cost to the State would have been \$48,466.08.
3. TABLE 24 on Page 90 shows that the State saved \$11,631.38 by using motor pool cars versus paying per diem to employees.

TABLE 24

Penn Garage Motor Pool Cost Savings ^{1/}
Fiscal Year 1972-1973

Cost Item	Five Cars Sold	Four Cars Bought	Twenty-six Cars in Use Full FY	Total Motor Pool
Miles Driven	14,870	20,105	368,909	403,884
<u>Per Diem Cost</u>				
@ .12 Per Mile	\$1,784.40	\$2,412.60	\$44,269.08	\$48,466.08
<u>Motor Pool Cost</u> ^{2/}				
@ .16603 Per Mile	\$2,468.33			
@ .06141 Per Mile		\$1,234.65		
@ .08981 Per Mile			\$33,131.72	
@ .09120 Per Mile				\$36,834.70
TOTAL	(\$ 683.93)	\$1,177.95	\$11,137.36	\$11,631.38

^{1/} Savings represent cost of operating the Penn Garage Motor Pool versus paying per diem to State employees for driving their private automobiles on State business.

^{2/} Cost varies by type and age of car; overall average cost per mile was 9.120 cents. (See TABLE 14, Page 75.)

Central Motor Pool Profit

1. Agencies are charged 10 cents per mile for the use of central motor pool cars.
2. TABLE 25 on Page 91 shows that total operating costs for the central motor pool were \$36,834.70. By charging 10 cents a mile, or \$40,388.40 for the 403,884 miles driven, the central motor pool showed a profit of \$3,553.70.
3. It should be noted that there is no "true" profit to the State, since all monies come from State funds.

TABLE 25

Penn Garage Motor Pool "Profit" 1/
Fiscal Year 1972-1973

Cost Item	Five Cars Sold	Four Cars Bought	Twenty-six Cars in Use Full FY	Total Motor Pool
Miles Driven	14,870	20,105	368,909	403,884
<u>Agency Charges</u>				
@ .10 Per Mile	\$1,487.00	\$2,010.50	\$36,890.90	\$40,388.40
<u>Motor Pool Cost</u>				
@ .16603 Per Mile	\$2,468.33			
@ .06141 Per Mile		\$1,234.65		
@ .08981 Per Mile			\$33,131.72	
@ .09120 Per Mile				\$36,834.70
TOTAL	(\$ 981.33)	\$ 775.85	\$ 3,759.18	\$ 3,553.70

1/ Profit represents the charges made to agencies for use of the Penn Garage Motor Pool versus the cost of operating the Motor Pool.

Charges to Agencies Using Motor Pool Vehicles

1. As stated previously, the charge per mile to agencies for the use of central motor pool vehicles currently is ten cents. The ten cents per mile charge is slightly more than the average cost to operate a motor pool vehicle (9.120 cents per mile, as shown in TABLE 14, Page 75).
2. The ten cents per mile charge is sufficient to cover the cost of operating the central motor pool, with one major exception, replacement of uneconomical and/or old vehicles. In order for

the central motor pool to continue to provide economical and efficient service, vehicles must be replaced periodically.

3. In a previous section of this study, "Vehicles Recommended for Disposal," 11 of the 30 vehicles currently included in the motor pool inventory were recommended for disposal due to either their high operating cost or "old age." If these vehicles were replaced with the types of cars recommended (nine sub-compact sedans and two mid-size station wagons), the cost to the State would be about \$22,042.98. (Based on current award prices 1974 model car prices less estimated disposal value of the 11 old cars. Refer to EXHIBIT VII in the Appendix and TABLE 12, Page 70.) The Division of Purchasing has \$10,475.00 available under this fiscal year's appropriation for replacement of vehicles. Thus, the Division of Purchasing is about \$11,567.98 short of having sufficient funds to replace the subject vehicles.
4. The central motor pool should be operated like a private rental car business, with the exception that it need not produce a "net profit." In other words, the central motor pool should produce sufficient revenue to cover not only the cost of operations, but to maintain a current fleet of economical and efficient automobiles.
5. The current "across-the-board" charge of 10 cents per mile for all types of vehicles does not reflect the varying costs

of operating different types/sizes of automobiles. For instance, a standard size station wagon costs considerably more to operate than a sub-compact sedan. In a similar manner to the practice of private car rental agencies, the central motor pool should vary the charges based on the type/size of the vehicle used by an agency. Included in the recommendation section of this study is a proposed revised rate schedule for charges to user agencies. An added benefit of charging less for a smaller car will be the inducement for an agency to "fit the size of the car to the need," as well as increase the use of smaller cars, thereby conserving fuel, a vital energy resource.

Recommendations

After thorough study and evaluation of the findings set forth in this Section of the study, the following recommendations are offered for consideration to improve the overall management and control of the Penn Garage central motor pool.

- *28. The State should continue to maintain the central motor pool for the Capitol Complex area at the Penn Garage.

Reasons:

- It is conveniently located to major users in the Capitol Complex area.
- It provides a valuable service to the State of Colorado.
- It is an efficient and economical operation from the State's viewpoint.

* This numbering sequence is continued from previous recommendations listed in Section I, Page 40 through Page 61 .

29. Transfer responsibility for administration and control of the Penn Garage motor pool from the Division of Purchasing to the Office of Administrative Services, Department of Administration.

Reasons:

- Administration and control should be centralized in one office rather than being split as mentioned above.
- Assignment of responsibility to the Office of Administrative Services provides a more logical functional alignment.

30. Require prior approval of the Office of Administrative Services, Department of Administration, for all maintenance and/or repair work performed on Penn Garage motor pool vehicles. (This recommendation assumes acceptance and implementation of Recommendation No. 29. Should Recommendation No. 29 not be implemented, require prior approval of the Division of Purchasing.)

Reasons:

- Implementation of this recommendation places responsibility in the proper place.

- In addition, it allows for decision making by the State as to whether maintenance and/or repairs are justified in terms of economy and efficiency, e.g., make repairs or sell vehicle.

31. A new accounting system and forms should be adopted to account for fixed costs, operating or variable costs, and general and administrative costs, on a per car/total pool and monthly basis. (EXHIBITS VIII, IX and XIV are examples of the type of forms recommended.)

Reasons:

- A new system and standard form and procedures are required to improve management, control and accounting.
- A standard accounting system would allow cost comparisons to be made between agencies. Variances could be analyzed and improvements suggested for those agencies experiencing high operating costs.
- Currently, no standard system exists to review the utilization of vehicles, especially on an individual and periodic basis.

32. Revise current accounting reports to match current month's income against current month's expenses.

Reason:

- Reports are meaningless on a current month's basis, unless both income and expenses are reported for the same period.

33. Encumber gasoline and oil purchases to allow for the implementation of the previous recommendation (No. 32), by saving all customer copies of gasoline sales slips, and posting them at the end of the month.

Reason:

- Gasoline and oil purchases by credit card are the primary problem with expenses that are recorded late.

34. Require agencies to reimburse the Division of Purchasing, Department of Administration, for repairs to vehicles involved in accidents when the accident is not covered by insurance. (The wording, Division of Purchasing, would be changed to the Office of Administrative Services, if Recommendation No. 29 is implemented.)

Reasons:

- Motor pool cars are not covered by collision insurance, and therefore, funds are not available to repair vehicles

involved in uninsured accidents.

- The agencies should be held accountable for accidents involving their employees.

35. Install procedures and develop a form for users of Penn Garage motor pool vehicles to "sign-off" on the beginning and ending mileage of the vehicles used; and, to account for the gasoline required to fill up the vehicles for the next user.

Reasons:

- No procedures are in effect to insure that motor pool cars are not being driven after turn-in to the motor pool.
- No procedures are in effect to verify the amount of gasoline being delivered by the Penn Garage.

36. Revise the salvage values and methods of determining salvage value for Penn Garage motor pool vehicles to more closely reflect the actual value at time of sale.

Reasons:

- The State's present practice is to set salvage value at 25% of the original purchase price. Current statistics show we receive about 18% of original purchase price.

- Overstated salvage value means that charges for depreciation are undervalued.

37. Sell the 11 cars identified in TABLE 12, Page 70 , as they are economically undesirable to operate. Request a supplemental appropriation to replace them with smaller cars.

Reasons:

- They are either too old or have accrued too many miles; and therefore, cost too much to operate.
- Funds are not available within the current appropriation to replace the subject vehicles.
- Replacement with smaller cars is in accordance with the Governor's Executive Order of November 7, 1973.
(See EXHIBIT IV.)

38. Provide one FTE position for the Department of Administration to provide services such as scheduling of cars, pooling of riders, and maintenance of standard procedures.

Reasons:

- Presently, only a part-time FTE position in the Division of Purchasing is provided for the

motor pool function.

- The added responsibilities for the motor pool function, resulting from tighter controls and increased accountability, will require the use of a full-time FTE.

39. Change the mix of Penn Garage motor pool automobiles to the following as soon as practical and within fiscal constraints.

1 - standard size

11 - mid size

9 - compact

9 - sub-compact
30

Reasons:

- Economy and efficiency of operations will be realized by replacing mid-size vehicles with the smaller compacts and sub-compacts.
- The new mix will conserve energy, thereby helping the nation to preserve this valuable resource.
- This recommendation reflects the Governor's policy as stated in his Executive Order of November 7, 1973. (See EXHIBIT IV.)

40. Increase utilization of Penn Garage motor pool cars from an average of about 13,500 miles per year to 17,500.

Reasons:

- Cost per mile could be reduced by at least one cent per mile by spreading fixed and administrative costs over more total miles.
- The utilization of motor pool cars indicates that their scheduling could be improved. On the average, cars were checked out only about 75% to 80% of the available days during FY 72-73.
- Over three cents per mile could be saved by using motor pool cars versus paying reimbursement.
- Disposal receipts on cars sold would increase by driving cars more miles per year and selling them at an earlier age.

41. Instruct users of Penn Garage motor pool vehicles to fill up with gasoline at State-owned facilities whenever and wherever possible and practical.

Reasons:

- Currently, motor pool vehicles are

being fueled at privately-owned gasoline stations and the State pays the commercial prices.

- A savings of approximately 10 cents per gallon can be realized through the use of State-owned facilities.

42. The State of Colorado should adopt the following policy relative to renting or leasing of vehicles:

Authorization to rent or lease a car from a private concern will be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director will authorize such rental or leasing only in cases where no State vehicle is available, and the employee refuses to use his private vehicles for official business.

Reason:

- Renting or leasing an automobile is more costly than either reimbursing an employee for use of his private car, or using a State-owned vehicle.

43. The State of Colorado should adopt the following policy relative to paying reimbursement for use of personal cars versus using Penn Garage motor pool vehicles:

Authorization to use a personal car for official business will be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director will authorize the use of personal cars only in cases where a Penn Garage motor pool car is unavailable, or where other arrangements cannot be made, i.e., rescheduling of trip, using another State-owned vehicle, etc.

Reasons:

- Savings can be realized through use of motor pool cars versus paying reimbursement.
- Savings can be realized through use of other State-owned vehicles.
- Many trips can be rescheduled to coincide with other agency trips, or when a central motor pool car is available.

44. The charge of 10 cents per mile to agencies for use of the Penn Garage motor pool vehicles should be revised to more closely reflect the cost of operating and replacing the different types of vehicles. In addition, the Department of Administration should be allowed to adjust the rates to reflect current operating costs. (The anticipated significant increase in the cost of gasoline makes the latter part

of the recommendation extremely appropriate.) The following rates are suggested at this time:

Standard size-Station Wagon	- 14 cents per mile
Standard size-Sedan	- 13 cents per mile
Mid size-Station Wagon	- 13 cents per mile
Mid size-Sedan	- 12 cents per mile
Compact size	- 11 cents per mile
Sub-Compact size-Station Wagon	- 11 cents per mile
Sub-Compact size-Sedan	- 10 cents per mile

Reasons:

- The cost of cars is increasing each year and the rates charged by the motor pool should be adjusted to keep pace with their increase.
- The cost of maintenance and repair also is increasing each year, and motor pool rates must be changed to reflect the increased costs.
- The cost of operating different types and sizes of vehicles varies and the rates charged to agencies should vary accordingly.
- The lower cost charged for smaller cars should induce agencies to utilize these vehicles, thereby creating cost savings to the State.

SECTION III
IMPLEMENTATION SCHEDULE

Implementation

The following recommendations have been implemented by Executive action. (See EXHIBITS IV, V, XVI, and XVII.)

1. All State agencies were directed to replace standard vehicles with sub-compact, compact, or mid-size cars at the earliest point in time that was fiscally sound. It was further ordered that the smallest size vehicle required (consistent with an agency's mission), to transport personnel in the conduct of State business, shall be the vehicles approved. (Recommendation No. 22.)
2. In the interest of conserving fuel, the Governor directed all State vehicles to be driven at speeds not to exceed 50 miles per hour, with the exception of those emergency vehicles which, by the nature of their use, must operate at higher speeds. He further directed that all efforts toward car pooling and coordination and curtailment of travel be undertaken immediately. (Recommendations Nos. 15, 17, and 25.)
3. All State agencies shall take a physical inventory of all vehicles within their agency jurisdiction. The inventory count is to be reported to the Division of

Purchasing, Department of Administration, so that current computer vehicle inventory records may be validated for accuracy and completeness. (Recommendation No. 1.)

4. A State-wide policy shall be adopted, which requires all vehicle maintenance and repair work to be performed on a contractual or formal procedure basis (other than work done by State employees and/or in State-owned facilities). The Division of Purchasing, Department of Administration, shall let annual bids for maintenance and repair work or establish some type of formal procedures. (Recommendation No. 6.)
5. All State agencies are encouraged to increase their "passenger load," i.e., pool their trips whenever and wherever practical. Implementation of this recommendation shall include the establishment of central control points within each agency for the scheduling of trips. The central control point shall coordinate the scheduling of agencies' trips with those of other agencies, as well as its own intra-agency trips. (Recommendation No. 15.)
6. More stringent controls shall be developed by all agencies to insure that State-owned vehicles are used for official business only. (Recommendation No. 24.)
7. The Department of Administration shall propose the following policy for disposing of all State-owned vehicles:

State-owned vehicles will be disposed of after they have accumulated 70,000 miles, or have reached an age of four years, whichever is sooner. Exceptions to this policy may be granted by the Executive Director of a department, or his duly authorized representative, on an individual vehicle basis when certain circumstances prevail, e.g., significant major repairs require selling the automobile sooner, a wrecked vehicle would cost more to repair than it would be worth. (Recommendation No. 8.)

(NOTE: Currently, Article 4, Section 3-4-10, Subsection (3), Colorado Revised Statute 1963, requires that no State-owned vehicle (with certain exceptions) may be disposed of before it has reached the age of two years or before it has had 100,000 miles of service, whichever occurs first.)

8. All State agencies shall be advised that all automobiles purchased by them must be bought from the authorized dealers as determined by awards made by the Division of Purchasing, Department of Administration, resulting from the sealed bid procedure. Any exception must be approved by the State Purchasing Director. (Recommendation No. 20.)
9. The Department of Administration recommends the State adopt a firm policy relative to paying reimbursement for use of

personal cars versus using State-owned vehicles as follows:

Authorization to use a personal car for official business shall be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director shall authorize the use of personal cars only in cases where a State-owned vehicle is unavailable, or where other arrangements cannot be made, e.g., rescheduling of trips, using another agency's State-owned vehicle. (Recommendation No. 13.)

(NOTE: The State of Colorado Fiscal Rule on travel is being rewritten to reflect the above policy.)

10. The Governor asked each department head to carefully scrutinize the need to assign automobiles to State employees (or to an office) who may drive the vehicles to and from work. He suggested the following guideline to assist the department head in the review: THE AUTOMOBILE IS THE EMPLOYEE'S "OFFICE" OR IT IS DRIVEN AT LEAST 12,000 MILES ANNUALLY. It was further directed that should an employee fail to meet the above guideline, a justification for continuing the practice is required to be submitted; and, if responses are not made within two weeks of the date of the directive, the practice would cease until a fiscal rule governing it is issued. (Recommendation No. 18.) (See EXHIBIT XVII.)

We suggest the following implementation action schedule be adopted for those recommendations that can be acted upon without further study.

	<u>Proposed Operational Date</u>
1. Begin the study to determine the feasibility of establishing a central maintenance facility for all vehicles in the Denver and other major metropolitan areas. (Recommendations 4 and 5.)	March 1974
2. Revise Section 1. 3-4-10 (1), Colorado Revised Statutes 1963 (1971 Supp.) to strengthen it and close loopholes. (Recommendation No. 7.)	July 1974
3. Investigate the feasibility of setting up travel centers to coordinate all State travel. (Recommendation No. 9.)	July 1974
4. A standard accounting system and forms should be developed for all State agencies to use in accounting for expenses incurred in operating their motor pool. Specifically, costs should be broken down into fixed costs, operating or variable costs, and general and administrative costs, on a per car/total pool and monthly basis. (Recommendation No. 10.)	July 1974

Recommendation

5. The criteria for justifying the addition of vehicles to an agency's inventory should be standardized for the entire State. In addition, procedures should be established for the periodic review of these criteria and for the review/approval of the justification prior to either inclusion in the agency's budget or acquisition of the vehicle. (Recommendation No. 11.)

April 1974

6. The criteria for use of motor pool vehicles should be strengthened and standardized for all motor pools throughout the State. In this regard, it should be standard policy that motor pool vehicles must be used when available; especially in lieu of personal vehicles for which the employee is reimbursed. (Recommendation No. 12.)

May 1974

7. Determine the number of sub-compact vehicles required by the Departments of Health and Social Services to allow them

Recommendation

Proposed
Operational
Date

to eliminate the practice of paying employees reimbursement for use of their personal vehicles in the conduct of State business. Amend these agencies' budget requests for FY 73-74 to reflect the additional funds required to acquire a sub-compact fleet of vehicles.

(Recommendation No. 14.)

January 1974

8. Meetings requiring travel should be reduced to the bare minimum and arranged in such a way as to require the smallest number of persons to travel.

(Recommendation No. 16.)

April 1974

9. The State of Colorado should adopt the following policy relative to the current practice of allowing employees to use State-owned vehicles to go to and from work:

Authorization to use a State-owned vehicle to go to and from work will be granted only by the Executive Director of a department, or his duly

Recommendation

Proposed
Operational
Date

authorized representative. The criteria for use of State-owned vehicles for this purpose should be standardized for the entire State and a committee established to review, coordinate, and approve the criteria before publication. In addition, procedures should be established for periodic review by an independent body of the application and/or enforcement of the policy/criteria by each agency.

(Recommendation No. 18.)

January 1974

10. All State agencies should be instructed to require their employees to fuel State-owned vehicles at State-owned facilities whenever and wherever possible and practical. (Recommendation No. 21.)

April 1974

11. Change the State of Colorado's overall mix of passenger-type vehicles to the following as soon as practical within

<u>Recommendation</u>	<u>Proposed Operational Date</u>
<p>fiscal constraints: 5% Standard size; 35% Mid-size; 30% Compact size; and 30% Sub-compact size.</p> <p>(NOTE: If Recommendation No. 14 is implemented, the percentage of mix will be 4%; 32%; 27%; and 37% respectively.) (Recommendation No. 22.)</p>	Ongoing
<p>12. The State of Colorado should develop a standard procedure for establishing charges to agencies for use of motor pool vehicles. Charges should include not only the cost of operations, but should have a built-in charge sufficient enough to replace the vehicle when it is disposed of. (Recommendation No. 23.)</p>	July 1974
<p>13. Transfer responsibility for administration and control of the Penn Garage motor pool from the Division of Purchasing to the Office of Administrative Services, Department of Administration.</p> <p>(Recommendation No. 29.)</p>	January 1974

<u>Recommendation</u>	<u>Proposed Operational Date</u>
<p>14. Require prior approval of the Office of Administrative Services, Department of Administration, for all maintenance and/or repair work performed on Penn Garage motor pool vehicles.</p> <p>(Recommendation No. 30.)</p>	January 1974
<p>15. A new accounting system and forms should be adopted to account for fixed costs, operating or variable costs, and general and administrative costs, on a per car/total pool and monthly basis. (EXHIBITS VIII and IX are examples of the type of forms recommended.) (Recommendation No. 31.)</p>	July 1974
<p>16. Revise current accounting reports to match current month's income against current month's expenses. (Recommendation No. 32.)</p>	July 1974
<p>17. Encumber gasoline and oil purchases to allow for the implementation of the previous recommendation (No. 32), by saving all customer copies of gasoline sales slips, and posting them at the end of the month. (Recommendation No. 33.)</p>	July 1974

Recommendation

18. Require agencies to reimburse the Division of Purchasing, Department of Administration, for repairs to vehicles involved in accidents when the accident is not covered by insurance. (The wording, Division of Purchasing, would be changed to the Office of Administrative Services, if Recommendation No. 29 is implemented.) (Recommendation No. 34.) January 1974
19. Install procedures and develop a form for users of Penn Garage motor pool vehicles to "sign-off" on the beginning and ending mileage of the vehicle used; and, to account for the gasoline required to fill-up the vehicles for the next user. (Recommendation No. 35.) January 1974
20. Revise the salvage values and methods of determining salvage value for Penn Garage motor pool vehicles to more closely reflect the actual value at time of sale. (Recommendation No. 36.) January 1974
21. Sell the 11 cars identified in TABLE 12, Page 70, as they are economically undesirable

<u>Recommendation</u>	<u>Proposed Operational Date</u>
to operate. Request a supplemental appropriation to replace them with smaller cars. (Recommendation No. 37.)	January 1974
22. Provide one FTE position for the Department of Administration, to provide services such as scheduling of cars, pooling of riders, and maintenance of standard procedures. (Recommendation No. 38.)	January 1974
23. Change the mix of Penn Garage motor pool automobiles to the following as soon as practical within fiscal constraints: 1 standard size; 11 mid-size; 9 compact; and 9 sub-compact. (Recommendation No. 39.)	Ongoing
24. Increase utilization of Penn Garage motor pool cars from an average of about 13,500 miles per year to 17,500. (Recommendation No. 40.)	Ongoing
25. Instruct users of Penn Garage motor pool vehicles to fill up with gasoline	

Recommendation

Proposed
Operational
Date

at State-owned facilities whenever
and wherever possible and practical.

(Recommendation No. 41.)

April 1974

26. The State of Colorado should adopt the following policy relative to renting or leasing of vehicles: Authorization to rent or lease a car from a private concern will be granted only by the Executive Director of a department or his duly authorized representative. The Executive Director will authorize such rental or leasing only in cases where no State vehicle is available, and the employee refuses to use his private vehicle for official business.

(Recommendation No. 42.)

January 1974

27. The State of Colorado should adopt the following policy relative to paying reimbursement for use of personal cars versus using Penn Garage motor pool vehicles: Authorization to use a personal car for

Recommendation

official business will be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director will authorize the use of personal cars only in cases where a Penn Garage motor pool car is unavailable, or where other arrangements cannot be made, i.e., rescheduling of trip, using another State-owned vehicle, etc. (Recommendation No. 43.)

January 1974

28. The charge of 10 cents per mile to agencies for use of the Penn Garage motor pool vehicles should be revised to more closely reflect the cost of operating and replacing the different types of vehicles. In addition, the Department of Administration should be allowed to adjust the rates to reflect current operating costs. (The anticipated significant increase in the cost of gasoline makes the latter part of the recommendation extremely appropriate.)

Recommendation

Proposed
Operational
Date

The following rates are suggested at this time:

Standard size-Station Wagon	- 14 cents per mile
Standard size-Sedan	- 13 cents per mile
Mid size-Station Wagon	- 13 cents per mile
Mid size-Sedan	- 12 cents per mile
Compact size	- 11 cents per mile
Sub-Compact size-Station Wagon	- 11 cents per mile
Sub-Compact size-Sedan	- 10 cents per mile

(Recommendation No. 44.)

January 1974

SECTION IV
APPENDIX

An Act

1971

HOUSE BILL NO. 1137. BY REPRESENTATIVES Gustafson, Bishop, Cole, Evetts, Gallagher, Koster, McCormick, Quinlan, Sack, Schafer, Showalter, Sonnenberg, Strang, and Younglund; also SENATOR Armstrong.

REMOVING THE PRICE LIMITATION ON PASSENGER CARS PURCHASED BY THE STATE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 3-4-10 (1), Colorado Revised Statutes 1963, is amended to read:

3-4-10. Purchase of passenger vehicles. (1) The purchase price of any passenger car purchased by the state shall not exceed two thousand five hundred dollars, including all accessory equipment, f.o.b. Denver, except the passenger car purchased for the use of the governor; EXCEPT THAT FOR THE PERIOD BEGINNING ON THE EFFECTIVE DATE OF THIS SUBSECTION (1), AS AMENDED, AND ENDING ON JULY 1, 1973, THE PURCHASE PRICE OF ANY PASSENGER CAR, THE MAJOR USE OF WHICH IS WITHIN FIFTY MILES OF ITS BASE OF OPERATIONS, SHALL NOT EXCEED TWO THOUSAND THREE HUNDRED DOLLARS, AND THE PURCHASE PRICE OF ALL OTHER PASSENGER CARS, INCLUDING CARS FOR THE USE OF THE COLORADO STATE PATROL, SHALL NOT EXCEED THREE THOUSAND FIVE HUNDRED DOLLARS.

SECTION 2. Safety clause. The general assembly hereby

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

John D. Fuhr
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

John D. Vanderhoof
PRESIDENT OF THE
SENATE

Lorraine F. Lombardi
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Comfort W. Shaw
SECRETARY OF
THE SENATE

APPROVED _____

John A. Love
GOVERNOR OF THE STATE OF COLORADO

1973

An Act

HOUSE BILL NO. 1293 BY REPRESENTATIVES Bishop, Arnold, Baer, Cooper, Gustafson, Hamlin, Koster, Pettie, Munson, Spano, and Strang; also SENATORS Stockton and Massari.

CONCERNING THE PRICE LIMITATION ON PASSENGER CARS PURCHASED BY THE STATE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 3-4-10 (1), Colorado Revised Statutes 1963 (1971 Supp.), is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

3-4-10. Purchase of passenger vehicles. (1) The purchase price of any passenger car purchased by the state for use primarily within fifty miles of its base of operations shall not exceed two thousand five hundred dollars, including all accessory equipment, f.o.b. Denver. The purchase price of any other passenger car purchased by the state shall be that price after open competitive bidding and which is within the available appropriation therefor.

SECTION 2. Effective date. This act shall take effect July 1, 1973.

SECTION 3. Safety clause. The general assembly hereby

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety

John D. Fuhr
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

John D. Vanderhoof
PRESIDENT
OF THE SENATE

Lorraine F. Lombardi
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Comfort W. Shaw
SECRETARY OF
THE SENATE

APPROVED _____

John A. Love
GOVERNOR OF THE STATE OF COLORADO



DEPARTMENT OF ADMINISTRATION

617 State Services Building
Denver, Colorado 80203

September 27, 1973

IN D. VANDERHOOF
Governor

JOSEPH T. PETRONE
Executive Director

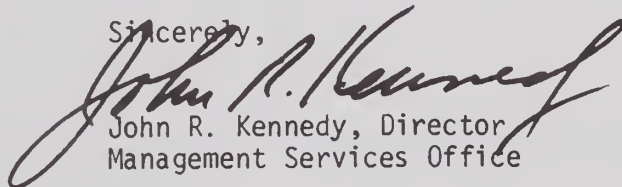
Dear Sir:

The attached Questionnaire is an important part of a State-wide survey to provide information that will lead to better cost control of State-owned passenger vehicles. The head of your Department, or his designated representative, has been interviewed personally regarding this survey.

This Questionnaire has been forwarded to you for completion, based on his recommendation. We realize this is an extensive Questionnaire, but the problem is complex and millions of dollars are involved in State auto transit, so your answers are most important.

If you have any questions regarding any item on the Questionnaire, please call the Management Services Office in Denver, (303) 892-3317, and ask to speak with Messrs. Kennedy, Brooks or Steinhauser. It is imperative that we have this information returned to us not later than October 9, 1973.

Sincerely,



John R. Kennedy, Director
Management Services Office

JRK:ad
enc.

NOTE: From Question No. 2 onward, exclude patrol cars, repair vehicles and other passenger-type cars used for special purposes other than personal transport.

Agency Questionnaire
on
Passenger Vehicles

_____ 1. How many licensed vehicles of all types are inventoried in your agency?

_____ 2. Please list the number of vehicles, by type, of passenger cars:

Total

_____ Sedan

_____ Station Wagon Other _____

_____ Carry All

_____ 3. How many of the above are based in the Denver Metropolitan Area?

_____ 4. How many of these were purchased since July 1, 1972?

Please list those purchased since July 1, 1972 below.

<u>Assigned Vehicle #</u>	<u>Date Purchased</u>	<u>Make</u>	<u>Type</u>	<u>Purchase Price</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(use extra sheet, if needed)

_____ 5. Of the vehicles listed in Question 4, how many travel:

_____ (a) within 50 miles of their base regularly?

_____ (b) beyond 50 miles of their base regularly?

_____ 6. Of the vehicles purchased since July 1, 1972, which ones travel beyond 50 miles of their base, if any?

<u>Assigned Vehicle #</u>	<u>Make</u>	<u>Type</u>	<u>Usual Purpose of Trip</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(use extra sheet, if needed)

7. What is the method of disposing of older cars?

Trade-in____ Auction____ Sale____ Other____

8. When a new car is purchased, is a trade-in normally used?

☐ Yes ☐ No

(a) If "YES," at what "age" is a car normally traded?

_____ years, and/or _____ miles

(b) Please estimate the range of normal trade-in value:

from \$_____ to \$_____

9. When you sell (or auction) a car, usually how old is it? _____ years;
and what is its mileage? _____ miles.

(a) What is the typical range of the sale price?

from \$_____ to \$_____

10. In which Metropolitan Areas, other than Denver, do you have State cars?

AGENCY MOTOR POOL

Yes No 11. Does this agency operate its own motor pool? If "YES," answer questions 12, 13, 14, 15 and 16.

_____ 12. How many passenger vehicles are in this pool?

Yes No 13. Is there an established criteria* for use of pool vehicles? If "YES," what is it?

☐ miles to be driven greater than _____ per _____.

☐ destination _____

☐ other (explain) _____

* If this is written policy, please attach to this Questionnaire.

14. Where are these pool vehicles located?

_____ central parking facility

_____ commercial facility

_____ agency-owned facility

_____ other _____

15. What is the monthly storage expense for these vehicles per unit?

16. What are the procedures for use of a motor pool vehicle by an individual? Please attach copies of any forms and/or procedures.

17. What reasons are used by this agency for replacement of passenger-type vehicles and/or addition of new vehicles to the inventory?

(a) Replacement:

☐ mileage over _____ miles

☐ age of vehicle over _____ years

☐ maintenance cost over \$_____ per _____

☐ other (explain) _____

(b) Addition of vehicles to inventory based on:

☐ additional personnel _____

☐ location of work _____

☐ type of work _____

☐ other (explain) _____

18. How are charges pro-rated to individual users of your motor pool?

19. What was the overall cost of operating your motor pool in FY '72-'73?

(a) Please break down the cost figures as follows:

\$_____ depreciation
 \$_____ minor repairs and maintenance (\$50.00 and under)
 \$_____ major repairs (over \$50.00)
 \$_____ replacement tires
 \$_____ gasoline
 \$_____ oil
 \$_____ insurance
 \$_____ garaging, parking, storing, etc.
 \$_____ other

INDIVIDUAL ASSIGNMENT OF PASSENGER CARS ON A PERMANENT BASIS

Yes No
 ___ ___
 20. Are passenger-type vehicles assigned to specific individuals in this agency?

If "YES," please answer Questions 21, 22, 23 and 24.

21. How many vehicles are assigned? Please attach a list of these with the names and titles of persons to whom they are assigned.

22. How many of these vehicles are used to go to and from work?

23. What criteria are used for dedicated assignment of a vehicle to individuals in this agency?

_____ Annual Mileage must exceed _____

_____ Position held by individual _____

_____ Work requirements _____

_____ Other _____

24. How often are these criteria reviewed?

MILEAGE AND EXPENSES

25. What method is primarily used for maintenance of State vehicles in this agency?

- ☐ Contract with maintenance facility
- ☐ In-house mechanics
- ☐ Private mechanics, no contract, as needed
- ☐ Other (explain) _____

26. What expense records are kept on passenger vehicles?

	<u>Each Vehicle</u>	<u>Overall</u>	<u>How Often Recorded?</u>	<u>How Often Reviewed?</u>
Mileage	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Gasoline & Oil	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Maintenance & Repair	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Storage Overhead	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Depreciation	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Insurance	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Other	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____

27. What is the average annual mileage driven by each unit in the following categories?

_____ Motor Pool Vehicles

_____ Individually Assigned Vehicles

_____ All Other Passenger-type Vehicles

28. Please add any suggestions as to how you feel the State could reduce its automobile travel costs.

29. What suggestions do you have concerning the acquisition, allocation, use and control of State passenger vehicles?

30. We are interested in reducing costs. Therefore, of your total number of passenger cars what percents could be

_____ % mid-size cars (Matador, Chevelle, etc.)

_____ % compact cars (Maverick, Nova, etc.)

_____ % sub-compact cars (Pinto, Gremlin, etc.)

without jeopardizing the performance of your mission?

PERSONAL CARS

31. How many reimbursed miles were driven by employees of this agency in their personal cars?

_____ mi

\$_____ were paid to employees for mileage reimbursement.

32. Were personal cars used when motor pool cars (Agency or the Penn Garage) were available?

Yes No
____ _

33. What was the average reimbursed mileage driven by each employee in his personal car?

_____ mi

High Mileage Table*
 Values Shown Below to be
 Deducted from Car's Guidebook Value

Mileage	Class	1972	1971	1970	1969	1968	1967
0 to 15000	I II III						
15000 to 20000	I II III						
20001 to 25000	I II III		50 100 175				
25001 to 30000	I II III		125 200 300				
30001 to 35000	I II III		175 250 375	25 50 100			
35001 to 40000	I II III		225 350 525	75 125 200			
40001 to 45000	I II III		350 500 675	125 200 300			
45001 to 50000	I II III		400 550 775	175 275 375	50 75 125		
50001 to 55000	I II III		450 600 875	225 300 450	100 150 200	25 50 75	
55001 to 60000	I II III		500 650 975	300 375 525	125 200 275	50 75 125	25 25 50
60001 to 65000	I II III		575 750 1125	350 425 600	175 250 350	75 100 175	25 25 50
65001 to 70000	I II III		675 900 1325	400 500 650	225 300 400	100 150 250	25 50 75

LEGEND:

I - Compacts and Intermediate Cars
 II - Standard Size Cars
 III - Luxury and Prestige Cars

* Source. N.A.D.A. Official Used Car Guide, dated April 1972, and published in Washington, D.C., by the National Automobile Dealers Used Car Guide Co.



State of Colorado

EXECUTIVE CHAMBERS

DENVER

D. VANDERHOOF
Governor

EXECUTIVE ORDER

WHEREAS, it is the responsibility of State Government to effect savings wherever possible; and

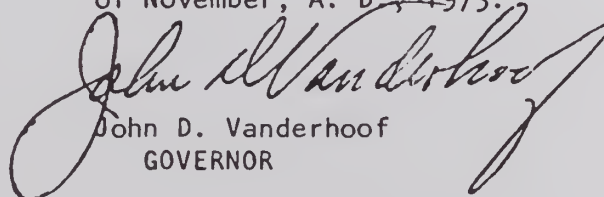
WHEREAS, the State of Colorado, due to the concern over the energy crisis, wishes to assist in the improvement of our environment by reducing vehicle emissions;

NOW THEREFORE, I, John D. Vanderhoof, Governor of the State of Colorado, do hereby direct all State agencies to replace standard vehicles with sub-compact, compact, or mid-size cars at the earliest point in time that is fiscally sound.

IT IS FURTHER ORDERED that henceforth, the smallest size vehicles required (consistent with an agency's mission), to transport personnel in the conduct of State business, shall be the vehicles approved.

Emergency, police, and special purpose vehicles are exempted from this Order.

GIVEN under my hand and the
Executive Seal of the State
of Colorado this Seventh Day
of November, A. D. 1973.


John D. Vanderhoof
GOVERNOR



State of Colorado

EXECUTIVE CHAMBERS

DENVER

D. VANDERHOOF
Governor

EXECUTIVE ORDER

(Executive Order dated July 11, 1973, Revised)

WHEREAS, the State of Colorado has reached a critical point in the areas of energy consumption and supply; and

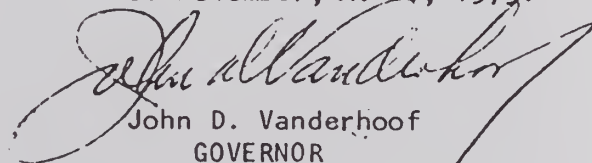
WHEREAS, it is the responsibility of State government to effect savings of fuel wherever possible;

NOW, THEREFORE, I, John D. Vanderhoof, Governor of the State of Colorado, do hereby order that, in the interest of conserving fuel, all State vehicles shall be driven at speeds not to exceed 50 miles per hour, excepting those emergency vehicles which, by the nature of their use, must operate at higher speeds.

IT IS FURTHER ORDERED that all efforts toward car pooling and coordination and curtailment of travel be undertaken and this responsibility is lodged in the executive directors of State departments.

FURTHERMORE, I urge that all State employees follow these guidelines in the operation of their private vehicles, and I hope that State employees will serve both in public and private capacities as examples to our fellow citizens.

GIVEN under my hand and the
Executive Seal of the State
of Colorado this Eighth Day
of November, A. D., 1973.



John D. Vanderhoof
GOVERNOR

Fuel Economy in Miles Per Gallon
for Various Model Years
and Inertia Weight Categories
(--indicates no data)

Model Year	<u>Inertia Weight</u>										
	<u>1750</u>	<u>2000</u>	<u>2250</u>	<u>2500</u>	<u>2750</u>	<u>3000</u>	<u>3500</u>	<u>4000</u>	<u>4500</u>	<u>5000</u>	<u>5500</u>
57	--	26.4	--	--	--	--	14.7	13.0	--	--	12.5
58	--	25.3	18.2	--	13.2	--	13.6	15.2	12.5	8.6	--
59	--	28.6	--	--	--	15.2	15.0	13.2	12.7	13.8	--
60	--	20.4	--	22.3	24.5	--	15.7	12.4	10.8	10.9	--
61	--	29.4	--	20.9	16.3	17.2	11.4	14.0	10.5	10.6	--
62	--	25.8	--	--	18.0	16.3	13.0	13.8	12.6	10.8	--
63	--	23.2	19.5	--	16.1	14.7	12.6	12.0	11.1	10.6	--
64	--	22.8	--	--	17.3	16.2	13.7	12.9	11.4	11.0	--
65	--	23.8	--	--	18.3	15.2	13.7	12.3	11.7	10.3	--
66	--	20.9	--	12.7	14.9	14.6	13.9	12.3	12.1	11.3	9.3
67	--	22.6	25.7	--	18.7	15.9	13.1	12.1	11.6	11.2	10.3
68	--	19.3	20.5	18.5	19.7	15.6	13.3	12.0	11.3	9.5	--
69	--	22.2	20.3	18.8	--	15.4	13.3	11.9	11.3	9.1	10.8
70	--	23.4	19.3	17.5	18.5	15.9	13.3	12.0	10.9	10.1	9.9
71	27.2	22.6	21.4	19.3	18.3	14.8	12.2	11.7	10.7	9.6	10.9
72	--	23.0	21.9	19.6	20.0	14.4	13.3	11.1	10.7	9.6	9.3
73	24.8	23.8	21.9	19.7	17.5	15.6	13.9	10.8	10.1	9.3	8.6
74	--	24.1	21.4	18.7	17.7	14.8	13.7	10.8	9.6	9.1	8.2
75	--	--	20.1	17.4	16.6	--	14.3	--	10.1	9.6	8.4
57-67 Aver.	--	23.2	21.7	19.1	17.1	15.4	13.5	12.6	11.7	10.9	10.5

Source: A Report on Fuel Economy, U. S. Environmental Protection Agency, Oct. 1973

AWARDS FOR VEHICLES

(September 24, 1973 through June 30, 1974)

Unit	Unit Price
<u>Station Wagon (Standard)</u>	
1974 American Motors Ambassador, 4 door, 9 Passenger, 8 Cylinder, Automatic Transmission	\$ 3,409.00
1974 American Motors Ambassador, 4 door, 6 Passenger, 8 Cylinder, Automatic Transmission	3,319.00
<u>Station Wagon (Mid-Size)</u>	
1974 Plymouth Satellite, 4 door, 6 passenger, 8 Cylinder, Automatic Transmission	2,971.27
<u>Sedan (Standard)</u>	
1974 Plymouth Fury I, 4 door, 8 Cylinder Automatic Transmission	2,849.60
<u>Sedan (Mid-Size)</u>	
1974 Plymouth Satellite, 4 door, 8 Cylinder, Automatic Transmission	2,705.35
<u>Sedan (Compact)</u>	
1974 American Motors Hornet, 4 Door, 6 Cylinder Automatic Transmission	2,470.80
<u>Sedan (Sub-Compact)</u>	
1974 American Motors Gremlin, 2 Door, 6 Cylinder, Automatic Transmission	2,315.95

RECOMMENDED COST ACCOUNTING FORM

CAR NUMBER _____

MILEAGE _____

MONTH/YEAR _____

Area of Cost	Cost Per Mile	Actual Dollar Cost	Percent of Total Costs
Fixed Costs:			
Purchase New Car(s)			
Less: Disposal Receipts			
Net Depreciation			
Insurance			
Licensing/Inspections			
Storage			
Operating or Variable Costs:			
Gasoline			
Oil			
Repairs			
Tires			
Miscellaneous			
General & Admin. Costs:			
TOTAL COSTS			

RECOMMENDED COST ACCOUNTING FORM

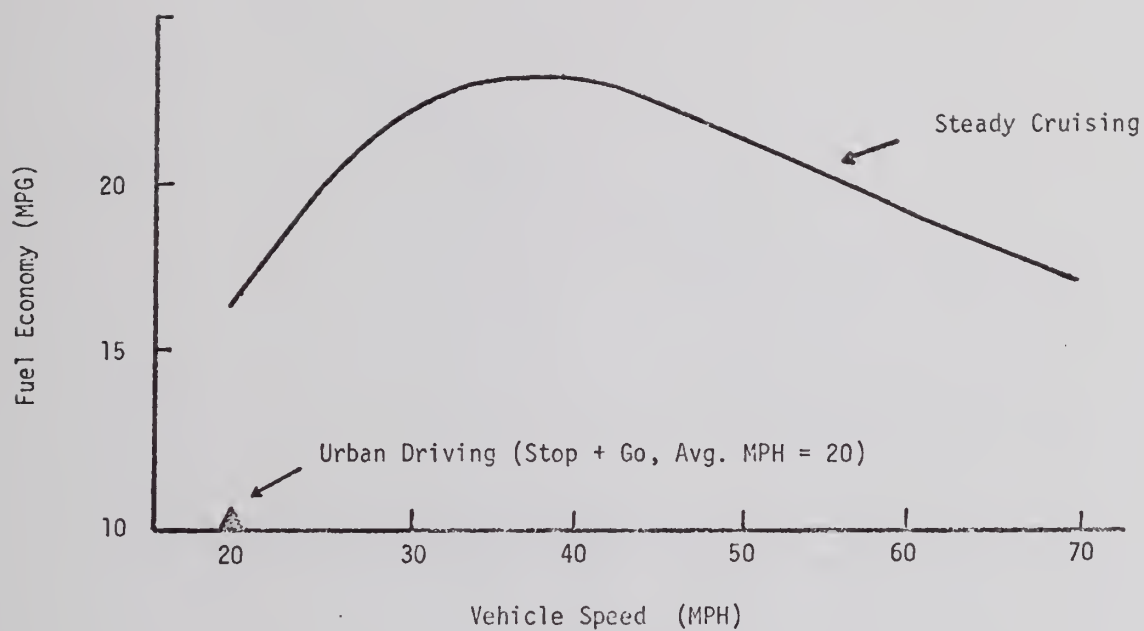
Total Motor Pool

Mileage _____

Month/Year _____

Area of Cost	Cost Per Mile	Actual Costs		Percent of Total Costs
		Per Car	Total Fleet	
Fixed Costs:				
Purchase New Car(s)				
Less: Disposal Receipts				
Net Depreciation				
Insurance				
Licensing/Inspections				
Storage				
Operating or Variable Costs:				
Gasoline				
Oil				
Repairs				
Tires				
Miscellaneous				
General & Admin. Costs:				
TOTAL MOTOR POOL COSTS				

FUEL ECONOMY VS. VEHICLE SPEED

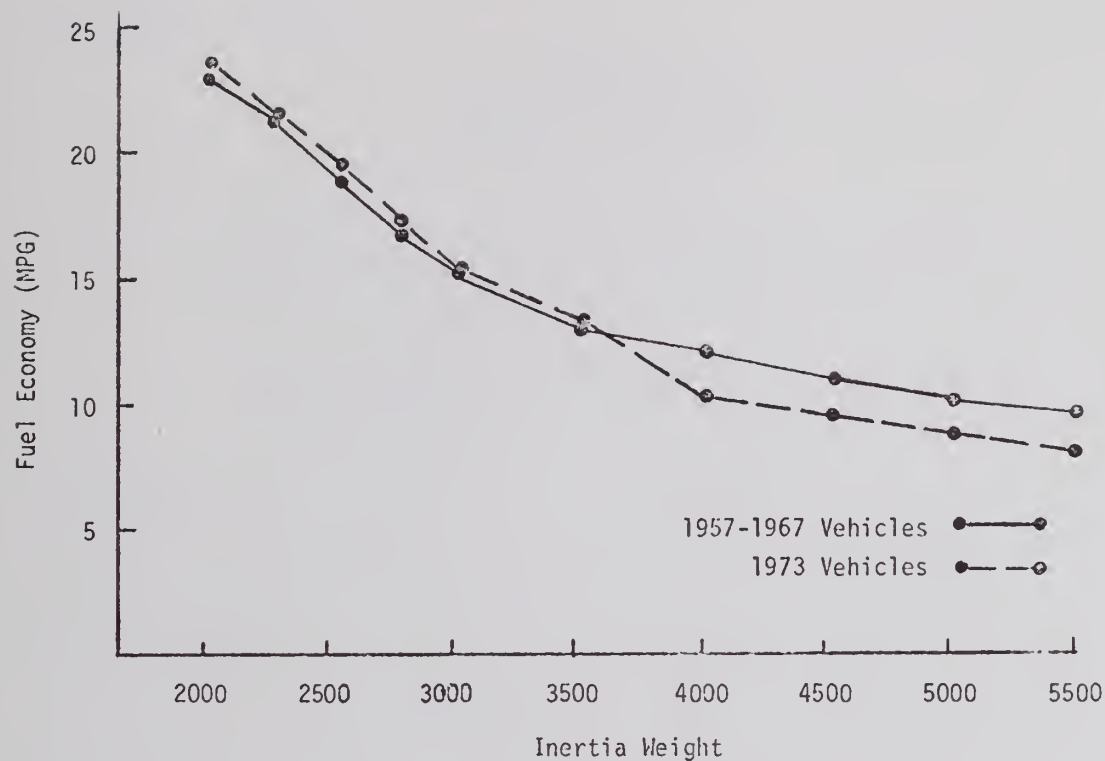


FUEL ECONOMY VS. VEHICLE SPEED

	<u>Speed</u>	<u>Fuel Economy</u>
Urban Driving	20 MPH	10 MPG
Cruise	20 MPH	16.5 MPG
	30 MPH	22.0 MPG
	40 MPH	22.5 MPG
	50 MPH	21.5 MPG
	60 MPH	19.5 MPG
	70 MPH	17.3 MPG

Source: A Report on Fuel Economy, U.S. Environmental Protection Agency, October, 1973.

FUEL ECONOMY VS. INERTIA WEIGHT



FUEL ECONOMY VS. INERTIA WEIGHT
FOR UNCONTROLLED (1957-1967 AVERAGE) AND 1973 VEHICLES

	<u>Inertia Weight</u>									
	2000	2250	2500	2750	3000	3500	4000	4500	5000	5500
'57-'67 MPG	23.2	21.7	19.1	17.1	15.4	13.5	12.6	11.7	10.9	10.5
'73 MPG	23.8	21.9	19.7	17.5	15.6	13.9	10.8	10.1	9.3	8.6

Source: A Report on Fuel Economy, U.S. Environmental Protection Agency, October, 1973.

Letter of Request

S T A T E O F C O L O R A D O

E. R. ROON
State Purchasing Director

JOHN D. VANDERHOOF
Governor

Office of
DIVISION OF PURCHASING
232 State Services Bldg.
Denver, Colorado 80203
Phone 892-3261

REQUEST FOR USE OF STATE OF COLORADO MOTOR POOL CAR
The Penn Garage is located at 1300 Pennsylvania Street, Denver.
Garage hours are from 7:00 a.m. to 5:30 p.m. Monday thru Friday,
and from 7:00 a.m. to 4:00 p.m. on Saturday.

YOU ARE RESPONSIBLE FOR THIS VEHICLE, UNTIL YOU NOTIFY THE
GARAGE ATTENDANT OF ITS PRESENCE ON THE GARAGE PROPERTY!

THE FOLLOWING TO BE FILLED OUT BY REQUESTING AGENCY:

Agency Name _____ Agency Number _____
Fund Number to be Charged _____ General Ledger Number _____
Signature of Requesting Authority _____
Driver of Car _____ Destination _____
To be Taken from Garage _____
Date _____ Time _____
To be Returned to Garage _____
Date _____ Time _____
=====

Letter of Authority

THE FOLLOWING TO BE FILLED OUT BY THE DIVISION OF PURCHASING:

Letter of Authority Number _____	PURCHASING WILL MAKE DISTRIBUTION:
Car Number _____	1. White to Division of Purchasing
Mileage when Returned _____	2. Yellow to Requesting Agency
Mileage when Taken Out _____	3. Pink to Penn Garage
	4. Goldenrod to Dept. of Administration

STATE PURCHASING DIRECTOR

By _____
ALL INQUIRIES ABOUT STATE MOTOR POOL CARS
ARE TO BE MADE TO DIVISION OF PURCHASING

Computation Factors
for Use in Determining
Current and Projected Wholesale Values

Vehicle Type	Age in Years*														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Ambulance, all	90	80	70	60	50	40	30	20							
Sedans, all	87	73	60	47	33	20									
Station Wagon	87	73	60	47	33	20									
Bus, BOC (up to 37 pax)	90	80	70	60	50	40	30	20							
Bus, BOC (over 37 pax)	92	84	76	68	60	52	44	36	28	20					
Bus, Integral	93	87	80	73	67	60	53	47	40	33	27	20			
Truck, under 7,000 GVW	87	73	60	47	33	20									
Truck & Truck Tractor, 7,000-18,999 GVW	87	77	66	54	43	31	20								
Truck & Truck Tractor, 19,000-23,999 GVW	90	80	70	60	50	40	30	20							
Truck & Truck Tractor, 24,000-39,999 GVW	92	84	76	68	60	52	44	36	28	20					
Truck & Truck Tractor, 40,000 GVW & over	93	87	80	73	67	60	53	47	40	33	27	20			
Trailers & Semitrailers	95	89	84	79	73	68	63	57	52	47	41	36	31	25	20
Motorcycles	84	68	52	36	20										
Scooter 3W, Package Delivery	84	68	52	36	20										

* All figures in columns under age in years are percentage factors to be applied against the vehicle acquisition cost in determining the current and projected wholesale value. A factor of 50 percent will be applied against the current wholesale value in determining maximum extensive repair expenditures for all vehicle types. EXAMPLE: The current wholesale value of a light sedan, 3 years old, with a current acquisition cost of \$1650 would be \$990, computed in accordance with the above table. The maximum extensive repair expenditure is 50 percent of \$990 or \$495. Any one-time repair costing more than \$495 would be considered uneconomical and a replacement vehicle should be requested.

MONTHLY AUTOMOBILE
DATA SHEET

Assignee: _____ Vehicle State License No: _____ Month _____ Year _____
 Car Year & Model: _____ Location: _____

Day	Starting Odometer Miles	Gasoline		Oil		Repairs & Misc. (Lube, Brake, Trans. Fluid)			Total Cost
		Gal.	Cost	Qts.	Cost	Description	Cost		
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									
TOTAL									

RECAP: Signature Assignee: _____ Signature Supervisor: _____

Odometer Miles End: _____
 Start: _____
 Total Miles Driven: _____

Indicate Date & Mileage Last Service Performed

Lubrication _____ Oil Filter _____
 Air Filter _____ Oil Change _____
 Safety Inspection _____ Tune Up _____

CONDITION OF VEHICLE:

Mechanical: _____

Tires: _____

Body Sheet Metal: _____

Glass: _____

Interior: _____

Remarks or Comments: _____

Computerized Vehicle Inventory

Department/Agency	(1) Passenger Vehicles		(2) Other Types		Total Vehicles	Department/Agency	Passenger Vehicles		Other Types Agency Vehicles	Total Vehicles
	In	Out	Agency	Types			In	Out		
Executive Branch	3	0	3	0	3	Dept. of Labor & Employment	49	2	51	76
Lt. Governor	1	0	1	0	1	Division of Employment	4	0	4	5
Highway Safety	2	0	2	0	2	Division of Labor	43	0	43	9
Judicial Branch	0	2	2	0	2	Comp. Insurance Fund	0	2	0	2
Dept. of Administration	42	9	51	51	102	Oil Inspection	0	2	20	22
Archives	0	0	0	1	1	Dept. of Law	2	0	0	2
Central Services	0	0	0	1	1	Dept. of Local Affairs	14	6	20	22
Communications	4	7	11	30	41	Colo. Bu. of Inves.	8	0	8	10
Public Works (Cap. Bldgs.)	2	0	2	0	2	Property Tax	3	6	9	3
Public Works Division	2	2	4	0	4	Housing	2	0	2	2
Purchasing Motor Pool	30	0	30	0	30	Criminal Justice	1	0	1	1
Surplus Property	4	0	4	19	23	Dept. of Military Affairs	10	8	18	112
Dept. of Agriculture	57	46	103	72	175	Adjutant General	3	0	3	10
Agriculture	54	3	57	59	116	Civil Air Patrol	7	6	13	100
Colorado State Fair	0	4	4	11	15	Civil Defense	0	2	2	2
Stock Inspection	3	39	42	2	44	Dept. of Natural Resources	52	97	149	951
Dept. of Education	3	0	3	9	12	Div. of Mines (Coal)	0	3	3	3
Dept. of Health	1	0	1	12	13	Div. of Mines (Bureau)	1	4	5	10
Dept. of Higher Education	2	0	2	10	12	Geological Survey	1	0	1	1
Historical Society	2	0	2	4	6	Land Board	0	5	5	6
Board of Commun. Colleges	0	0	0	6	6	Oil & Gas Cons. Comm.	2	0	2	2
Dept. of Highways	289	173	462	516	978	Parks & Recreation	6	8	14	135
Dept. of Institutions	87	158	245	408	653	Water Resources	9	9	18	35
Institutions	11	2	13	2	15	Div. of Wildlife	33	68	101	759
School for Deaf & Blind	0	6	6	6	12	Dept. of Regulatory Agencies	24	16	40	41
Ft. Logan Mental Health	19	1	20	29	49	Civil Rights	1	5	6	6
Home & Trng.-Grand Junction	0	10	10	18	28	Cosmetology	2	0	2	2
Home & Trng.-Wheat Ridge	22	0	22	40	62	Electrical Board	3	8	11	11
Colorado State Hospital	0	35	35	60	95	Pharmacy Board	0	3	3	3
Juvenile Hall	0	3	3	16	19	Public Utilities Comm.	14	0	14	14
Adult Parole	25	21	46	3	49	Racing Commission	4	0	4	5
State Penitentiary	0	31	31	80	111	Dept. of Revenue	63	53	116	133
State Reformatory	0	17	17	99	116	Dept. of Social Services	2	6	8	20
Youth Services	0	8	8	39	47	Social Services	1	0	1	1
Golden Gate Youth	0	4	4	3	7	Rehab-Vending Stands	1	0	1	2
Lathrop Park	0	2	2	7	9	Rehabilitation	0	0	0	5
Lockout Mtn. Sch. for Boys	0	8	8	4	12	Trinidad Nursing Home	0	2	2	5
Mount View Girls' School	0	3	3	2	5	Veterans Center	0	4	4	7
Juvenile Parole	10	7	17	0	17	Colleges & Universities			480 (3)	1606
						State Patrol			1126	305
						TOTAL			1756	5308

(1) Passenger vehicles used in Denver and outside of Metropolitan area.

(2) Other types of agency vehicles to include pickups, jeeps, vans, etc.

(3) See next page of this EXHIBIT.

DIVISION OF PURCHASING
Computer Vehicle Inventory
Colleges and Universities

<u>Colleges and Universities</u>	<u>Total Vehicles</u>	<u>Passenger- type Vehicles</u>
1. Adams State College, Alamosa	41	20
2. Arapahoe Community College, Littleton	11	3
3. CU Medical Center, Denver	37	17
*4. Colorado State University, Ft. Collins	674	155
5. Community College of Denver, Denver	20	4
6. El Paso Community College, Colorado Spgs.	25	10
7. Fort Lewis College, Durango	46	11
8. Lamar Community College, Lamar	15	8
9. Metropolitan State College, Denver	7	1
10. Colorado School of Mines, Golden	85	6
11. Stero Junior College, La Junta	17	5
*12. Southern Colorado State College, Pueblo	83	27
13. Trinidad Junior College, Trinidad	16	8
*14. University of Colorado, Boulder	405	160
15. University of Northern Colorado, Greeley	81	37
16. Western State College, Gunnison	<u>43</u>	<u>8</u>
TOTAL	1,606	480

* Selected for survey

DEPARTMENT OF ADMINISTRATION

617 State Services Building
 Denver, Colorado 80203

December 10, 1973

DERHOOF
 of

ETRONE
 Director

TO: ALL DEPARTMENT HEADS

FROM: Eugene T. Petrone

Eugene T. Petrone

The recent statewide survey of administrative passenger vehicles has identified several practices which require immediate attention if the State of Colorado is to gain the optimum use and control of this asset. Recommendations which should be implemented forthwith are:

1. All State agencies shall take a physical inventory of all vehicles within their agency jurisdiction. The inventory count is to be reported to the Division of Purchasing, Department of Administration, so that current computer vehicle inventory records may be validated for accuracy and completeness.
2. A statewide policy shall be adopted, which requires all vehicle maintenance and repair work to be performed on a contractual basis (other than work done by State employees and/or in State-owned facilities). The Division of Purchasing, Department of Administration, shall let annual bids for maintenance and repair work to be done on all State-owned vehicles.
3. All State agencies are encouraged to increase their "passenger load," i.e., pool their trips whenever and wherever practical. Implementation of this recommendation shall include the establishment of central control points within each agency for the scheduling of trips. The central control point shall coordinate the scheduling of agencies' trips with those of other agencies, as well as its own intra-agency trips.
4. More stringent controls shall be developed by all agencies to insure that State-owned vehicles are used for official business only.
5. The Department of Administration shall propose the following policy for disposing of all State-owned vehicles:

State-owned vehicles will be disposed of after they have accumulated 70,000 miles, or have reached an age of four years, whichever is sooner. Exceptions to this policy may be granted by the Executive Director of a department, or his duly authorized representative, on

All Department Heads
December 10, 1973

an individual vehicle basis when certain circumstances prevail, e.g., significant major repairs require selling the automobile sooner, a wrecked vehicle would cost more to repair than it would be worth.

(NOTE: Currently, Article 4, Section 3-4-10, Subsection (3), C.R.S. 1963, requires that no State-owned vehicle (with certain exceptions) may be disposed of before it has reached the age of two years or before it has had 100,000 miles of service, whichever occurs first.)

6. All State agencies shall be advised that all automobiles purchased by them must be bought from the authorized dealers as determined by awards made by the Division of Purchasing, Department of Administration, resulting from the sealed bid procedure. Any exception must be approved by the State Purchasing Director.
7. The Department of Administration recommends the State adopt a firm policy relative to paying reimbursement for use of personal cars versus using State-owned vehicles as follows:

Authorization to use a personal car for official business shall be granted only by the Executive Director of a department, or his duly authorized representative. The Executive Director shall authorize the use of personal cars only in cases where a State-owned vehicle is unavailable, or where other arrangements cannot be made, e.g., rescheduling of trips, using another agency's State-owned vehicle.

(NOTE: The State of Colorado Fiscal Rule on travel is being rewritten to reflect the above policy.)

Several other recommendations resulting from the survey have far-reaching implications and plans for implementation of these are underway. The Management Services Office, Department of Administration, will be coordinating with all interested parties prior to finalizing implementation plans.

ETP:le



State of Colorado

EXECUTIVE CHAMBERS

DENVER

JOHN D. VANDERHOOF
Governor

December 10, 1973

TO: ALL DEPARTMENT HEADS

The Department of Administration, under separate cover, has recommended for immediate implementation, procedures wherein each department, division, and employees thereof, may assist the State in its efforts to provide leadership in conserving gasoline, consistent with discharging agency responsibilities.

One item of particular concern is the assignment of automobiles to State employees (or to an office) who may drive said vehicle to and from work. I am asking each of you to carefully scrutinize the need for continuing this practice, and am suggesting the following guideline to assist you in your review: THE AUTOMOBILE IS THE EMPLOYEE'S "OFFICE" OR IT IS DRIVEN AT LEAST 12,000 MILES ANNUALLY.

Should you have employees who fail to meet the above guideline, please submit to the Department of Administration, Office of Management Services, justification for continuing the practice. If responses are not made within two weeks, I hereby direct cessation of the above practice until a fiscal rule governing this practice is issued.

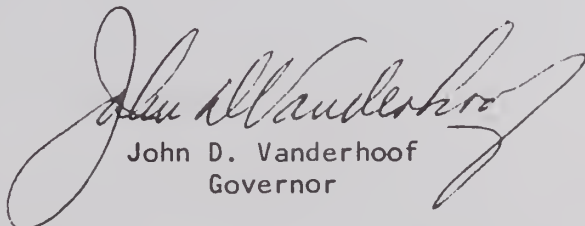

John D. Vanderhoof
Governor

EXHIBIT XVIII

SUMMARY OF SAVINGS
(Real and Potential*)

Savings Area	Amount
Operating Costs Resulting from Proposed New Fleet Mix (See TABLE 8, Page 37)	\$ 420,000
Utilize State Pumps to Fill State-Owned Vehicles (Save 10 cents per gallon)	250,000*
Gas Savings Derived from Proposed New Fleet Mix (Save 32 cents per gallon; see TABLE 7, Page 36)	162,112
Discontinue Personal Reimbursement for the Departments of Health and Social Services (3,045,992 miles @5.2 cents per mile)	158,392
Purchase Price Savings through Purchase of Smaller Cars (See TABLE 9, Page 38)	90,225
Discontinue Paying Personal Reimbursement, Other than Health and Social Services (90% reduction of total reimbursement costs)	20,080
Total Savings	\$1,100,809

NOTE: The above savings will be realized only after implementation of certain recommendations contained in this study. Full implementation will require from two to four years to accomplish, as fleet changes will have to be phased to the normal depreciation cycle. Upon full implementation, a recurring annual savings in excess of \$1,000,000 will be realized.

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