Follow Up

More Accurate State Vehicle Utilization and Cost Data Needed: RFP Issued by DOA for Fleet Management Vendor Includes Integration of Telematics

A presentation to the Joint Legislative Program Evaluation Oversight Committee

October 21, 2015

John Turcotte, Director Program Evaluation Division

Download Full Report:

www.ncleg.net/PED/Reports/reportsmain.html
Presentation Overview

• Follow-up PED report conducted pursuant to PED’s **statute**, NC G.S. § 120-36.12 (Z), (9).

• Six previous PED reports on state vehicles **(Appendix)**

• Four-page report released today is an **updated version** of document submitted to JLPEOC October 7 but not presented because the committee carried over the item to the next meeting.
Overview of Findings and Recommendation

1. CIO did not submit quarterly reports of implementation plan for Fleet Management System (FMS) beginning October 2013 nor did it conduct a feasibility study of telematics by November 2013 as required by S.L. 2013-360, 7.16 (a)-(d).

2. In December 2014, however, CIO/NCGEAR did recommend a $301 million Enterprise Resources Planning (ERP) solution including FMS and telematics, but as out-year components.

Continued Next Slide
Overview of Findings and Recommendation

3. After informal telematics trials, in September 2015 Department of Administration issued an RFP for FM services vendor with telematics capability.

4. PED recommends collection and analysis of baseline vehicle utilization and cost data to assist fleet planning and any potential outsourcing of all FMS functions.

5. PED notes potential complications of “carve outs” exempting agencies from any central fleet management.

6. Other states are implementing telematics (WY, CA, LA, MI, WA).
2013-04 Centralized Fleet Operations Will Improve Management and Oversight of Department of Public Safety Vehicles (April 2013)

2012-12 Stronger Reporting and Management Structure Would Improve State Bureau of Investigation Vehicle Oversight (November 2012)

2012-08 Key Ideas from Five Program Evaluation Division Reports on State-Owned Vehicles and Permanent License Plates (June 2012)

2012-06 Ineffective Policies and Diffuse Oversight Result in Inefficient Use of State-Owned Vehicles (April 2012)

2012-02 Motor Fleet Management Uses Best Practices, but Needs Telematics to Strengthen Accountability (March 2012)

2011-07 Inadequate Data and Fleet Information Management Weaken Accountability for North Carolina's Vehicles (December 2011)
CIO/Grants Management Recommendation

The CIO and Grants Management Committee met on April 21, 2014 and submitted a letter on September 24, 2014 to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division with the following conclusions regarding a vehicle management system:

• The committee recommends that priority focus and funding be given to implementing an ERP (Enterprise Resource Planning) solution to modernize the financial management capabilities. Enterprise Grants Management should be addressed once the ERP plan is determined and underway.

• Although the direction of a vehicle management system was not the responsibility of the committee, the committee also recommends deferral of this system pending decisions on the financial components of the statewide ERP system.*

*September 24, 2014 letter from Chris Estes, CIO and Chair of Grants Management Steering Committee, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.
Other States Telematics

June 2015 – **Wyoming’s Department of Administration** implemented 1,600 monitors through Verizon’s Networkfleet GPS telematics system. The system is already in use at the Wyoming Department of Transportation and in other commercial vehicles throughout the state. Wyoming expects $360,000 to $720,000 in annual fuel savings alone, which in addition to expected operational savings should exceed the system’s $363,000 annual cost.

July 2015 – **The California Department of Corrections and Rehabilitation’s Division of Adult Parole Operations** has implemented web-based fleet management software for 1,500 vehicles. Savings have not yet been determined.

July 2015 – **Caltrans (California Department of Transportation)** has outfitted its fleet of 7,500 sedans, trucks, snowplows, and portable signs with GPS devices provided by Verizon Networkfleet. Caltrans reported its 12-month fuel expenses dropped 18% from July 2014, when it began installing the devices, to June 2015. However, Caltrans officials are uncertain how much of that decrease can be attributed to the system because average fuel prices also fell significantly during that time.

August 2015 – **Louisiana is installing GPS tracking devices on its entire 10,543-vehicle fleet** and expects the $10 million project will save $30 million over the next five years by reducing the cost of fuel, maintenance, and insurance.

August 2015 – **The Michigan Legislature is considering a bill that would roll out a GPS-based telematics initiative for 120 vehicles** in the state fleet to save money on fuel and “crack down” on employees who misuse government vehicles.

August 2015 – **The Washington State Department of Enterprise Services Fleet Operations** is in the planning stages of commencing a six-month pilot project implementing telematics on 350 vehicles on assignment with the top ten agencies with respect to volume of vehicles.