

Management of State Agency Passenger Vehicles

Follow-up Review
January 2004

Office of Performance Evaluations
Idaho State Legislature



Report 04-01F

Created in 1994, the Legislative Office of Performance Evaluations operates under the authority of Idaho Code § 67-457 through 67-464.

Its mission is to promote confidence and accountability in state government through professional and independent assessment of state agencies and activities, consistent with Legislative intent.

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Rakesh Mohan
Director

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January 28, 2004

Members
Joint Legislative Oversight Committee
Idaho State Legislature

At the direction of the Joint Legislative Oversight Committee, we have completed the second follow-up review of state agencies' management of passenger vehicles.

We assessed the progress of the 20 agencies with the largest fleets in implementing the five recommendations specifically related to agency management of vehicle use. We found eight agencies had implemented at least four of the five recommendations. These agencies own or lease over half of the state's passenger vehicles. Overall, agencies continue to make progress, but the progress is slow.

A.J. Burns (team lead) and Jim Henderson of the Office of Performance Evaluations completed this follow-up review.

Sincerely,

A handwritten signature in black ink that reads "Rakesh Mohan".

Rakesh Mohan

Management of State Agency Passenger Vehicles

Follow-up Review January 2004

Background

In fiscal year 2001, state agencies owned or leased 4,075 passenger vehicles (excluding colleges and universities), which represented an investment estimated to be more than \$61 million. Our September 2002 review found that many agencies lacked fully developed fleet management policies, information systems, and monitoring efforts. The report provided 12 recommendations to improve vehicle management.

In the February 2003 follow-up, we reported that about two-thirds of the agencies had already implemented one or more of our recommendations. The most commonly implemented recommendations were related to vehicle maintenance, repair, and disposal. Fewer agencies had taken steps to implement the five recommendations regarding management of vehicles use:

1. Identify a vehicle point of contact in *written policy*.
2. Develop written policies that set mileage and use standards, staff responsibilities and authority, and requirements for data collection and a vehicle use review process.
3. Collect mileage and frequency of use data for all passenger vehicles.
4. Analyze use data for vehicles that do not meet agency standards for potential vehicle rotation, reassignment, or disposal.
5. Require justification for vehicles that do not meet mileage or frequency of use standards.

The current review focuses on the implementation status of the five recommendations relating to vehicle use, because the last follow-up review showed little progress in this area. For our review, we selected 20 state agencies with the largest fleets—these agencies owned or leased about 92 percent of the state’s passenger vehicles.¹

Agencies Continue to Make Progress . . .

We reviewed agency policies and supporting documentation and found that eight agencies had implemented at least four of the recommendations for managing vehicle use, as can be seen in the exhibit on the following page. These agencies own or lease over half of the state’s passenger vehicles. Ten other agencies have implemented at least one recommendation. Only two agencies have not implemented any of the five recommendations—in contrast, there were 10 agencies that had not implemented any recommendation at the time of our last review.

Many agencies now have the tools in place to track vehicle use. Fifteen of the 20 agencies now have identified a person to act as a vehicle point of contact in written policy, and 14 have implemented an agency-wide system to collect vehicle information, such as annual mileage and frequency of use data. Half of the 20 agencies have established a formal review process in policy.

. . . But Progress Is Slow

It has been more than one year since we first made these recommendations to state agencies.² Considering most of the five recommendations do not require extensive or complex procedures, we think the progress has been slow.

In response to the release of our February 2003 follow-up report, the Division of Financial Management sent a letter to all agencies expressing the expectation that they comply with Office of Performance Evaluations recommendations (see Appendix A). In addition, the Governor’s Executive Order No. 2000-16 (see Appendix B) requires agencies to develop vehicle management

¹ Based on fiscal year 2001 data.

² The Office of Performance Evaluations first reported on state vehicles in *Management of State Agency Passenger Vehicles*, October 1998. This report provided four general recommendations for improved vehicle management. The September 2002 report provided 12 specific recommendations, and subsequent follow-up reviews have focused on the September 2002 recommendations.

practices, and was based on earlier Office of Performance Evaluations recommendations.³ In spite of these efforts, many agencies are still in the process of implementing the recommendations.

Because the fleet size and the use of passenger vehicles varies among agencies, we suggest that Division of Financial Management analysts question agencies about their use of agency passenger vehicles during the budget request process **as needed.**

³ Office of Performance Evaluations, Report 98-03, *Management of State Agency Passenger Vehicles* (October 1998). Executive Order 2000-16 expires in 2004.

Agency Implementation of Five Vehicle Use Recommendations, February 2003 and November 2003

<u>Agency</u>	<u>Number of Recommendations Implemented (February 2003)</u>	<u>Number of Recommendations Implemented (January 2004)</u>	<u>Comments About Remaining Recommendations</u>
Administration, Department of	0	5	n/a
Deaf and Blind, School for the	no report	5	n/a
Health and Welfare, Department of	1	5	n/a
Transportation Department	2	5	n/a
Water Resources, Department of	2	5	n/a
Correction, Department of	0	4	a
Parks and Recreation, Department of	0	4	a
Labor, Department of	3	4	a
Building Safety, Division of	0	2	a, b
Veterans Services, Division of	0	2	a
Lottery, Idaho	1	2	a
Juvenile Corrections, Department of	1	2	a
Environmental Quality, Department of	2	2	a
Police, Idaho State	2	2	c
Vocational Rehabilitation, Division of	0	1	d
Fish and Game, Department of	1	1	d
Industrial Commission	1	1	e
Agriculture, Department of	0	1	f
Lands, Department of	0	0	g
Tax Commission, State	0	0	a, c
Number of agencies with at least one recommendation implemented	10	18	

^a Agency reported recommendation(s) were implemented. We did not find adequate support documentation, so recommendation(s) were assessed as "in progress."

^b Agency reported it will not implement one recommendation.

^c Agency reports it will implement recommendations by February 2004.

^d Agency reports it will implement recommendations by January 2004.

^e Agency reports it will implement recommendations between July 2004 and July 2005.

^f Agency reports it will implement procedures first, then update policy to reflect change. Implementation date unknown.

^g Agency reports it will implement recommendations by October 2004.

Source: Office of Performance Evaluations Analysis of agency responses to recommendations.

Appendix A
Division of Financial Management
Letter to Agencies



State of Idaho
DIVISION OF FINANCIAL MANAGEMENT
Executive Office of the Governor

DIRK KEMPTHORNE
Governor

BRIAN WHITLOCK
Administrator

February 28, 2003

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www.state.id.us/dfm/dfm.htm

Don Papenberg, Administrator
Dairy Products Commission
1365 N Orchard St., Suite 203
Boise, Idaho 83706

RECEIVED

MAR 13 2003

Dear Don:

**PERFORMANCE EVALUATIONS
IDAHO STATE LEGISLATURE**

We would like to express our sincere thanks to all of the agencies for their help and support as we work through the management of state agency passenger vehicles. We have seen great progress and many agencies are on schedule to implement remaining recommendations this year.

In the February 2003 report, *Management of State Agency Passenger Vehicles: A Follow-up Report*, a number of agencies declined to implement some or all of the proposed recommendations. In many cases, writing down what is currently being done would result in full implementation.

For those agencies where written documentation was not the underlying issue for declining to implement the recommendations, and for those agencies where noncompliance with the recommendations is indicated in the agency response, we feel further follow-up is necessary. Please send further explanation as to why your agency does not intend to implement the recommendations.

The intent of the Joint Legislative Oversight Committee is to revisit the compliance and/or status of agency vehicle plans prior to next legislative session. There is an expectation that all agencies will be in compliance with the vehicle management recommendations at that time. The Division of Financial Management supports the effort to ensure the public has confidence in vehicle needs and management systems.

Please contact me if you have any questions.

Sincerely,

Carson Howell, Legislative Session Intern

cc Brad Foltman, Budget Bureau Chief - Division of Financial Management
Rakesh Mohan, Director - Office of Performance Evaluation

Appendix B
Executive Order No. 2000-16

THE OFFICE OF THE GOVERNOR

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2000-16

**REGARDING THE UTILIZATION AND OVERSIGHT OF THE USE OF
STATE VEHICLES BY STATE EMPLOYEES**

WHEREAS, it is the policy of the State of Idaho to promote the efficient use of Idaho state owned or leased vehicles and;

WHEREAS, the State of Idaho is committed to ensuring the highest level of safety and reliability of our state vehicles;

NOW THEREFORE, I, DIRK KEMPTHORNE, Governor of the State of Idaho, by the authority vested in me under the Constitution and laws of this state, do hereby order the following:

- 1. Each department director, agency head, or their designee will develop the departmental policies governing the use, safety, and inspection of vehicles under their control. The written vehicle policy shall be communicated and readily available to the department employees. This policy shall include the identification of an agency employee that will be the agency point of contact.*
- 2. Vehicle policies and plans shall incorporate disposal and replacement criteria which includes maximum life cycle costing.*
- 3. Agencies shall develop an effective recording and reporting system that will be used to assess fleet operations. The assessment shall include a periodic analysis of the comparative cost of vehicle leasing, renting, and ownership as well as routine tracking of vehicle information such as type of vehicle, acquisition date, costs, maintenance records, mileage and/or trip information, name of the person, if any, to whom the vehicle is assigned, and any other information deemed necessary by the department director or their designee.*
- 4. Fleet information shall be current and retained in an equipment management system.*

This Executive Order shall cease to be effective four years after its entry into force.



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho at the Capitol in Boise on this eleventh day of October in the year of our Lord two thousand and of the Independence of the United States of America the two hundred twenty-fourth and of the Statehood of Idaho the one hundred tenth.

DIRK KEMPTHORNE
GOVERNOR

PETE T. CENARRUSA
SECRETARY OF STATE

Office of Performance Evaluations Reports Completed 2000–Present

<u>Pub. #</u>	<u>Report Title</u>	<u>Date Released</u>
00-01	A Limited Scope Evaluation of Issues Related to the Department of Fish and Game	March 2000
00-02	The Department of Fish and Game's Automated Licensing System Acquisition and Oversight	June 2000
00-03	Passenger Vehicle Purchase Authority and Practice in Selected State Agencies, Fiscal Years 1999–2000	September 2000
00-04	A Review of Selected Wildlife Programs at the Department of Fish and Game	November 2000
00-05	Idaho's Medicaid Program: The Department of Health and Welfare Has Many Opportunities for Cost Savings	November 2000
01-01	Inmate Collect Call Rates and Telephone Access: Opportunities to Address High Phone Rates	January 2001
01-02	Idaho Department of Fish and Game: Opportunities Exist to Improve Lands Program and Strengthen Public Participation Efforts	January 2001
01-03	Improvements in Data Management Needed at the Commission of Pardons and Parole: Collaboration With the Department of Correction Could Significantly Advance Efforts	May 2001
01-04	The State Board of Medicine: A Review of Complaint Investigation and Adjudication	June 2001
01-05	A Review of the Public Works Contractor Licensing Function in Idaho	November 2001
01-06	A Descriptive Summary of State Agency Fees	November 2001
02-01	The Department of Environmental Quality: Timeliness and Funding of Air Quality Permitting Programs	June 2002
02-02	Management of State Agency Passenger Vehicles: A Follow-up Review	November 2002
02-03	A Review of the Idaho Child Care Program	November 2002
03-01HHW	Return of Unused Medications from Assisted Living Facilities	January 2003
03-01F	Agency Response to <i>Management of State Agency Passenger Vehicles: A Follow-up Review</i>	February 2003
03-01	Programs for Incarcerated Mothers	February 2003
03-02F	The Department of Environmental Quality: Timeliness and Funding of Air Quality Permitting Program	February 2003
03-03F	Data Management at the Commission of Pardons and Parole and the Department of Correction	February 2003
03-02	Overview of School District Revenues and Expenditures	April 2003
04-01	Higher Education Residency Requirements	January 2004
04-02	Fiscal Accountability of Pupil Transportation	January 2004
04-03	School District Administration and Oversight	January 2004
04-01F	Management of State Agency Passenger Vehicles	January 2004

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