

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1341 State-owned Motor Vehicles

SPONSOR(S): Appropriations Committee; Young

TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 326

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Appropriations Committee	20 Y, 2 N, As CS	White	Leznoff
2) State Affairs Committee			

SUMMARY ANALYSIS

One of the duties of the Department of Management Services (DMS) is to manage the purchase, operation, maintenance, and disposal of the state's fleet of motor vehicles.

The bill requires DMS to prepare a plan regarding the creation, administration, and maintenance of a centralized fleet of state-owned motor vehicles and to submit the plan to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 1, 2017. In developing the plan, the DMS must evaluate the costs and benefits of operating and maintaining a centralized motor vehicle fleet compared to the costs and benefits of contracting with a third-party vendor for the operation and maintenance of a centralized motor vehicle fleet.

The bill provides \$225,000 in nonrecurring funds from the General Revenue Fund for Fiscal Year 2016-2017 to the Department of Management Services. There is no fiscal impact on local governments.

The bill takes effect upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Part II of chapter 287, F.S., governs the purchase of motor vehicles by state officers and employees. Section 287.15, F.S., does not allow any state agency to purchase, lease, or acquire any motor vehicle, watercraft, or aircraft of any type unless prior approval is obtained from the Department of Management Services (DMS). DMS approval is not required, however, for the lease for casual use of motor vehicles.

Section 287.16, F.S., gives the DMS the following powers, duties, and responsibilities:

- To obtain the most effective and efficient use of motor vehicles, watercraft, and aircraft for state purposes;
- To establish and operate central facilities for the acquisition, disposal, operation, maintenance, repair, storage, supervision, control, and regulation of all state-owned or state-leased aircraft, watercraft, and motor vehicles and to operate any state facilities for those purposes;
- In its discretion, to require every state agency to transfer its ownership, custody, and control of every aircraft and motor vehicle, and associated maintenance facilities and equipment, except those used principally for law enforcement, state fire marshal, or fire control purposes, to the Department of Management Services, including all right, title, interest, and equity therein;
- Upon requisition and showing of need, to assign suitable aircraft or motor vehicles, on a temporary (for a period up to and including one month) or permanent (for a period from one month up to and including one full year) basis, to any state agency;
- To allocate and charge fees to the state agencies to which aircraft or motor vehicles are furnished, based upon any reasonable criteria;
- To adopt and enforce rules and regulations for the efficient and safe use, operation, maintenance, repair, disposal, and replacement of all state-owned or state-leased aircraft, watercraft, and motor vehicles and to require the placement of appropriate stickers, decals, or other markings upon them;
- To contract for specialized maintenance services;
- To require any state agency to keep records and make reports regarding aircraft and motor vehicles to the department as may be required;
- To establish and operate central facilities to determine the mode of transportation to be used by state employees traveling on official state business and to schedule and coordinate use of state-owned or state-leased aircraft and passenger-carrying vehicles to assure maximum utilization of state aircraft, motor vehicles, and employee time by assuring that employees travel by the most practical and economical mode of travel;
- To calculate biennially the break-even mileage at which it becomes cost-effective for the state to provide assigned motor vehicles to employees; and
- To conduct, in coordination with the Department of Transportation, an analysis of fuel additive and biofuel use by the Department of Transportation through its central fueling facilities.

Current law gives DMS the authority for centralized fleet management, where DMS would control all aspects of fleet management from acquisition and maintenance to disposal. DMS has not operated this way, however, allowing for a decentralized approach where each state agency manages its own inventory of fleet. The DMS Bureau of Fleet and Federal Property Management:

- develops policies and procedures for effective and efficient purchase, assignment, use, maintenance, and disposal of motor vehicles and watercraft;
- determines the motor vehicles and watercraft included on state contracts, develop technical bid specifications and assist in evaluating the contracts;
- approves the purchase of motor vehicles and watercraft;
- develops equipment purchase approval guidelines;
- develops fleet replacement criteria;

- effectively and efficiently disposes of surplus motor vehicles, watercraft and heavy equipment to achieve the maximum feasible return from disposal; and
- provides the Florida Equipment Electronic Tracking (FLEET) system, which is used for fleet management and reporting.¹

In the Fiscal Year (FY) 2013-2014 General Appropriations Act (chapter 2013-40, Laws of Florida), \$224,000 was provided in Specific Appropriation 2734 for the DMS to procure contracted services to do a business case of the state's fleet management. DMS contracted with Mercury Associates, Inc. (Mercury) and completed a business case in December of 2013.

One of the recommendations Mercury made in the business case was for DMS to implement a new and much improved fleet management information system. In October 2014, DMS requested \$1.4 million in funding in the FY 2015-16 Legislative Budget Request (LBR) for a new fleet management system; however, the Legislature did not fund the request. In October 2015, DMS requested \$1.7 million in funding in the FY 2016-17 LBR for a new fleet management system. HB 5001, the House Proposed FY 2016-2017 General Appropriations Act, includes \$1.7 million for a new fleet management system.

Effect of Proposed Changes

The bill requires DMS to prepare a plan regarding the creation, administration, and maintenance of a centralized fleet of state-owned motor vehicles and to submit the plan to the Governor, the President of the Senate, and the Speaker of the House of Representatives by November 1, 2017.

The plan must provide a method for:

- Using break-even mileage in the assignment and administration of motor vehicles to state agencies and employees to determine when it becomes cost effective to the state to provide assigned motor vehicles to employees;
- Managing a fleet of motor vehicles for short-term use and shared-use motor vehicle pools;
- Developing a motor vehicle replacement plan and budget, which must take into account operating and maintenance costs of the centralized fleet;
- Purchasing motor vehicles necessary for the operation of the centralized fleet;
- Repairing and maintaining motor vehicles;
- Monitoring the use of motor vehicles and enforcing regulations regarding proper use;
- Maintaining records related to the operation and maintenance of motor vehicles and the administration of the fleet;
- Disposing of motor vehicles that are no longer needed or the use of which is not cost effective;
- Monitoring and managing motor vehicle disposal outcomes to determine the most cost-effective method of disposing fleet vehicles;
- Implementing a fuel management program and a standardized methodology for reporting fuel data;
- Determining when it would be cost-efficient to lease a motor vehicle from a third-party vendor instead of using a state-owned motor vehicle;
- Determining when it would be cost-efficient to use alternative fuel vehicles, electric vehicles, or extended-range electric vehicles or to lease or purchase such vehicles for fleet use; and
- Equipping fleet motor vehicles with real-time locational monitoring systems.

In developing the plan, the DMS must evaluate the costs and benefits of operating and maintaining a centralized motor vehicle fleet compared to the costs and benefits of contracting with a third-party vendor for the operation and maintenance of a centralized motor vehicle fleet. The bill provides \$225,000 in nonrecurring funds from the General Revenue Fund for Fiscal Year 2016-2017 to the Department of Management Services to implement the provisions of the bill.

B. SECTION DIRECTORY:

¹ See http://www.dms.myflorida.com/business_operations/fleet_management_and_federal_property_assistance/fleet_management

(last visited January 18, 2016).

STORAGE NAME: h1341a.APC

DATE: 2/23/2016

Section 1. Requires the DMS to submit a centralized fleet management plan.

Section 2. Provides an effective date upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill provides \$225,000 in nonrecurring funds from the General Revenue Fund for Fiscal Year 2016-2017 to the Department of Management Services to implement the provisions of the bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or municipalities to take any action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

The bill does not create any additional rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 22, 2016, the Appropriations Committee adopted two amendments and reported the bill favorably as a committee substitute. The amendments:

- Appropriated \$225,000 in nonrecurring funds from the General Revenue Fund to the Department of Management Services.
- Changed the date the plan is due to the Governor, the President of the Senate, and the Speaker of the House of Representatives from November 1, 2016, to November 1, 2017.

The staff analysis is drafted to reflect the committee substitute.