Report on Department Fleet/Mileage

Department: Arkansas Department of Human Services_____

Secretary: __Cindy Gillespie_____ ___

The purpose of this report is to prompt an analysis of fleet management and mileage reimbursement within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency and cost savings in this area. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

ACTION PLAN FOR PROJECT 1:

1. Project Title:

   TRAVEL EFFICIENCY PROGRAM WITH POLICY TRAINING

   1.1. Brief description of project, goal, and action plan.

   In FY19, Division of Children and Family Services (DCFS) realized approximately $1M in operational travel cost reductions as a result of efficiencies in fleet management and business operations. This project will train divisional fleet management and divisional leadership on steps taken by DCFS to optimize vehicle and travel requirements while reducing costs.

   Additionally, this project will clarify and update policies, then train all levels of staff on their responsibilities to follow standardized procedures, reduce intended and unintended abuse, and eliminate unauthorized travel. The overall goal of the project is to eliminate unauthorized travel and reduce TR-1 reimbursement mileage by increasing use of state vehicles.

   1.2. Identify any additional resources required for the implementation and success of this plan.

   There are existing resources within DHS to facilitate this project. They are:

   - DCFS Training/ Model/ Lessons Learned;
   - Vehicle Use Data;
   - Vehicle Availability Data;
   - TR-1 Mileage Reimbursement Data;
   - Points of Contact within Divisions/Offices; and
   - DHS Organizational Development and Training (ODT) within the Office of Human Resources.

   1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

   This is a low to no cost project that emphasizes shifting vehicles to areas where high mileage travelers can best access and utilize vehicles that are currently being driven below the break-even analysis point.

   There are sufficient funds in the budget to cover anticipated costs. Those costs may include:
   - Standard repair costs on vehicles; and
   - Reallocation of staff time.

   1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

   The performance indicators or key metrics for this project will be:

Comparison of monthly miles on state sedans, sport utility vehicles (SUVs), and minivans versus travel reimbursement miles:

Average mileage on state sedans, SUVs and minivans;

Reduction of TR-1 miles;

Analysis of vicinity miles; and

Elimination of personnel claiming reimbursement between "residence" and "official station".

1.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

This phase of the project will be planned and executed within SFY 2019 by June 30, 2020. Monitoring and continuous improvement will be practiced on an on-going basis.

Project Plan:

1. Analyze lessons learned from DCFS pilot to consider for any necessary travel and vehicle use policy edits.

2. Update travel and vehicle use policies, if needed.

3. Create or adapt DCFS training curricula for agency-wide use.

4. Train existing and new staff.

5. Track training completion across the workforce by division and office.

6. Within divisions, moving low use state vehicles to high use areas will result in efficiencies.

7. Reduce maintenance downtimes to increase use of state vehicles.

1.6. Identify any obstacles to the implementation and success of this plan.

- Lack of clear data on all vehicles
- Requirement for on-going and robust monitoring
- Possible impact on staff morale
- Timeline for policy and procedure development.
- Timeline for training program development.
- Consistent and continued implementation plan for current and new staff, especially outside of DHS Central Office.

1.7. How could Department of Transformation and Shared Services provide support to the Department?

At this time, DHS does not anticipate involving the Department of Transformation and Shared Services in this project but will certainly do so as warranted.

ACTION PLAN FOR PROJECT 2:

2. Project Title

DCFS FLEET EFFICIENCY PHASE 2

2.1. Brief description of project, goal, and action plan.

DCFS has been monitoring mileage reimbursement requests and usage of the state-owned vehicles. Through this process we have been able to reduce mileage reimbursement and increase the usage of state vehicles.

However, there is still an opportunity to considerably reduce travel reimbursement to employees and provide cost savings. The proposal for a pilot project to increase the DCFS state vehicle fleet and replace existing high mileage vehicles will be a cost savings to DCFS and the State of Arkansas.

2.2. Identify any additional resources required for the implementation and success of this plan.

DCFS currently has 65 fleet vehicles. The vehicles are assigned to various counties across the state. The proposal is to increase the fleet by 60 vehicles. This would allow the flexibility to provide a vehicle in each county along with increasing the fleet in the high usage areas and reducing mileage reimbursement. An AASIS expenditure report reflects for the time period of September 1, 2018 through August 31, 2019 that DCFS has 121 employees with mileage reimbursement that exceeds the breakeven point.

An additional request is to replace 36 state vehicles currently in the DCFS fleet. The vehicles identified exceed 180,000 miles. The oldest vehicle is a 2006 and the highest mileage of 287,251 on a 2010 vehicle.

2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

DCFS has sufficient funds in their biennial budget for SFY 2020 and 2021. These funds are from reinvestment of cost reductions realized through their fleet management pilot program in SFY 2019.

The total estimated pilot project request for vehicle cost:

60 additional vehicles	$1,307,027
36 replacement vehicles	$ 784,216
Total request	$2,091,243

2.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

The performance indicators or key metrics for this project will be a comparison of:

Average mileage on state sedans, SUVs and minivans;
TR-1 reimbursement miles as a percentage of overall miles; and
Overall DHS mileage in common use fleet vehicles and TR-1 reimbursements (Overall agency spend on travel).

2.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

If DCFS can add and replace vehicles to their fleet, then purchases would take place from the state contract currently in place through the Office of State Procurement-TSS in January 2020 during SFY 2020 and in August 2020 during SFY 2021.

2.6. Identify any obstacles to the implementation and success of this plan.

- Constraints around use of state general revenue (SGR).
- Fleet CAP constraints.
- Possible lack of appropriation.
- Timeline for procurement.

2.7. How could Department of Transformation and Shared Services provide support to the Department?

> DHS would greatly benefit from the support of Department of Transformation and Shared Services around coordinating finance issues, the procurement process, and vehicle CAPs.

ACTION PLAN FOR PROJECT 3:

3. Project Title

   DHS CENTRALIZED MAINTENANCE OF FLEET

   3.1. Brief description of project, goal, and action plan.

   The objectives of this project are to create a central entity that will monitor and report vehicle information and focus on ensuring timely maintenance to all agency fleet vehicles to reduce downtime times and to ensure the fleet is at peak capacity.

   If the pilot data reflects positive return, consider other opportunities to increase other aspects of a centralizes fleet management, such as central reservations systems, and to expand greater centralization into the flied, either regionally or by work units as deemed appropriate.

   3.2. Identify any additional resources required for the implementation and success of this plan.

   DHS has a fleet manager in place who can deliver these services within their current workload once the pilot is put in place.

   3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

   This is a low to no cost project that emphasizes central oversight of vehicles to better facilitate maintenance and increase ease of vehicle reservations.

   There are sufficient funds in the budget to cover anticipated costs. Those costs may include standard repair costs on vehicles.

   3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

   The performance indicators or key metrics for this project will be:

   Average mileage on state sedans, SUVs, and minivans;
   Number of days state vehicles (by category) are unavailable for use due to maintenance; and
   Number of multi-vehicle events, meaning when more than vehicle is needed for transportation to the same event due to limited passenger space in the available vehicle types.

   3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

   This project will be planned and executed within SFY 2020 by June 30, 2020. Monitoring and continuous improvement will be practiced on an on-going basis.

   Project Plan:

1. Issue directive by the Secretary to pilot a central entity at DHS Central Office that will monitor and report vehicle information, ensure timely maintenance, and manage fleet assets to optimize state vehicle use.

2. Update travel and vehicle use policies as needed.

3. Create use case and pilot at DHS Central Office.

4. Evaluate efficiency and effectiveness of pilot.

5. If positive return, consider other opportunities to increase other aspects of a centralizes fleet management, such as central reservations systems, and to expand greater centralization into the flied, either regionally or by work units as deemed appropriate.

3.6. Identify any obstacles to the implementation and success of this plan.

- Current software is inadequate and may need work arounds until a new system is in place.
- Paradigm shift within divisions.
- Enhanced data collection required.
- Re-establishment of fleet management procedures.

3.7. How could Department of Transformation and Shared Services provide support to the Department?

If TSS procures a statewide fleet management/ travel reimbursement system, DHS would be interested in assisting in the procurement and piloting the implementation.

ACTION PLAN FOR PROJECT 4:

4. Project Title

DHS TR-1 AND FLEET MANAGEMENT INFORMATION SYSTEM

4.1. Brief description of project, goal, and action plan.

DHS would move the agency through the above three (3) projects focused on streaming fleet and travel processes and policies while gathering robust and reliable data along the course of the projects. Once those projects were well under way and being monitored, DHS would use all lessons learned along with the improved data to procure and implement a more comprehensive and responsive system that integrates both the fleet management and travel reimbursement that would increase availability of state vehicles for travel, optimize scheduling of travel, process travel reimbursement, and more easily audit travel events.

4.2. Identify any additional resources required for the implementation and success of this plan.

There are existing resources within DHS to facilitate this project. They are:
- Project Management Office to assist with requirements gathering and validation.
- A centralized Office of Procurement who can lead the agency through the procurement process and deliver a contract that meets its needs.

4.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

There are costs associated with the purchase of a new software system and its ongoing maintenance and operation. Currently DHS estimates a new system to be between $100,000-500,000.00 annually. DHS would have approximately $200,000 annually to reallocate from its present IT systems within fleet management and travel reimbursements. Should DHS choose to procure it would find the necessary funding within its existing budget.

4.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

The performance indicators or key metrics for this project will be:

Overall agency spend on fleet costs and travel reimbursements;
Reduction in percentage of TR-1 travel;
Increase in average common vehicle use mileage; and
Increase in utilization of state vehicles.

4.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

Based on the anticipated procurement and implementation timeline, this project will be planned in SFY 2021 and executed within SFY 2022.

Project Plan:
1. Identify travel stakeholders and gather system requirements, including ability to interface with the state's ASSIS for processing and payment of travel reimbursements.

2. Pilot a software solution on a free or reduced rate to a select work unit for evaluation.

3. Evaluate efficiency and effectiveness of pilot.

4. If positive return, procure software same or like the one used in pilot project.

5. Train participating workforce and other travel stakeholders in use of software.

6. Transition to fleet management and travel reimbursement software.

Progress will be tracked with a series of milestones.

4.6. Identify any obstacles to the implementation and success of this plan.

- Defining and refining scope of requirements across the agency
- Aligning the system to accurately reflect travel and vehicle use policies
- Change management and adoption by supervisors, staff, volunteers, and foster parents
- Length of time to procure and implement
- Ability to interface with AASIS for reimbursement
- Ability to interface with DCFS's child welfare database

4.7. How could Department of Transformation and Shared Services provide support to the Department?

If TSS procures a statewide fleet management/ travel reimbursement system, DHS would be interested in assisting in the procurement and piloting the implementation.

Additional thoughts/comments:

Please see the attached data compilation supporting DHS's projects.