

## Report on Department Fleet/Mileage

Department: Labor & Licensing

Secretary: Daryl Bassett

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: Vehicle Reallocation Project

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

The Division of Labor spent \$223,000 in mileage costs to employees for the fiscal year ending June 30, 2019. The goal of the first three (3) projects is to reduce mileage costs.

The department received twelve (12) vehicles from the Department of Health as a result of the transfer of the HVACR Licensing Board. Six (6) of those vehicles are assigned to the inspectors employed in the HVACR program. The remaining six (6) vehicles, which were fully depreciated, were assigned to other program areas at the Department of Health. The plan is to reallocate these older vehicles to field staff at the Division of Labor who have the highest mileage costs and are in a General Revenue program in order to reduce mileage costs and total net travel costs for these identified field personnel

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

No additional resources are required for implementation.

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

The program areas receiving the reallocated vehicles will have costs in gas and maintenance. The current budget has sufficient funds to cover anticipated costs.

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

Success will be measured in terms of cost savings. Based on mileage paid to the identified employees for the fiscal year ending June 30, 2019, the department will save an estimated \$39,000 in mileage annually. The net cost savings (saved mileage minus gas and maintenance costs) is estimated to be \$25,000.

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

Implementation is expected to be complete by October 1, 2019. Progress will be tracked through monthly fiscal reports.

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

No obstacles to implementation have been identified. In terms of the success of the plan, the only potential obstacle identified is the age of the vehicles, which will reduce the years these cost savings are realized without the availability of additional vehicles for reallocation.

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

Support for this project is not needed.

## **ACTION PLAN FOR PROJECT 2:**

2. Project Title: Boiler Section Vehicle Purchase Project

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

The department proposes the purchase of two vehicles to be assigned to the two boiler inspectors who had the highest mileage costs in fiscal year ending June 30, 2019. The goal is to reduce mileage costs and total net travel costs for the Boiler Inspection Section of the department.

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

The Boiler Inspection Section is a special revenue program with sufficient funds to purchase two new or used vehicles. The department plans to work with DFA MMV fund for the appropriation needed to purchase these vehicles.

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

There is an initial cost of acquiring two new or used vehicles. There are existing funds available to cover these costs. The savings from mileage expenses will exceed the cost of fuel and maintenance.

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

Success will be measured in terms of cost savings. Based on mileage paid to the identified employees for the fiscal year ending June 30, 2019, this program will save an estimated \$25,000 in mileage annually. The net cost savings for the first two (2) years will depend on the cost of the vehicles and whether they are purchased new or used.

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

Implementation is expected to be complete as soon as vehicles are available. Progress will be tracked through monthly fiscal reports.

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

The obstacles to implementation will be the availability of vehicles and appropriation.

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

Marketing and Redistribution will be consulted regarding the availability of adequate used vehicles.

### **ACTION PLAN FOR PROJECT 3:**

Project Title: Mileage Management Project, Division of Labor

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

The goal is to reduce mileage in targeted areas (Electrical, Labor Standards, and OSHA Consultation) by 10% through the development and implementation of a strategic logistical plan utilizing a number of management tools, including: carpooling; the increased use of video conferencing for staff meetings and trainings; an assessment of current home stations and assigned territories for possible changes; and a plan for supervisory review of individual weekly and monthly travel plans in advance.

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

No additional resources are required for implementation and success.

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

There are no anticipated costs associated with the project and no funding need is anticipated.

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

Success will be measured in terms of cost savings in the targeted areas. If successful, the department will achieve mileage savings totaling \$6727 and travel will be more efficient.

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

Division of Labor managers will be asked to submit a plan by November 1, 2019 and implementation will begin by November 15, 2019. Progress will be tracked through periodic fiscal reports.

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

There are no obstacles to implementation and success identified.

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

The Department of Transformation and Shared Services may be able to assist by providing a best practices model in terms of mileage management.

### **ACTION PLAN FOR PROJECT 4:**

4. Project Title: Mileage Management Project, Division of Occupational Licensing

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

The goal of the project is to conduct an assessment of the mileage expenses, mileage management and fleet maintenance at the occupational boards and commissions comprising the Division of Occupational Licensing to determine what efficiencies and cost savings can be achieved. In addition, to the fiscal reports on expenses and vehicles, the Executive Directors will be asked to provide information such as maps of assigned territories; home stations outside of Little Rock; a description of how work is assigned; statutory mandates for inspections; and number of complaints received.

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

No additional resources are required for implementation.

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 no anticipated costs.

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

Success will be identifying 1) those areas where cost savings and increased efficiencies are possible and 2) those areas that are currently operating at a high level of efficiency in terms of mileage and fleet management.

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

Executive Directors will be asked to submit information and their own analysis by November 15, 2019. Department general staff will be available to assist as needed.

Identification of areas where cost savings and increased efficiencies are possible will be completed by December 31, 2019.

Improvement plans should be completed by any identified board or commission and an implementation time plan in place by February 1, 2019.

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

No obstacles to implementation have been identified.

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

Support for this project is not needed.

**Additional thoughts/comments:**