



Division of
Finance and Operations

Fleet Management
FY 20-21 Year-End Report

Prepared By

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Overview

Fleet Management encompasses Automotive Services and Fleet Services. UA Fleet Management (UAFM) exists to facilitate motor vehicle operations for The University of Alabama, located on the Tuscaloosa Campus. UAFM manages vehicle acquisition, fuel, leases/rentals, maintenance/repairs, and billing to departments across campus as well as vehicle disposals to assist UA faculty/staff with their efforts on program missions.

Centralizing these functions has a significant impact on purchasing to maintenance to fuel in addition to customer's needs. Significant savings by negotiating contracts and following state purchasing guidelines.

This information is a year-end review that details accomplishments and initiatives in these different areas.

Mission Statement

The Department of Fleet Management's mission is to provide the University with high-quality, cost-effective, and sustainable fleet management and maintenance services. The Fleet Management Department plans for, acquires, maintains, and disposes of the University's fleet of motor vehicles, buses, and heavy equipment to support the transportation needs of all departments and programs throughout the University of Alabama.

Department Staff

Fleet Management

Tony Johnson Executive Director of Fleet Management

Stephanie Jackson Administrative Specialist for Fleet Management

Angel Driver Automotive & Fleet Business Analyst

Automotive Services

Issac Falls Director of Automotive Services

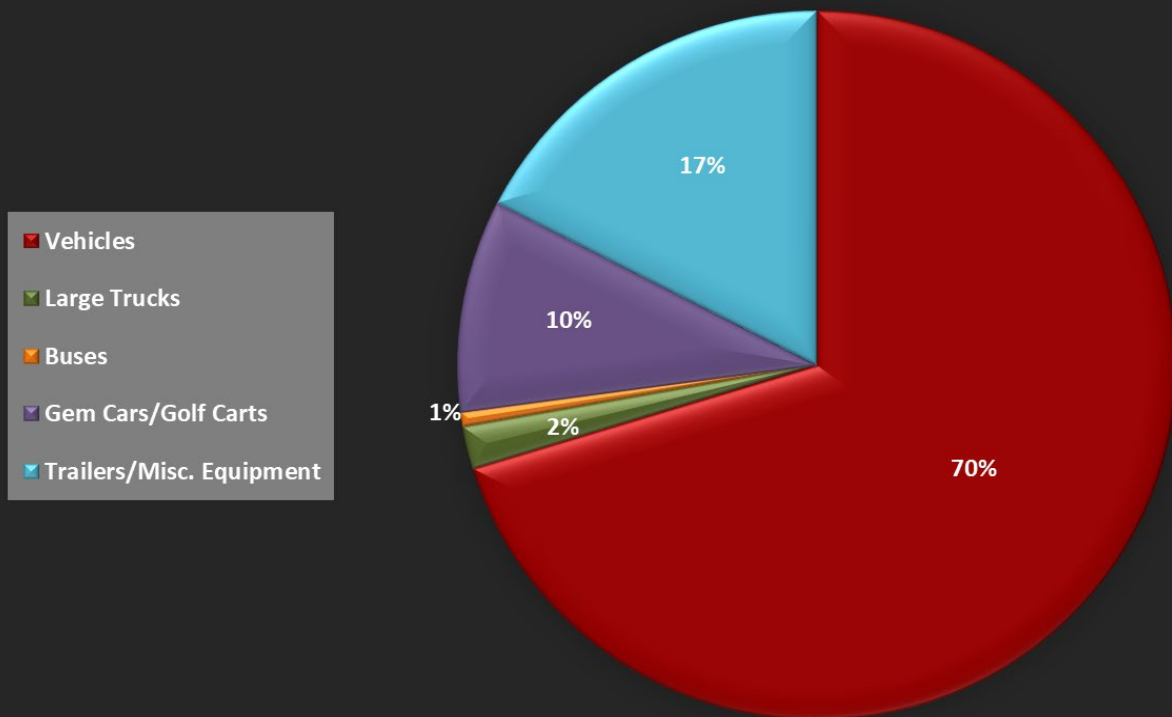
Fleet Services

Mario Globetti Associate Director of Transportation

Vehicle Type

Unit Type	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	2007
Vehicles	762	839	803	811	809	774	739	677	647	637	601	578	559	539	510
Large Trucks	21	18	21	18	17	17	16	14	14	13	12	12	12	12	12
Buses	7	10	13	17	22	21	20	18	18	15	13	7	5	5	5
Total	790	867	837	846	848	812	775	709	679	665	626	597	576	556	527
Increase/ Decrease	-8.88%	3.58%	-1.06%	-0.24%	4.43%	4.77%	9.31%	4.42%	2.11%	6.23%	4.86%	3.65%	3.60%	5.50%	

Active Units by Type



UA Fleet Management

Five Year Projection

Fleet Management continues to advance and work towards a more sustainable positive impact on campus. The following will outline our initiatives and will assist in reducing costs and achieving a newer fleet of vehicles.

Improving Our Vehicle Age

As the Current Vehicle Age chart (Appendix I) demonstrates, 52% of our fleet is more than six years old, with our oldest vehicle being the 1991 Suburban.

Fleet Management, in October 2021, presented a plan and was approved to purchase 100 vehicles to replace the oldest vehicles within Finance Operations. Orders have been submitted, and the vehicles are expected to arrive in March 2022 to August 2022.

The Projected Vehicle Age in 2022 chart (Appendix II) demonstrates a reduction in UA Fleet Vehicle age of 31% of vehicles over six years of age compared to 52% in 2021.

The initiative of replacing 100 vehicles each year continues and will significantly reduce the age of vehicles within Finance and Operations. As a result, the forecast reflects that all vehicles within Finance and Operations will be less than four years of age at the end of the fiscal year 2026.

Results of this initiative:

- Newer Fleet
- Increase Value of UA Fleet
- Reduced Maintenance Cost
 - Higher Percent of Vehicles Under Manufacturer Warranty
- More Reliable Vehicles
- Reduce Departments Faculty/Staff Downtime
- More Sustainable Fleet
- Improved Safety Features
- UA Vehicle Appearance Enhancement

Number of Lease Vehicles Increase

The data continues to demonstrate that our leasing program is the best option for departments.

Benefits:

- PM Fees Included
- Physical Damage Insurance Coverage included
- Replacement Schedule Defined
- Departments Able to Budget for Automotive Expense

Green Vehicles

The University of Alabama has always been at the forefront of many positive initiatives and efforts. Fleet Management will represent and participate in advance our green vehicles on campus. We recently awarded a bid to Long-Lewis Ford of the Shoals with the potential to order 10 Low Roof and 10 Mid Roof all-electric cargo vans (currently, the State of Alabama has no active state bid). These vehicles will provide feedback and assist with the data to determine the customer needs, infrastructure, including different types of alternative fueled vehicles to advance the number of green vehicles on campus.

Fleet Committee

In 2022, the Fleet Committee will be determined and will assist with the approval and denial of vehicle's request of purchases, repairs, usage rate, and appearance of vehicles on campus. Their leadership will significantly impact the areas that need the most attention to support the Fleet Management Initiates.

Challenges For Fleet Management

Departmental Support

Finance and Operations Administration continues to be outstanding with the support of replacing older and outdated vehicles. The following are some of the challenges that we have discovered from other departments over the last year:

- Departmental funding to replace older and high maintenance vehicles
- The appearance of vehicles. Some departments accept:
 - Dents, scratches, paint falling off, rust, etc.
- Age of vehicle is not an issue
- Failure to see the benefit of newer, safer, and more sustainable vehicle
- Purchase vs. Lease
- Departments want to control their vehicle use and when it is replaced
- Departments struggle with the usage rate.
 - They justify why a vehicle is not used for weeks and months at a time

Note: Fleet Management will continue to work towards changing the mindset of improving the UA total fleet.

Market

The closing of plants, chip shortages, and the way dealerships have to order vehicles continue to place a shortage on vehicles available for sale. Currently, cargo/passenger vans and most Toyota vehicles are tough to come by.

The plan with Finance and Operations of placing orders and planning the replacement out at least eight months is the best plan. This gives us the ability to place orders and have them in the order bank to be built. The days of visiting a dealership lot and purchasing a vehicle have disappeared. Fleet dealers are only able to order vehicles unless they provide an active PO from a customer.

Provided that we continue to place vehicle orders in advance, it will position us well with our fleet. However, at any time, our ability to place vehicle orders in advance will negatively impact the condition of our fleet. Example:

- At any point, a vehicle could be in a wreck/totaled, or repairs are just too costly. Planning positively impacts our ability to assist departments with their mission. The worse plan would be for us to have **"No Replacement Plan."** Once a vehicle is undrivable, the department is unable to fulfill its mission. It can take up to a year to replace the vehicle or accept what a dealership may have. Accepting what the dealership may have in stock leads to purchasing a vehicle at a higher price with options on the vehicle that we did not need.

Green Vehicles

Not all departments will benefit from green vehicles due to the limited driving range and waiting times of the vehicle charging the batteries. In addition, green vehicles are more costly. Cargo vans have an increased price of \$15,000 more than a gas cargo van. The mindset of the cost and leasing these vehicles to departments will need to change. Most departments on campus can benefit from additional green vehicles, plus it has a positive impact on our reputation with our students and the community.

Vehicles Usage Rate

The very minimum a vehicle should be used is 1,008 miles a year or 84 miles a month. We continue to communicate this to the departmentst, but we still have a resistance of the departments meeting this requirement.

The convenience of the vehicle being available vs. renting one from Fleet Services is a significant obstacle we continue to have.

Eliminating vehicles with the usage of fewer than 1,008 miles a year could reduce our fleet by 8% to 10%. This could represent an additional cost savings of \$2.6 million.

Trained Staff

The U.S. is facing a critical, ongoing shortage of auto technicians. It's a perplexing dilemma that no one seems to be able to solve consistently. Even with the reduction in miles driven by individuals and businesses in 2020, which should have eased demand for automotive, diesel, and collision repairs, there is still a massive shortage of auto technicians. This occurred even though many dealerships and aftermarket repair facilities needed to close their facilities for a period due to the pandemic, and then also had to furlough some employees upon reopening.

Yet, experts and industry leaders have been warning us about this since at least 2012. For example, Charlie Gilchrist, past NADA Chairman, estimated a few years ago that their approximately 16,500 member dealerships were going to need at least 76,000 technicians between 2020 and 2026, just to keep pace with demand. (Walsh, 2021)

As we purchase green vehicles, we will need trained technicians that can work on these vehicles. The vehicle's high voltage and how the vehicles are designed must have technicians that are trained.

Telematics

This technology would benefit Fleet Management, but undetermined how to fund the cost. This technology benefits Fleet Management with real-time data and the performance/utilization of the vehicle. It may not be viewed as a benefit to the department. Based on our current number of vehicles, telematics has an estimated annual cost of \$185,000.

If annual funding were secure, Fleet Management would have the following benefits:

- Access to Engine Fault Codes
- Miles Driven
- Engine Hours
- GPS Location
- Inventory Tracking
- Department Key Fob Tracking
- User Driving Habits
- Fuel Consumption

Policies, Guidelines, and Forms

(Located on FM, AS, and FS Webpage)

Vehicle Policy

The purpose of this policy is to establish the role of Fleet Management and ensure that University vehicles are purchased and maintained in a way that promotes safety, efficiency, and stewardship of University resources.

Vehicle Disposal Policy

The purpose of this policy is to set forth the process for disposal of vehicles, boats, and utility carts owned by The University of Alabama while maintaining compliance with state and federal law.

Automotive Tool Reimbursement Policy

The purpose of this policy is to define the conditions under which Automotive Service technicians and supervisors may be reimbursed for tools. This policy applies only to the attainment of tools that enhance the performance of The University of Alabama Automotive Services.

Vehicle Request Form

The multi-step vehicle purchasing process starts with the department filling out the Vehicle Request Form, obtaining all the necessary signatures before submitting the form to the Fleet Management Office.

UA Fleet Auction

Fleet Services sell all surplus vehicles, carts, and boats via online auction.

Fleet Manual

This manual references numerous related requirements resources and guidance located within different UA departments across campus.

Severe Weather Plan

The Fleet Management Severe Weather Plan provides general guidance, organizational structure, and specific direction on preparedness and response for severe weather emergencies to

helping protect University assets (vehicles). It is critical for departments authorized to possess a vehicle to promptly respond to potential weather events to protect University assets. This plan also provides basic procedures, resources, and guidance to prevent, prepare, and respond to severe weather events.

Tires Maintenance and Repairs

Explains tire replacement guidelines

Fleet Management, Automotive Services and Fleet Services Savings

Vehicles Eliminated:

- 134
 - Auction Price \$549,224.99
 - Current Replacement Cost \$4,358,438
 - Parking Space (\$600 Each) \$79,800
 - GovDeal Savings (12.5%) \$68,653.12
 - Total **\$5,056,116.11**
 - Average Savings Per Vehicle **(\$37,732.21)**

Vehicles Reduced

- 107 Vehicles reduced (12% Reduction)
 - PM Savings (107 x \$85 x 4) \$36,380
- PM Savings
 - Service Intervals Changed from 3 months to 5 months. (Reduction of 781 x 2 x \$85) \$132,770
- Fuel Savings
 - 12% Reduction of Vehicles YTD \$480,871.46 \$57,704.57
 - Newer Vehicles More Sustainable
 - Reduction of Fuel
 - Vehicle Reduction Reduces Fuel Consumption

JPRO Scan Tool Savings for Large Trucks

- Scan Tool Savings (84 uses @ \$450) \$37,800

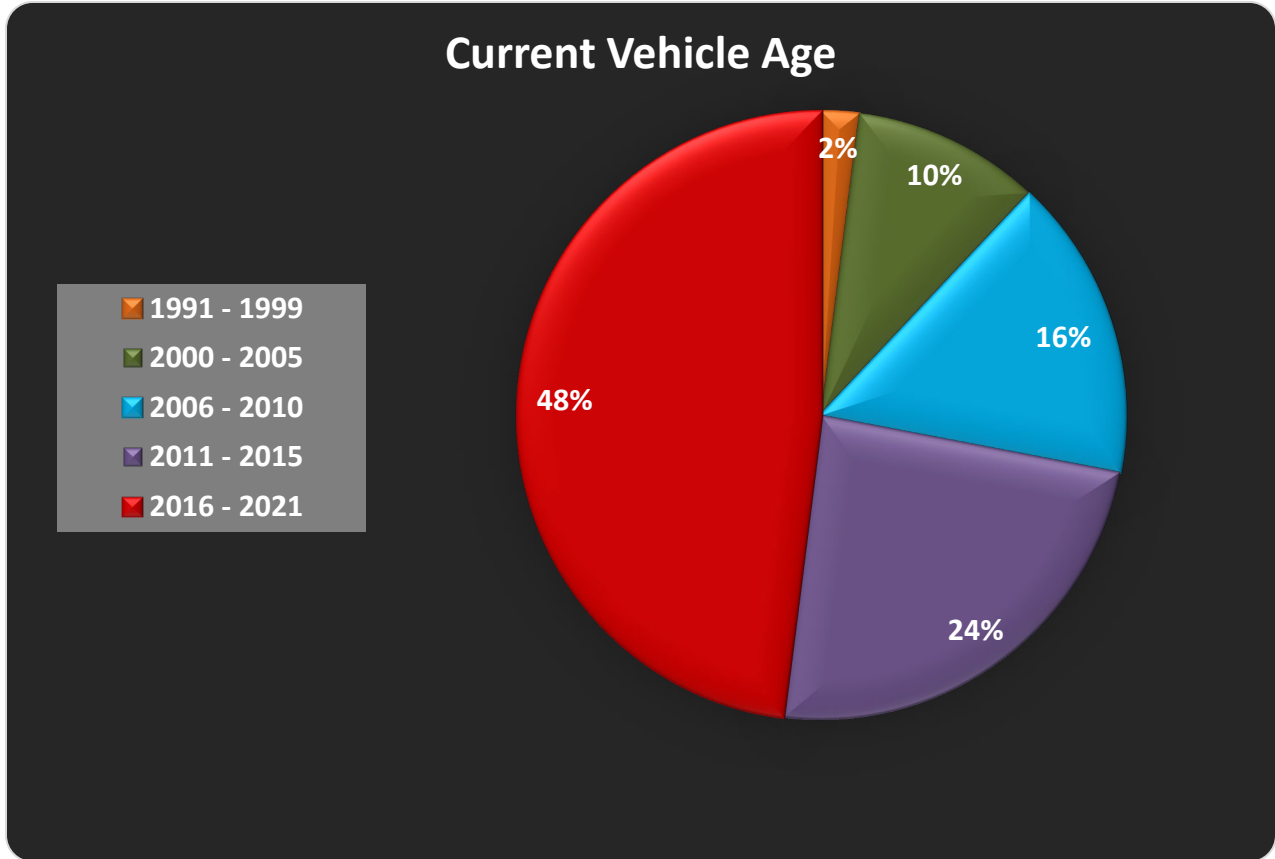
Total **\$5,320,770.68**

Awards

NCSFA Honors the University of Alabama with the 2021 Fleet Excellence Award

Appendix

Appendix I



Appendix

Appendix II

Projected Vehicle Age in 2022

