

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

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19B-Memo 4

Attachments-2

Date: April 28, 2016

To: Centralized Service Administrators of all State Agencies

From: Dan Villa, Budget Director
Office of Budget and Program Planning

Subject: Vehicle Leasing Program- EPP

The Office of Budget and Program Planning encourages agencies with vehicle replacement needs to use the State Motor Pool. The Motor Pool alternative transfers an agency's responsibility for vehicle maintenance and management to the Motor Pool and guarantees safe, reliable vehicles. The vehicles may be new or used depending on the estimated yearly mileage and agency wide usage. The leasing agency is responsible for maximizing the vehicle utilization within the agency. If the vehicles are not getting the maximum usage, the Motor Pool may reassign an underutilized vehicle to another agency.

Attached to this memo are two surveys. Please complete the pre-populated Attachment 2: *OBPP Lease Survey* for current leases. For new leased vehicle requests, please complete Attachment 1: *NP PL* for EACH request and email both surveys to Gerry Murphy at OBPP by May 31, 2016. This information will be used by the Motor Pool to prepare for the next biennium's budget including equipment purchases.

The Motor Pool charges both an hourly and a per mile rate. The hourly rate will be established by the Motor Pool at a cost recovery level. Motor Pool management includes vehicle purchase and replacement, scheduled and unscheduled maintenance, liability insurance, and fuel.

The following FY 2016 rates are for reference only. The recommended 2019 biennium rates will be determined based on the number of lease vehicle requests received from this survey, and will be provided to agencies in August.

FY 2016 Rates			
Class	Description	(per hr)	(per mile)
02	Small Utilities	1.121	0.126
03	Hybrid Small Utilities	2.372	0.141
04	Large Utilities	1.636	0.156
05	Hybrid Sedans	1.468	0.091
06	Mid-Size Compact	0.702	0.125
07	Small Pickups	0.121	0.189
11	Large Pickups	0.716	0.195
12	Van, All Types	0.983	0.156

Example: If an agency requests a class 02 small utility and estimates 12,000 miles per year, the estimated cost would be (2,920 hrs x \$1.121/hr) +(12,000 x \$0.126/mile) = \$4,785 per year.

The following vehicle classes will be available for Motor Pool lease requests for the 2019 Biennium.

Class	Description/Type	Accessories
02	Small Utilities – e.g. Ford Escape	None
03	Hybrid Small Utilities – e.g. Ford Escape	None
04	Large Utilities – e.g. Ford Expedition	None
05	Hybrid Sedans – e.g. Toyota Prius	None
06	Passenger Cars – e.g. Chevy Impala, Ford Fusion	Hatchback/Crossover
11	Large Pickups – e.g. GMC Sierra, Ford F150	Topper/Tonneau Cover
12	Vans – e.g. Dodge Caravan	Mini – 8 pass – 12 pass

Agencies will need to identify FY 2016 actual expenditures for vehicle liability insurance, gas, maintenance, personal car mileage, or other related costs for agency owned vehicles that will be replaced by the Motor Pool lease. These amounts will be removed from the base.

Agencies with special requirements for the leased vehicles (e.g. heavy duty bumpers, cages, etc.) will be responsible for the costs associated with, maintaining, and disposing of such requirements.

Keep in mind that lease vehicle requests should be justifiable and realistic. Please contact Gerry Murphy at OBPP for any follow-up questions.

C: Walt Kerttula, Jon Swartz, Jeff Gleason