

OFFICE OF THE GOVERNOR
STATE OF MONTANA

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23B-Memo 5
Attachments-2

Date: April 15, 2020
To: Centralized Service Administrators of all State Agencies
From: Tom Livers, 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.

Accompanying to this memo are two surveys. Please complete the pre-populated Attachment 1: *OBPP Lease Survey 23B* for current leases. For new leased vehicle requests, please complete Attachment 2: *NP PL* for EACH request and email both surveys to Brent Doig at OBPP by May 29, 2020. 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 2020 rates are for reference only. The recommended 2023 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 2020 Rates			
Class	Description	(per hr)	(per mile)
02	Small Utilities	1.488	0.139
04	Large Utilities	1.742	0.188
05	Hybrid Sedans	0.985	0.110
06	Mid-Size Compact	1.237	0.128
07	Small Pickups	0.432	0.200
11	Large Pickups	1.152	0.209
12	Van, All Types	1.350	0.156

Example: If an agency requests a class 02 small utility and estimates 12,000 miles per year, the estimated cost would be $(2,920 \text{ hrs} \times \$1.488/\text{hr}) + (12,000 \times \$0.139/\text{mile}) = \$6,012.96$ per year.

Agencies will need to identify FY 2021 budgets 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 Brent Doig at OBPP for any follow-up questions.

C: Walt Kerttula, Jeff Olsen