

Report on Department Fleet/Mileage

Department: HEALTH

Secretary: Nathaniel Smith, MD, MPH

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: Reducing Employee Travel Through Re-engineering Services

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

Increase the use of existing technology sources as a means to facilitate training/education sessions, business meetings, and consultation visits.

Action Plan:

A. Assess the historical data on the Department's spending on travel reimbursement to determine which employees and positions conduct activities with a high volume of travel.

B. Identify which activities that include travel could be facilitated by means of using telehealth, Office 365 video meeting functions, or Adobe Connect (i.e. dietitian education sessions, diabetes education, TB education, WIC consultations, IT support, and etc.); or by re-engineering the business processes and procedures that generate excessive travel.

C. Begin scheduling activities using connections of existing technology between ADH sites and implement identified staff 're-engineering' opportunities.

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

It is anticipated that no additional resources are needed to implement the ADH plan.

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

Maintenance of telehealth equipment and ongoing subscription fees for Office 365 and Adobe Connect are anticipated costs. ADH currently 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.

The progress, including results, will be tracked and reported as part of the ADH Efficiency and Responsiveness Plan. Success will be determined by documented re-engineered services that reduced the need for state employee travel. Travel for individual employees identified as part of a re-engineered process should be reduced by 20% or more.

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

This is a short term project, with completion anticipated by June 2020. The key plan elements listed above are the key action steps. Progress will be tracked as specified in 1.4 above.

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

No obstacles anticipated for this project.

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

The support, technical advice, and services from the Department of Information Systems to ensure that state enterprise IT systems function at optimal levels is important to the success of this re-engineering project.

ACTION PLAN FOR PROJECT 2:

2. Project Title Enhance Efficiency of Shared-Services model of Fleet Management

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

Continue using the shared services model of an agency-wide fleet management system and enhance its efficiency. Incorporate Boards and Commissions into the current shared services model.

ADH, prior to Transformation, had a fleet of 133 vehicles, with 83 stationed in Little Rock and 50 stationed in locations throughout the state. Of the Little Rock vehicles, there were 11 cars available in Little Rock as a “pool” for employees to use for business travel. Another 60 vans, station wagons, and sport utility vehicles have been mostly designated for Environmental Health program inspections and hauling equipment needed for testing procedures. Of the 50 vehicles not stationed in Little Rock, 11 are used for business travel and the rest are used mostly in Environmental Health programs. The 11 cars used for business travel were placed around the state based on a 2010 analysis of individual employee mileage, in an effort to reduce travel mileage reimbursement costs. The total amount spent on vehicle maintenance in SFY 19 was \$168,838.

ADH reimbursements for mileage over the last three fiscal years is:

SFY2017: \$1,878,813.95; SFY2018: \$1,709,432.78; SFY2019: \$1,798,307.65

The 23 Boards and Commissions now part of ADH have 6 vehicles. Their mileage reimbursement total expense was \$141,212.71 in state fiscal year 2019.

Action Plan:

- A. The ADH Office of Financial Management will implement a special report for monthly review of fleet utilization, fuel purchases, and mileage reimbursement costs. Department activity will be monitored monthly by the Associate Directors of Management and Operations and the Boards and Commissions Coordinator.
- B. Mileage reimbursement approval for employees would be contingent on documentation that state pool vehicles or rental car services are not feasible or available.
- C. State vehicle condition, age, and maintenance services will be monitored to ensure that optimum conditions are established.

2.2. Identify any additional resources required for the implementation and success of this plan.
It is anticipated that no additional resources are needed to implement the ADH plan.

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

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

The progress, including results, will be tracked and reported as part of the ADH Efficiency and Responsiveness Plan. ADH, including boards and commissions new to ADH, should see a decrease in the overall amount being spent on mileage reimbursement.

The Agency goal is to achieve a 10% average monthly reduction in total costs for fleet maintenance and mileage by December 2020.

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

This is a mid-term project, with completion anticipated by December 2020. The key plan elements listed above are the key action steps. Progress will be tracked as specified in 2.4 above.

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

This project assumes that the pilot to increase the use of state-wide rental services at ADH has a positive outcome.

Also, changes in the State of Arkansas vehicle management and replacement policies could impact the Department's fleet/mileage plan.

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

It will be helpful for us to be able to stay informed regarding the latest information on any state enterprise-level changes in vehicle replacement policies or rental plans.

ACTION PLAN FOR PROJECT 3:

3. Project Title: Implement Expanded Use of Car Rental Services Statewide

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

Improve and facilitate increased use of the statewide car rental services contracts in lieu of paying personal mileage and maintaining state cars.

Action Plan:

A. Review ADH procedures and use of the State's contracts for rental car services. Identify opportunities for ADH and Board and Commission staff.

B. Inform staff of the availability, requirements, and protocol associated with using the State contracts for rental car services. Identify a small pilot group of employees to use the rental car services instead of claiming mileage or using state cars.

C. Establish a feedback mechanism for the Centers and Boards and Commission that tracks both rental car service use and identifies any barriers that can be resolved. Compare the cost of rental car services to the mileage that could have been claimed by the pilot group of employees.

D. Evaluate the results of the pilot.

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

It is anticipated that no additional resources are needed to implement the ADH plan.

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

ADH should have sufficient funds to cover all anticipated costs.

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

The Agency will compare the cost of the rental car services to the mileage that could have been claimed by the pilot group of employees as well as the cost of maintaining state vehicles. The Agency will look for two things:

- A. Whether or not rental cars are at locations throughout the state and accessible and available for staff that travel frequently; and
- B. If the savings were actually realized by the pilot group of employees.

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

This is a long term project, with results expected by May 2021. Progress will be tracked by monthly expenditure reports of contract use by employees in the pilot. The Agency will be actively looking for additional opportunities for improvement as this pilot is tested and implemented. There may be unforeseen limitations to the implementation of this pilot.

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

Changes in the State of Arkansas rental car contract could impact this project.

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

It will be helpful for us to be informed about new plans or changes to current rental car contracts planned at the enterprise level for the State.

Additional thoughts/comments: