

Alternative Energy Commission

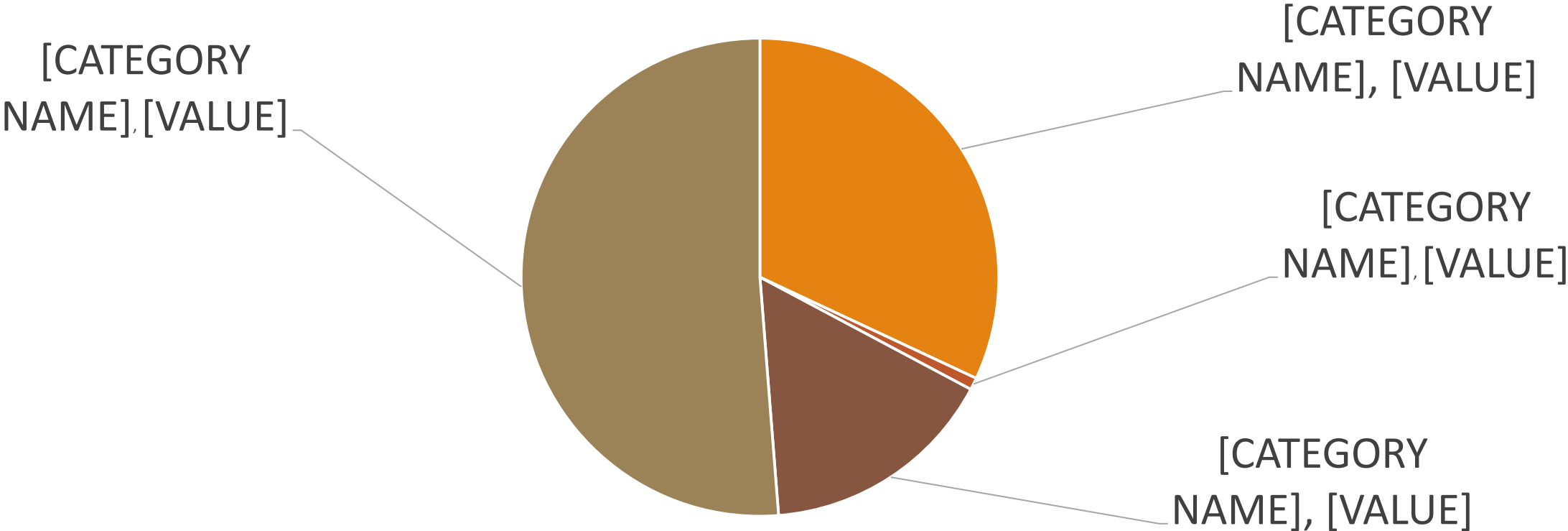
Thursday, July 28, 2016

DEPARTMENT OF FINANCE AND
ADMINISTRATION

OFFICE OF ADMINISTRATIVE SERVICES

State of the State Fleet: July 2016

Vehicle Ownership by Agency Type



Constitutional Considerations

While the size of the state's fleet is about 9,000 vehicles, many of those vehicles are owned and operated by entities which are constitutionally distinct and not under the direct supervision of the Arkansas General Assembly or the Executive Branch of Arkansas' State government.

Constitutional Agencies maintain their own system of fleet management:

- Department of Highways and Transportation (2,469 vehicles)
- Arkansas Game and Fish Commission (567 vehicles)

Institutions of Higher Education:

- Arkansas' public colleges and universities (1,524 vehicles)

Executive-branch state agencies which operate under the fleet management of DFA: 4,888 vehicles

Fleet Management

Arkansas' state government lacks a system of uniform, centralized state fleet management.

- All agencies which own vehicles are responsible for the maintenance and operation of those vehicles
- The agencies are responsible for monthly reporting to DFA
- DFA oversees the acquisition of all vehicles for executive-branch state agencies and institutions of higher education
- All requests to acquire new vehicles and dispose of old vehicles must go through DFA
- Arkansas State Code specifically limits the overall size of individual agency fleets, Ark. Code Ann. § 19-4-906.

Fleet Management, Part II

As a result of the State's de-centralized system of vehicle fleet management, individual agencies are responsible for costs associated with operation of the fleet. That includes:

- Maintenance costs
- Fuel
- Insurance
- Price of purchasing the vehicle itself (sort of)

DFA requires monthly reporting on the amount of fuel used by the agency, the cost of that fuel, cost of insurance for the vehicle and cost of any maintenance associated with it.

Vehicle Fleet Acquisition: State Contracts

The Department of Finance and Administration, Office of State Procurement, bids vehicle purchasing contracts on behalf of State agencies and local government in Arkansas.

State vehicle fleet pricing is traditionally very competitive:

Ford Fusion: \$17,482.00

Ram 1500 Tradesman \$17,091.00

Ford F-350 \$23,235.00

The State sought a contract for Chevy Volt and Nissan Leaf but did not award a contract.

Alternative Fuel Vehicles in State Fleet

Arkansas Code requires an annual report be made by the DFA Office of State Procurement on the number of “alternative fuel” vehicles owned by the State

- Definition of Alternative Fuel used in the statute is borrowed from federal regulations and included vehicles “capable” of operating on ethanol.
- State agencies employed 1,652 vehicles classified as “alternative fuel.” The vast majority were E85 capable.
- About 30 operate on electricity, biodiesel or other fuels
- No CNG capable vehicles were identified in our most-recent report

Contracts to Convert Vehicles to CNG

In 2013, the State of Arkansas Contract with two vendors to install CNG Conversion Kits in publicly owned vehicles:

Prices ranged from \$9,800 to \$14,980 per conversion under the contracts.

Interest among State agencies was very limited, although some local cities and counties did take advantage of the contract pricing.

The State currently does not seek contract pricing for CNG conversion kits.

Considerations for Converting to CNG

Arkansas does tax CNG, as well as other “alternative fuels” on a per-gallon equivalent basis.

- the existing tax is 5 cents per gallon
- Ark. Code Ann. 26-62-201, et. seq. Include record-keeping requirements, changes to the vehicle title, and registration of the vehicle which has been converted to operate on alternative fuels.

Includes a definition of “natural gas” as:

(9) "Natural gas fuels" means and includes all mixtures of hydrocarbon gases and vapors consisting principally of methane in gaseous form – Ark. Code Ann. 26-62-102(9).

More Information on State Vehicles:

Department of Finance and Administration – Office of Administrative Services maintains a Fleet Management website located [here](#).

State contract information is available online [here](#)

State Vehicle Fleet Management page can be accessed [here](#)

This page includes regularly updated information on the size and nature of the State's fleet, the State fleet management handbook, and other resources.