
Procurement Procedures Currently in Place for the Colorado State Fleet

September 2008

Background Information

Based on information gathered for the Greening Government Transportation Efficiency Audit in February of this year, several action items were identified as possible areas to meet or exceed the goals set forth in Executive Orders D011 07 and D012 07. These Orders, issued in April 2007 by Governor Bill Ritter Jr., concerning the Greening of State Government, provide the framework to identify and implement plans. By implementing identified solutions, the executive agencies, colleges, and universities hope to accomplish the following:

- By June 30, 2012, achieve a 25% volumetric reduction in petroleum consumption.
- Improve the fuel efficiency of the state fleet.
- Reduce the amount of vehicle miles traveled for state business in both personal and state fleet vehicles.
- Increase the amount and types of biofuels used.

A work plan to Green the Fleet was developed composed of several iterations. The current procurement process has been documented since the composition of the State Fleet is a tremendous driver of the ability to achieve the stated goals. Best Management Practices (BMP) in other fleet procurements are being researched and some have been included here but this research is not complete.

Current Procurement Process Overview

Using a discovery process and interviewing personnel from various agencies including State Fleet Management (SFM), State Purchasing Office (SPO), Department of Agriculture, Department of Public Health and Environment, Office of State Planning and Budget, the Information Technology unit of Department of Personnel & Administration, and several vendor representatives resulted in documenting the process flow below. Vehicles in the State Fleet motor pool (current in-service vehicles – 68) are acquired in the same manner.

Vehicle Procurement Process steps:

1. Replacement vehicle schedule sent out to agencies by SFM based on age and history of vehicle types used and/or vehicles requested approx.
2. Agencies review vehicle statuses and prepare budget request(s).
3. Budget items approved by JBC approx. 5/08
4. Vendor Pre-Bid meeting, run by SFM is held approx 8/15/08 (review body codes, specs, bid forms; currently approx 36 different body types)
5. Invitation For Bids (IFB) are posted to the BIDS system by SPO approx. 8/08
6. Questions or clarifications are due from vendors approx 7-10 days after IFB is published
7. Bids are returned to SPO (30 days from release date) and a public bid opening is held

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8. Bid information is transferred to SFM and data is manually entered into CARS system.
 9. SFM personnel evaluate bids in CARS system based on three criteria (low bid, MPG, AFV/FFV option available) process completed approx. 9/30/08
 10. Bids are awarded (good for 7/1/08-6/30/09) not before 10/1/08
 11. SPO creates Price Agreement (PA) for each vehicle based on bid awards which includes detailed specs as they were bid
 12. Agencies place orders approx. 12/08
 13. SFM processes orders by manual data entry into CARS approx 12/08 to 1/09
 14. Purchase orders are printed for all vehicles approx. 1/09
 15. Purchase orders are sent to dealers on a staggered basis from 1/09 to 3/09 to facilitate staggered delivery of vehicles.
 16. Dealers begin delivery of vehicles (not before 3/1/09 and not after 6/30/09)
 17. SFM accepts delivery of vehicles and completes check-in process
 18. SFM sends title paperwork to Trustee
 19. Trustee authorizes Beneficiary to pay dealers
 20. Agencies are notified of vehicle delivery
 21. Agencies pick up vehicle(s)

Procurement Policies and Assumptions

SFM identifies vehicle replacement candidates for each agency based on age and a combination of pre-2000 vehicle and usage of more than 7,000 miles per year. The replacement vehicle schedule is sent to the agency listing a recommended replacement vehicle but background information about the recommendation is not included and an identical vehicle type is not always recommended or available for selection by the agencies. Models available as a FFV or AFV are also included in awarded bids to provide this purchase option.

The evaluation criteria including life cycle analysis that is used by SFM: (exceptions: police vehicles, heavy trucks, specially equipped vehicles and alternative fuel vehicles.)

1. The standard vehicle base price.
2. Fuel cost estimate for 6 years using EPA ratings (50% city, 50% Hwy).
3. A percentage of the costs for frequently purchased options
4. The OEM recommended octane rating may be considered.
5. Standard warranty coverage offered may be considered.
6. Life cycle maintenance costs may be used.
7. Residual value may be used
8. Cost savings to the state due to partnering efforts, e.g. factory up-fits.
9. Cost of all scheduled preventative maintenance (parts & labor) for the initial factory warranty using severe service schedule may be considered.
10. Pending recall notices and tech service bulletins on same type vehicle bid may be considered.
11. Consumer Reports & JD Power vehicle ratings & analysis may be used.

Ownership costs allocated to agencies are composed of fixed and variable costs. Fixed costs include the vehicle cost plus finance charge for the life of the vehicle, and the Fleet Administrative charge which is currently \$23.00/mo. Variable costs are determined by vehicle and by agency and include such items as insurance, fuel, and maintenance costs. For analysis and lifecycle costing purposes, SFM assigns vehicles a life of 8 years and estimates yearly miles driven at 12,000. It is the responsibility of each agency to perform analysis using these numbers in determining their vehicle purchase decisions.

Agencies must authorize purchase of four-wheel drive vehicles with an Executive Director signature justifying need for this type of vehicle. Limited information and no consistent guidelines for what constitutes justification have been identified. SFM has no determination authority regarding purchase decisions by the agencies.

Colorado State Patrol (CSP) and other law-enforcement vehicles may have different policies and procurement processes. For example, the PA for CSP patrol vehicles is not done on an annual basis but is good for three years.

Tools Used

SPO website: <http://www.colorado.gov/dpa/dfp/spo/index.htm?opendocument> provides access to Colorado BIDS system, Vendor lists and information, and Current Price Agreements. This site is used to post bid solicitations and modifications and serves as an information clearinghouse to state agencies, employees and vendors.

CARS/MyCARS

Colorado Automotive Reporting System (CARS) is a fleet management tool that tracks the complete life cycle of vehicles and is a proprietary system supported and maintained by the IT Unit of the Department of Personnel and Administration. It is a client server application written in PowerBuilder and interfacing to a Sybase database. Modules are accessed to enter and maintain data regarding vehicles and vendors. Replacement, Purchasing-Bids, Purchasing-Order Vehicles, Receiving are the main modules used in vehicle procurement.

MyCARS is the online user interface that allows agency users to enter and view their vehicle usage for specified periods. Currently, MyCARS contains reports for odometer entry and preventive maintenance schedules. A Greening State Government (GSG) report has been created and will be released shortly. This report shows the mileage, MPG, cost per mile, and gallons purchased by fuel type for each vehicle within a specified date range.

Opportunities

Explore Seasonal use data – Modify/Enhance accounting procedures or myCARS to allow car sharing across agencies (interagency transfers being done, some agency transfers being done, explore mini-motor pools)

Reduce manual data entry in bids and order process

Extend Vehicle Price Agreements for 3-5 years with cost increase provisions protecting all parties (similar to

Provide more vehicle recommendation information and lifecycle comparison tools

Feedback on goal progress or actual to budget metrics (MPG, VMT, Fuel usage)

Illustrations Used

2008 vehicle spend

FY09 Sample Replacement schedule

2009 IFB and Sample spec sheet (2008 A1 type)

Sample handwritten vehicle bid

Sample Agency order form w/ 4WD approval

GSG CARS report

Procurement flowchart

CARS help file