

Facilities Services Motor Pool Business Analysis

Montana State University

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This report is modeled after the initial report done by Mike Reilly, professor of Marketing, MSU College of Business in 1999. The following worked on the 2012 business analysis:

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Introduction

Purpose

The purpose of this business analysis is to provide a periodic review of the MSU Motor Pool operation. Past reviews have been used to improve business processes and to determine whether or not to maintain a Motor Pool or to seek other options to meet campus travel needs (such as use of personal vehicles and/or use of private sector rental agencies for business travel).

Background Information

Motor Pool is a self-supporting campus entity that rents vehicles to faculty, staff, students and other state agencies for the purposes of conducting university and state business. Motor Pool is located in the Facilities yard and is managed by Facilities Services.

In 1996, the Motor Pool operation was evaluated at the direction of the President's Executive Council (PEC). After that evaluation, the 72 vehicle high-mileage fleet was reduced to 32 vehicles and replacement cycles were adopted. Operations were re-evaluated again in 1999 and business options included the possibility of terminating Motor Pool services altogether. At the time, review results were reported to the PEC with a final recommendation made to maintain Motor Pool at its current level of service based upon 3 considerations:

1. A limited private sector fleet that may not be able to meet demand for specialty vehicles (such as 15-passenger vans, pick-ups and large SUVs);
2. The unavailability of private sector rentals to students in the 18-21 year-old age bracket; and
3. The price fluctuation (up to 50% at the time) for private sector vehicle rentals.

The decision to keep Motor Pool did not mandate use of Motor Pool vehicles for all business travel, so that those travelers who could conveniently and cost-effectively meet their needs through private sector vehicle rentals were welcome to do so.

Changing circumstances and market conditions have prompted a current Motor Pool business review & customer survey. These include:

- 15-passenger vans having been eliminated from Motor Pool's fleet due to safety-related Board of Regents policy changes. Motor Pool recently increased its large SUV and Mini-Van fleet to accommodate the seating and luggage capacity formerly met with the 15 Passenger Vans;
- 15 passenger vans were unique in that they had a low purchase cost and a disproportionately high, but competitive, rental rate that enabled Motor Pool to cross-subsidize sedans and hybrids to maintain competitive rates;
- The purchase cost of SUV's, Mini-Vans & Pickups has increased significantly; and
- Motor Pool is due to replace roughly half of its fleet in order to maintain a safe, modern fleet of vehicles with less than 100,000 miles.

Key Facts – An Overview

Motor Pool Usage

- Campus travel needs have been met by private sector rentals, Motor Pool, and use of personal vehicles with mileage reimbursement. We cannot estimate mileage traveled in private sector rentals. However, of the mileage traveled for business purposes using Motor Pool and personal vehicles, Motor Pool accounted for approximately 42% of mileage and personal vehicles accounted for approximately 58%.
- Motor Pool rental & fuel income has been \$200k annually.
- Motor Pool customers travel 87% in-state and 13% out-of-state.
- Motor Pool usage by billing centers:

Academic Departments	34%
Various Restricted Funds	33%
VP Student Success Departments	8%
VP Administration Departments	7%
President Office	4%
IDCs	3%
Outreach	2%
Center for Ag Ed	2%
CHE	2%
- Customer “Reason for Traveling” - 58% Meetings, 30% Field Trips, 10% Hauling, and 2% Other.
- Motor Pool vehicle replacement cycle has been 4-11 years and 85-110k miles, depending upon vehicle type.

Market Update

Currently, there are many private sector rental agencies serving Gallatin valley communities; all but two are located at the airport or in Belgrade. Private sector rental agencies could easily meet most campus transportation needs. However, they **do not rent to student drivers less than 21 years of age** and many do not rent SUVs and Pickups to drivers less than 25 years of age.

Two multi-state private rental agency contracts now exist and are available to MSU that provide consistent, affordable pricing and rent to employees (not students) 18 years and older. These contracts offer full-size sedans for approximately \$35/day, as compared to the projected FY13 Motor Pool rate of \$60/day.

Additionally, private sector rental agency replacement cycles are 1-2 years and 25-35,000 miles, resulting in a newer fleet on an average basis. Motor Pool replacement cycles are 4-5 years for sedans, and longer for SUVs and minivans.

Motor Pool Rates

- Motor Pool rental rates recover direct operating expenses (initial cost of the vehicle; cost to prep, check-in, repair, and maintain vehicles; accident set aside; liability insurance; University Admin Fee).
- Motor Pool rental rates include a consistent daily rate and \$.25/mile charge for miles in excess of 200 per day.
- Motor Pool customers purchase fuel using the State Gas Card or at the Facilities Fuel station. Facilities gas is often less expensive and vehicles are re-fueled at no extra cost (vehicles do not need to be returned with a full tank).
- Motor Pool rental & fuel charges are processed via monthly auto-billings, a more cost effective method than processing travel reimbursements and P Card transactions. It is now possible to automatically bill to an MSU index via the multi-state contracts.

Rate Comparisons

- Motor Pool rates have been competitive for the average Motor Pool customer usage but individual trip parameters can result in substantial rate variances resulting in Motor Pool charges that may be substantially higher than private sector rentals for any specific trip, largely due to mileage charges over 200 miles per day.
- Private sector rental rate comparisons are not always straightforward. Rental rates and individual trip parameters are rarely identical; Rates vary seasonally; quotes may exclude surcharges for airport location and underage driver fees. Examples of additional charges:
 - \$6-20 underage fee per day for drivers less than 25 years of age;
 - \$9-30 per day damage waiver;
 - 6-21% local & airport taxes; and
 - \$.25 per mile for out-of-state travel.
- Rate comparisons should include the additional time to drive to vendor location, but Customer surveys indicate many drivers don't put a value on their time.
- Future Motor Pool rates will not be as competitive as they have been in the past. With the mandate to be self-supporting, rates increase with vehicle replacement costs and maintenance costs.

Insurance

Insurance coverage varies by mode of transportation and is described below:

Motor Pool.

There are three primary components to Motor Pool vehicle insurance coverage. First, vehicles are insured to the Statutory Liability Limits through the State Risk Management and Tort Defense Division for the first 30 days of use. If the vehicle is used for more than 30 days, it must be added to the State's Property Casualty Insurance Information System for comprehensive/collision coverage. Second, the Motor Pool has established a self-insurance program to cover damage to Motor Pool vehicles, which includes the first \$250 of damages being charged to the department renting the vehicle. And, third, bodily injury is covered for employees via Worker's Compensation insurance and via personal medical insurance for students. The State's Statutory Liability Insurance Program includes NO COVERAGE for uninsured and/or underinsured motorists.

Personal Vehicles.

When using personal vehicles, the driver's personal automobile insurance coverage is primary coverage. The university assumes no responsibility for damages to a personal vehicle. Private insurance carriers may require additional insurance premiums for business-related coverage. Those who regularly use a personal vehicle for MSU business purposes should check with their insurer regarding a "business use endorsement" to their personal auto policy. State employees using personal vehicles must carry proof of insurance.

Private Sector Rental.

When renting from Enterprise or Hertz using the multi-state contract (Western State's Contracting Alliance), automatic coverage is offered under the agreement for the first 30 days if travel is within the state. If leaving Montana and the employee/driver uses a MSU Purchasing Card with their name on it, collision damage coverage is provided via the purchasing card agreement.

In situations where the employee renting does not have their own MSU Purchasing Card, they should purchase the optional comp/collision coverage offered by the private sector rental company (as should students). The rental contract should list the driver and the State of Montana/MSU as the lessor on the rental agreement.

Bodily injury for employees is covered via the Workers' Compensation insurance and for students via personal medical insurance. The State's Statutory Liability Insurance Program includes NO COVERAGE for uninsured and/or underinsured motorists.

Note: Should private sector rentals increase, the State would likely track vehicle rentals and charge renters an insurance fee or possibly mandate the use of contracts with private sector rental agencies that include insurance with rentals (If the State does not implement a process to charge rentals from private agencies for insurance, University staff renting from the private sector will be insured at the expense of University departments owning vehicles and paying annual insurance premiums).

Additionally, the MSU Safety & Risk Management Department has to coordinate accident/damage claims for private sector rentals by MSU staff. These claims require extensive time to coordinate.

The Path Forward

Faculty & staff vehicle travel needs can be met with Motor Pool, private sector rental vehicles, and personal vehicles used for business travel. In the future, Motor Pool rates will not be as competitive as with private sector rentals due to new multi-state contract rates decreasing and Motor Pool vehicle purchase costs increasing. Additionally, rates are impacted by trip parameters and how convenience, time and insurance are factored into the rental decision. These issues may cause Motor Pool rates to be higher than the private sector rentals depending upon trip parameters. Motor Pool rates, however, are often less than the high personal vehicle reimbursement rate.

Motor Pool remains the only vehicle rental option for students under the age of 21. However, less than 42% of all students in the 2011 fall semester were less than 21 years old, and students make up a small portion of Motor Pool rentals (the Motor Pool rental system does not track whether renters are student, staff, or faculty, but anecdotal evidence from dispatch staff indicate that students are a small percentage of business). Non-rental options for student drivers include personal vehicles and department-owned vehicles. Student use of personal vehicles may not be the best option due to vehicle condition and because reimbursement rates may not cover the real trip cost. Another option for student trips would be to utilize faculty and staff drivers that can rent private sector vehicles or use their own personal vehicles. Motor Pool rates, for the most part, will continue to be less than the high reimbursement rate for students, particularly if insurance, underage fee, time and convenience are factored into the rental decision.

Motor Pool can adjust fleet size and mix to respond to reduced campus demand and can realign staff workload with other mission-focused tasks. However, a reduced fleet would negatively impact availability and rental rates.

That said, MSU has several choices for accommodating campus transportation needs:

1. Continue Motor Pool Operations

The University could choose to keep Motor Pool operations. The primary advantage to maintaining the Motor Pool is customer convenience with the on-campus presence, direct billing, and the ability to rent to students between 18 and 21 years of age. The primary disadvantages are the continued purchase and maintenance of fleet vehicles and rental costs that are significantly higher than the multi-state private sector rental contract. Additionally, should private sector rentals and/or personal vehicle use increase, Motor Pool demand would decrease and the fleet would have to shrink and/or rates would be increased to maintain operations in the required self-funded manner.

2. Discontinue Motor Pool & Request RFP for Private Sector Rental Agency

The University could choose to eliminate the Motor Pool and to submit an RFP for a private sector vendor to provide vehicles for MSU travel needs, to meet the multi-state contract rates, and to seek insurance on a per-rental fee basis. The primary advantage to this would be elimination of the Motor Pool (and the continued costs to purchase and maintain a fleet) as well as better pricing for University customers. The primary disadvantage may be off-site vehicle pickup and drop off (if the private sector agency would not keep vehicles on campus), and the need to create and renew a contract. We would also specify that the vendor work out a direct-billing option and insurance mechanism for campus customers.

3. Discontinue Motor Pool and Allow Campus Customers to Rent Directly from the Private Sector

The University could choose to eliminate Motor Pool and to allow travelers to make the best deal with private sector vendors (using the multi-state contract or simply by getting the best seasonal rates possible). At the same time, the University could negotiate with a local private

sector vendor to rent to 18-21 year old students, or could choose to meet this group's needs via arranging staff, faculty or over-21 year old drivers for travel needs.

If Motor Pool continues its business operation, the most viable option for the future is to carry 7 Sedans, 10 SUVs, 5 Mini-Vans and 1 Pickup. This option allows Motor Pool the ability to meet current demand while having the option to adjust its fleet size, vehicle mix and rates to meet any changes in demand. This reduced fleet would negatively impact availability and rental rates.

Finally, if MSU were to follow the private sector model and not rent to students between less than 21 years of age, the campus transportation needs from Motor Pool might change and might impact the decision on keeping a Motor Pool versus pursuing other alternatives.

The recommended review and decision process are:

Initial Idea

- Leist - Vet w/VP-Legal group
- Present to full PEC
- Then proceed to stakeholders below

Stakeholder Review/Input:

- Faculty Senate;
- Staff Senate;
- ASMSU;
- Campus Sustainability Advisory Council;
- Professional Council; and
- University Council

Decision Process:

- Facilities Advisory Committee → recommendation to the VP of Administration;
- VP of Administration → recommendation to President; and
- President → final decision

Operational Review

Motor Pool is located in the Campus Stores building, just off of 7th Avenue across from the South Gatton SB Parking Lot. A private parking lot adjacent to the building provides space for the Motor Pool fleet, and also provides customer parking for the duration of the rental period (no permit required). Vehicle check-out is done during business hours; however, vehicle drop off can be done 24 hours per day, 7 days per week.

The current fleet has an emphasis on specialty vehicles and consists of 10 large SUVs, 5 minivans, 8 sedans, 2 trucks, 1 hybrid SUV, and 1 hybrid sedan. Plans are in place to retire three vehicles, leaving the fleet at 24 vehicles with a strong emphasis on specialty vehicles. Due to high costs, the decision to have hybrids should be revisited. Options include charging higher rates for a hybrid, subsidizing a hybrid through other vehicle rental rate increases, or choosing to consider a non-hybrid compact with high gas mileage as a green alternative.

Dispatch is handled by Campus Stores personnel, vehicle maintenance is performed by Facilities Services mechanics, and vehicles are cleaned and fueled by a Facilities Services technician. Motor Pool duties encompass a limited percentage of Campus Stores and Mechanic time. However, the technician's sole focus is currently on Motor Pool vehicles.

Usage Information

Motor Pool vs. Personal Vehicle Use for Business Travel

In order to compare Motor Pool usage and personal vehicle usage for business travel, we had to estimate personal vehicle mileage. Banner contains a reimbursement amount, but not a mileage figure. We contacted University Business Services (UBS) and asked staff to estimate the percentage of travel reimbursed at the both the low and high rates and then used that information to estimate total mileage traveled. UBS personnel estimated that 80% of travel is reimbursed at the high rate. Policy states that the high reimbursement rate is only used if a Motor Pool vehicle was unavailable for a given trip.

In FY10 and FY11, Banner data showed an average of 1,667 trips each year with 564,740 miles traveled per year. Motor Pool usage data showed an average of 1,235 dispatches and 402,337 miles traveled per year. See Figure 1 and 2. Of these two modes of transportation, Motor Pool's accounts for roughly 42-43 percent of mileage and trip counts.

Motor Pool Fleet Usage Statistics

Motor Pool fleet usage was reviewed for several years during a time period in which the fleet contained 15 passenger vans. The 15 passenger vans were phased out by April of 2011 due to a Board of Regents policy change, and were replaced with large 8-passenger SUVs and minivans. We do not have sufficient usage data on these new SUVs to report at this time.

Reviewing days charged out as compared with total days available for rent demonstrate that the sedans have the highest usage rates. The specialty vehicles (minivans, SUVs and the small hybrid SUV) come next. The 15 passenger vans demonstrate an interesting case. They were charged out only 27% of the available days, but were very popular for field trips and experienced high seasonal use. The 15-

passenger vans have been replaced by 8-passenger SUVs and minivans, so we would anticipate these vehicle usage rates to absorb some of that demand. We don't know yet whether having to take two vehicles, rather than one, will impact demand due to the cost of two SUV/minivan rentals versus one 15-passenger van to transport the same number of people. Data are shown in Table 1, Motor Pool Usage.

Table 1: Motor Pool Usage.

	Sedans	Sedan Hybrid	Minivan	Pickup	Large SUV	Small SUV Hybrid	15 Passenger van	Totals
Vehicle Quantity	8	1	2 ⁽¹⁾	2 ⁽²⁾	2 ⁽¹⁾	1	10 ⁽¹⁾	26
Average Annual Miles Driven	188,840	26,283	22,092	20,792	44,621	21,929	77,821	402,377
Average Annual Days Charged	1,026	136	212	168	245	110	647	2,544
Average Annual Dispatches	549	58	97	57	96	53	325	1,235
Average Miles Driven per Vehicle	23,605	26,283	18148	10,396	22,311	21,929	7,782	-
Average Days Charged per Vehicle	128	136	106	84	123	110	65	-
Average Number of Dispatches per Vehicle	69	58	49	28	48	53	33	-
Percent Days Charged of Available Rental Days ⁽³⁾	53%	56%	44%	35%	51%	46%	27%	-
Replacement Cycle Yrs/Miles	4yrs 95k miles	5yrs 100k miles	5yrs 100k miles	10yrs 100k miles	5yrs 110k miles	4yrs 88k miles	11yrs 85k miles	

(1) Quantity of vehicles are during 15 passenger van rental periods (current large SUV total is 10).

(2) Only 1 pickup is scheduled for replacement and the other one is designated local rentals only.

(3) Available rental days are 241 per year (excludes holidays and weekends). While charges can accumulate over holidays and weekends, it is assumed that staff will drive during regular business days.

Existing Motor Pool Rates

Vehicle Type	Passengers	Qty	Daily Rate	Free Miles Per Day	Mileage Rate
MINI VAN	7	5	\$55	200	\$0.25
PICKUP-4WHL DRIVE	3	2	\$45	200	\$0.25
SEDAN MIDSIZE	5	8	\$40	200	\$0.25
SEDAN, HYBRID	4	1	\$40	200	\$0.25
SUV HYBRID, SMALL	4	1	\$71	200	\$0.25
SUV LARGE	8	10	\$85	200	\$0.25

Private Rental Data

A snapshot of private rental pricing for MSU employees over 25 years of age is below (rates vary daily based upon demand). Rates do not include underage fee \$6-15/day, \$9-30/day insurance, seasonal charges, and cost to drive to vendor location.

Agency	Vehicle Type	Mileage	Rate	Taxes/fees	Total
Thrifty	full-size sedan	150 miles free, \$0.25/mile after	21.50	4.52	26.02
Thrifty	Minivan	150 miles free, \$0.25/mile after	75.93	15.95	91.88
Thrifty	Small SUV	150 miles free, \$0.25/mile after	40.50	8.51	49.01
Thrifty	Large SUV	150 miles free, \$0.25/mile after	107.74	22.63	130.37
Enterprise	full-size sedan	200 miles free, \$0.25/mile after	62.90	13.21	76.11
Enterprise	Minivan	200 miles free, \$0.25/mile after	N/A-call		
Enterprise	large SUV	200 miles free, \$0.25/mile after	N/A-call		
Hertz	full-size sedan	150 miles free, \$0.19/mile after	23.75	4.99	28.74
Hertz	Minivan	150 miles free, \$0.19/mile after	79.26	16.64	95.90
Hertz	large SUV	150 miles free, \$0.19/mile after	87.50	18.38	105.88
Avis	full-size sedan	unlimited	59.49	12.49	71.98
Avis	Minivan	unlimited	84.14	17.67	101.81
Avis	large SUV	unlimited	85.24	17.90	103.14

Montana is part of the Western States Contract Alliance (WSCA). There are contracts with three private rental companies in that offer reduced pricing (we don't have a National branch, but have Enterprise and Hertz). At least one local agency (Enterprise, Main Street) honors this contract. The prices are shown below and can, apparently, be direct billed. Also, drivers 18 and older can use these rates if they are campus employees (the contract excludes students).

PA 9950 Enterprise

Exhibit E-1 Pricing Sheet Revised by Amendment No. 6

Pricing effective January 1, 2011

Oregon Pricing Enterprise Rent-A-Car and National Car Rental

Rates are on 24 hour clock

Vehicle Type	Daily	Weekly	30 days	Long Term Rentals Daily Charge		
				31-90 days	91-160 days	161+ days
Sedans						
Compact	\$30.39	\$151.94	\$607.76	\$20.26	\$19.25	\$18.63
Standard / Intermediate	\$32.02	\$160.12	\$640.46	\$21.35	\$20.28	\$19.64
Full Size	\$34.75	\$173.76	\$695.04	\$23.17	\$22.01	\$21.31
Passenger Vans						
Mini-Van	\$50.08	\$250.42	\$1,001.68	\$33.39	\$31.72	\$30.71
12 Passenger Van	\$96.08	\$480.40	\$1,921.59	\$64.06	\$60.85	\$58.93
SUV's						
Sm. SUV (5 Passenger)	\$51.11	\$255.53	\$1,022.12	\$34.06	\$32.37	\$31.35
Lg. SUV (7-8 Passenger)	\$80.75	\$403.74	\$1,614.95	\$53.84	\$51.14	\$49.52
Specialty						
Luxury/Premium	\$56.22	\$281.08	\$1,124.33	\$37.48	\$35.60	\$34.48
Jeep	\$66.44	\$332.19	\$1,328.76	\$44.29	\$42.08	\$40.75
Convertible	\$66.44	\$332.19	\$1,328.76	\$44.29	\$42.08	\$40.75
Green Vehicles						
Hybrid	\$46.00	\$229.98	\$919.91	\$30.66	\$29.14	\$28.21
Alternative Fuel	\$46.00	\$229.98	\$919.91	\$30.66	\$29.14	\$28.21
Pick-Ups / Cargo						
Small Pick-Up	\$46.00	\$229.97	\$919.91	\$30.66	\$29.14	\$28.21
Large Pick-Up	\$50.08	\$250.42	\$1,001.68	\$33.40	\$31.72	\$30.82
Cargo Van	\$39.86	\$199.31	\$797.25	\$26.58	\$25.25	\$24.45

Financials

FY13 Motor Pool Business Model

Vehicles	Full Size Sedan	Sub-Compact Sedan	Large SUV 4WD	Mini-Van	Pickup	Total
QTY	7	1	10	5	1	24
Purchase Cost	15,863	15,996	31,027	21,604	22,274	23,650
Replacement Cycle (Yrs)	5	5	6	6	9	
Miles Per Year	22,000	22,000	18,000	18,000	11,000	
Miles at replacement	110,000	110,000	108,000	108,000	99,000	
# of Dispatches	428	61	405	233	30	1,157
Days Rented	796	114	954	569	90	2,523
Extra Miles	24,872	3,553	38,893	19,063	1,355	87,736
Total Miles	154,000	22,000	180,000	90,000	11,000	457,000
Avg miles/day	193	193	189	158	122	181
Avg Miles per trip	359	359	445	386	368	395
Avg days per trip	2	2	2	2	3	2

EXISTING day rate	40	40	85	55	45
FY13 Day Rate	60	60	88	60	60
% Increase/(decrease)	50%	50%	4%	9%	33%

Pick Up, Delivery, Check-In, Cleaning	16,945	2,421	16,002	9,217	1,183	45,768
In-house Repairs	1,023	146	1,462	731	146	3,508
Preventative Maintenance	3,678	525	5,250	2,625	525	12,600
Parts, Oil, Vendor Repairs	3,889	556	5,556	2,778	556	13,333
Tires	1,491	213	3,820	1,365	233	7,122
Accident Set aside (per mile) 0.10	2,221	320	5,171	1,800	247	9,760
Vehicle Insurance	770	110	1,100	550	110	2,640
Shop Supplies/Tools	455	66	1,060	369	51	2,000
Fuel Costs						51,450
Total before Admin Fee	30,469	4,356	39,420	19,435	3,051	148,181
University Admin Fee 4%	1,219	174	1,577	777	123	5,927
Total Operating Expenses	31,688	4,530	40,997	20,212	3,173	154,108
Purchase Cost Recovery	22,208	3,199	51,711	18,003	2,475	97,596
Total Expenses	53,896	7,729	92,708	38,215	5,648	251,705

Customer Feedback

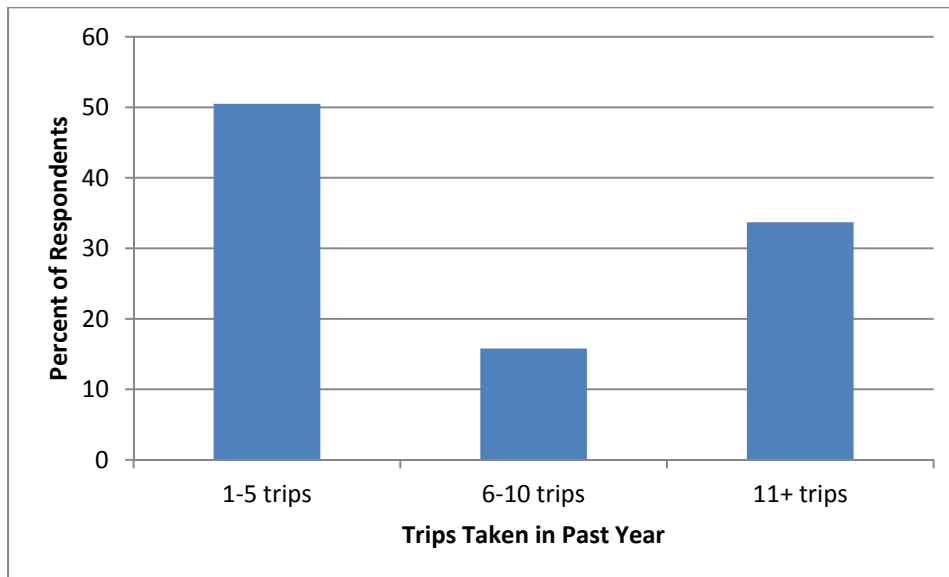
A motor pool use and feedback survey was sent out in November, 2011. The Office of Planning and Analysis helped prepare a scientific sample of 500 faculty, staff and students. A total of 162 responses were received, equating to a survey response rate of 32.4%. Information received from the survey is below and the entire data set can be seen in Appendix A.

Survey Respondents

The survey respondents were approximately 10% students and 90% staff.

Trips Taken Using Vehicles

Of the respondents, 41% had not used a vehicle for MSU-affiliated business in the past year. Of those that travelled, 50.5% traveled between 1 and 5 times, 15.8% travelled between 6 and 10 times, and 33.7% travelled 11 or more times.



Motor Pool, Personal, Department and Rental Vehicle Use

We attempted to determine what percentage of travel was performed by Motor Pool, personal vehicle, local rental or departmental vehicle. Due to question design and analysis, the desired data was not obtained. However, it was clear that of the Motor Pool users, the bulk of people used it 10% of the time, or 90-100% of the time, which indicates either a preference for Motor Pool, or use as a fill-in for other travel options. The same is true of personal cars – people either used them as fill in, or as their primary choice. If a user indicated some travel by departmental vehicle, it was most likely to be their primary mode of business travel.

The reasons people gave for using Motor Pool included convenience, departmental requirement, ease of billing and gas card use, savings over personal vehicles, bad weather, and great service. Other items mentioned included availability of larger vehicles for carrying more people, “under aged” student drivers, easy parking, and not having to go downtown for pickup. People tended not to use Motor Pool

due to perceived higher cost, not having unlimited mileage, lack of availability, having access to a departmental vehicle, newer cars at rental agencies, and extending trips for personal reasons. Other issues mentioned were not having enough “field worthy” vehicles, not having snow tires, and dispatch not always answering the phone.

Type of Vehicle Rented

The majority of people have rented sedans, and following that, it was relatively equal among hybrids, small SUVs, large SUVs and minivans. Pickups were the least mentioned type of vehicle that people rented.

Primary Decision-Making Factor in Choosing Transportation Type

The primary decision-making factor in choosing transportation was convenience, followed by price and then availability. Other factors mentioned included feeling safer in personal vehicles due to familiarity or all wheel drive, specific needs such as carrying capacity, and a vehicle’s ability to handle rough roads.

Advantages of Motor Pool, private vehicles and rentals were also compared. Table 2 below shows the rankings.

Table 2: Ranking of Transportation Type on Various Attributes.

	First	Second	Third
Convenience	Private vehicle	Motor Pool	Local Rental
Price	Local Rental	Private vehicle	Motor Pool
Vehicle Quality	Private vehicle	Local Rental/Motor Pool	
Familiarity	Private vehicle	Motor Pool	Local Rental
Availability	Private vehicle	Local rental	Motor Pool

Of note, approximately 40% of renters did not factor the cost of their time to pick up a local rental vehicle when comparing local rental rates to Motor Pool rates.

Motor Pool Customer Rating

Survey respondents were asked to rate Motor Pool in several areas. That data is shown in Table 3.

Table 3: Motor Pool Rating on Various Attributes

Answer Options	Poor	Fair	Average	Good	Excellent
Convenience	10	11	13	29	20
Value	6	20	22	28	6
Customer Service	5	6	18	36	17
Availability	7	14	25	24	12
Vehicle Quality	4	13	18	29	17

Customer Impact of Motor Pool Business Decisions

Customers were asked to rate the impact of reducing the Motor Pool fleet, closing the Motor Pool, or replacing the Motor Pool with a private rental agency located on campus. About half were neutral on

each option. Closing the Motor Pool or reducing the fleet were perceived as negative by a significant portion of the survey respondents. Replacing the Motor Pool with a private rental fleet on campus had similar numbers viewing it as a positive or negative option. See Table 4.

Table 4: Impact of Motor Pool Business Decisions

Impact	Negative	Slightly Negative	Neutral	Slightly Positive	Positive
Reducing the Motor Pool Fleet	14	25	53	1	6
Closing the Motor Pool	35	13	43	1	7
Replacing Motor Pool with a private rental agency in Motor Pool's current location on campus	21	7	46	13	11

Customer comments included lack of parking as a detriment to Motor Pool use. There is free parking right by the building, so the Motor Pool needs to promote this better. Customer comments in favor of keeping Motor Pool included a negative perception of outsourcing jobs, not liking the private rental paperwork, the need for student rentals, and fuel purchased under state contract being cheaper. The one comment in favor of closing Motor Pool stated that it is a waste of resources and that it can't compete with private industry.

There were several comments indicating receptiveness to a private agency on campus, but only if it was long-term, cost effective, and users could still have the MSU gas card and agreements on renting to students.

Special Needs

The University has special needs regarding vehicle rentals. These include four wheel drive for winter driving and for field work; ability to carry multiple passengers for field trip activities; and ability to rent to student drivers (including those aged 18-21).

Four Wheel Drive.

From a Motor Pool perspective, the need (or desire) for four wheel drive is met through having 8-passenger SUVs in the fleet. Some departments also have four wheel drive vehicles and/or vehicles set up for field work.

Passenger Capacity.

The multiple-passenger need was historically handled by 15 passenger vans, which are no longer used due to the safety-related BOR policy change. Currently, the 8 passenger SUVs and minivans meet this need from a Motor Pool perspective, however, it now requires two vehicles rather than one. Two campus organizations (Outdoor Recreation and Athletics) have purchased narrow body busses to meet this need.

Serving Student Drivers.

Most private rental companies will provide service to those aged 21-25, but with an extra cost. Rarely will a private rental company provide a vehicle to those aged 18-21. Motor Pool has served these constituencies on campus, and has done so without the additional charges.

Appendix A: Customer Survey Responses

1. What is your job classification?

Answer Options	Response Percent	Response Count
Faculty	22.8%	37
Professional	33.3%	54
Classified	32.1%	52
Student (age 18-21)	0.0%	0
Student (age 21-25)	3.1%	5
Student (age 25+)	8.6%	14
<i>answered question</i>		162
<i>skipped question</i>		0

2. How many times per year do you use a vehicle to conduct MSU-affiliated business?

Answer Options	Response Percent	Response Count
0	41.4%	67
1	8.6%	14
2	10.5%	17
3	3.1%	5
4	4.9%	8
5	2.5%	4
6	2.5%	4
7	2.5%	4
8	0.6%	1
9	0.6%	1
10	3.1%	5
11+	19.8%	32
<i>answered question</i>		162
<i>skipped question</i>		0

3. Of your business trips, what percentage are fulfilled by:

Answer Options	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	Response Count
Motor Pool	16	6	1	2	9	0	4	6	4	11	59
Personal	10	5	4	2	11	2	3	5	5	11	58
Local Rental	9	5	1	0	5	0	2	2	6	8	38
Departmental	1	1	2	0	2	0	2	1	6	8	23
<i>answered question</i>											102
<i>skipped question</i>											60

Comments: Why did you choose to use or not use Motor Pool? [summary data]

Use:

Ease/Convenience (9)
Required to (4)
Always try Motor Pool first (2)
Always try Motor Pool first (2)
Ease of gas card (2)
Convenient billing (2)
Savings over using personal car (2)
Great Service (2)
Use Motor Pool for long distance (2)
Use if weather is bad (2)
Don't have a Departmental vehicle
Class field trips
Availability of larger vehicle to carry people
Lack of reasonable offerings (big van only option for a field trip)
Underage student drivers
Vans sometimes cheaper
Accommodating
Sensible to ride share with several employees
Easy parking
Don't have to drive downtown for pick up
Should be able to use on all trips with new SUVs

Not Use:

Cost (17) and per mile cost after 200 miles (2)
Ease/Convenience (14)
Availability (9)
Have Departmental vehicle (8)
Not available in my location (6)
More comfortable in own car (3)
Lesser vehicle quality/newer at rental (2)
Unaware of Motor Pool (2)
Extended trip for personal reasons (2)
Bad service (2)
Pick up hours (for flights out)
Too hard to schedule
Parking
Not enough field-worthy Motor Pool vehicles to meet need
Don't understand the rules
Lack of snow tires
Forced return time since someone else needed the car – not an issue with rental agency
Lack of 4wd vehicles, or use would be 100% Motor Pool
Rental agencies always answer the phone

4. What type of vehicle(s) have you rented (from Motor Pool or a local rental agency)?

Answer Options	Response Percent	Response Count
None	26.4%	28
Sedan	52.8%	56
Hybrid	21.7%	23
Small SUV	23.6%	25
Large SUV	19.8%	21
Minivan	23.6%	25
Pickup	8.5%	9
<i>answered question</i>		106
<i>skipped question</i>		56

5. When choosing transportation, what is the primary decision-making factor?

Answer Options	Response Percent	Response Count
Convenience	49.0%	50
Price	23.5%	24
Availability	16.7%	17
Other	10.8%	11
If "Other" please specify		18
<i>answered question</i>		102
<i>skipped question</i>		60

“Other” comments:

I feel safer using a vehicle I am used to, especially over passes in the winter.
 safety -- I trust my own all wheel drive subaru the most, especially in winter
 My department makes the decision (2)
 We can fit 13 people for field trips in Minivan
 also, whether the vehicles can handle rough roads
 we use our dept vehicles
 Enterprise picks up from campus, which is very convenient. And they are just down the street.
 safety
 how many people am I transporting
 emphasis on pool in car pool
 Large 4 wheel drive SUV because I travel with 4 or more passengers
 capacity, duration of trip
 weather conditions
 convenience AND price
 Usability for field work.
 We're driving up mountains to fix transmitters, so I need a work truck with 4 wheel drive usually.
 Fuel mileage

6. What are the advantages of each type of transportation? Check all that apply.

Answer Options	Convenience	Price	Availability	Vehicle Quality	Familiarity	Other	Response Count	
Motor Pool	44	26	26	22	20	13	73	
Local Rental	21	37	37	23	7	7	63	
Private Vehicle	67	29	46	31	54	4	84	
If "Other," Please specify							18	
							<i>answered question</i>	103
							<i>skipped question</i>	59

“Other” comments:

I feel safer driving a vehicle I am very familiar with, especially on winter roads.
 safety --- snow tires!
 County vehicle
 familiarity=safety for winter driving
 We need a big van for 13 students
 We would prefer to use personal vehicles at all times, however, due to rules, are generally required to use motor pool.
 The staff are fantastic--and they take excellent care of the cars. I really enjoy working with the staff and appreciate all that they do.
 For Motor Pool: gas card; ability to have under age 24 drivers; For rental: unlimited mileage for longer trips
 nothing reliable available
 not applicable
 it's cheaper
 The only time I've use the motor pool was when I needed a 15 passenger van
 timing
 my job t requires me to show up for.
 wear and tear
 Type of vehicle
 No advantage to the motor pool.
 I have never used the MSU motor pool, I always use our lab trucks for work.

7. When renting off campus, do you factor the cost of your own time (for pick-up and drop off)?

Answer Options	Response Percent	Response Count
Yes	60.2%	53
No	39.8%	35
<i>answered question</i>		88
<i>skipped question</i>		74

Appendix A: Customer Survey Responses

8. Please Rate Motor Pool in the following areas:

Answer Options	Poor	Fair	Average	Good	Excellent	Response Count
Convenience	10	11	13	29	20	83
Value	6	20	22	28	6	82
Customer Service	5	6	18	36	17	82
Availability	7	14	25	24	12	82
Vehicle Quality	4	13	18	29	17	81
Please comment						29
					<i>answered question</i>	83
					<i>skipped question</i>	79

Comments [summary]:

never used Motor Pool (12)
 Not available at my location (2)
 Vehicles not of the highest quality (2)
 Newer vehicles at rental agencies
 Rental agencies have better tires
 Cars ALWAYS cleaner at Motor Pool versus Enterprise
 Customer service at Motor Pool
 Staff outstanding;
 Accommodating at last minute requests;
 Positive/helpful;
 Hard to reach by phone;
 Miss 13 passenger vans
 Would like check-out available over noon hour
 Pick-up/Drop off trickier than leaving a car at Enterprise [Note: this has changed]
 Motor Pool: last two trips, no sedan available
 Hybrid SUV – engine noise causes hearing loss
 MSU doesn't need a motor pool.
 My Paseo gets 30-40mpg, and the motor pool cars are big gas guzzlers from my perspective. It would be nice to have more energy efficient compact cars to rent. [Note: Paseo is a subcompact. Motor Pool Sedans are full-size cars, and get 28-30 mpg highway.]

9. How would the following business decisions impact you?

Answer Options	Negative	Slightly Negative	Neutral	Slightly Positive	Positive	Response Count
Reducing the Motor Pool Fleet	14	25	53	1	6	99
Closing the Motor Pool	35	13	43	1	7	99
Replacing Motor Pool with a private rental agency in Motor Pool's current location on campus	21	7	46	13	11	98
Please Comment						33
<i>answered question</i>						99
<i>skipped question</i>						63

Comments [summary]:

Never used Motor Pool (5)

Parking unavailable at Motor Pool (4) [Note: It is available, free of charge.]

Prefer own car

Comfortable with it;

High end, so safer;

Keep Motor Pool

We LOVE the Motor Pool. The staff are fantastic and give terrific service;

Please do not close the Motor Pool!!;

no more job loss on campus please;

Why would we outsource MSU jobs? How dumb is that? Haven't we learned anything from outsourcing our jobs to China - it's the same thing on a micro scale - please keep our jobs here;

Dealing with unforgiving private companies that require student presenters to pay for gas upfront, have more expensive insurance policies, and use untrustworthy autos would greatly hurt the success of the program;

Note one thing that is typically not factored in, that I do, is the savings in fuel tax when using motor pool vehicles. Sometimes this makes them cheaper.

Very Negative Impact [if close Motor Pool] because In early 2011 I had to rent from a local rental agency at the airport which was very inconvenient due to drive time, pick up, drop off, fill with gasoline and cost of parking at the airport for a day;

Though I have NEVER used Motor Pool, the *idea* of changing to a private rental agency raises images of private agencies at airports which seem to require endless legal signatures or initialed waivers for each rental.

If costs can be maintained or reduced then I have no problem with private pool.

It might make local vehicles available.

Open to Private Rental on Campus

a private company might be OK if the same conveniences were available (i.e. MSU gas cards; agreement on younger student drivers);

potentially positive with a private company but it depends on the service and quality;

Depends on cost;

If we could also rent from the same agency in our towns, the motor pool with private rental agencies would enable my use;

Appendix A: Customer Survey Responses

Open to outsourcing as long as the service group doesn't turn over constantly so they get to know us (the customer).

Private Enterprise branch on campus would be great, if space for leaving a vehicle is also available there.

Must ensure availability;

Pro Closing Motor Pool

The motor pool is a huge waste of resources. Eliminate it. It cannot out compete the private sector, so it should be eliminated;

Other:

Are these the only options you are considering? we need affordable, convenient access to field-worthy vehicles. What about vehicles that are available to each department, and we work out within the department a schedule of use. . .