



New York State Office of the State Comptroller
Thomas P. DiNapoli

Division of State Government Accountability

Passenger Vehicle Fleet Management

Office of General Services



Executive Summary

Purpose

To determine what steps the Office of General Services (OGS) has taken to manage the State's passenger vehicle fleet, and to determine whether agencies have controls in place that ensure vehicles are used in the most economical and efficient manner and that risks associated with vehicle usage have been addressed. The audit covers the period April 1, 2012 to March 3, 2015.

Background

Public employees in many agencies are routinely required to travel for various work reasons such as conducting inspections, making site visits, or attending meetings and recruitment events. Typically, if public transportation is not available or feasible, staff drive to their destination, either in a fleet vehicle provided by the agency, their personal car, or a rental vehicle. Historically, the State has taken a decentralized approach to managing its fleet of passenger cars and trucks. More recently, the State's Spending and Government Efficiency (SAGE) Commission (which was created in 2011 pursuant to Executive Order No. 4 to review and assess New York State government with the goal of saving taxpayer money, increasing accountability, and improving the delivery of government services) recommended a cost savings initiative to consolidate many activities and functions, including fleet management.

As of June 2014, the State's fleet inventory included 23,853 vehicles, most of which were special purpose vehicles (e.g., snow plows, large trucks) that are generally unsuited for personal transportation. The remaining 6,700 were cars and light-duty trucks used by staff to conduct business. State records show that, for the two years ended March 31, 2014, more than 25,000 State employees incurred at least \$31.8 million in vehicle rental and mileage reimbursement costs. About 85 percent of these costs were incurred to reimburse staff for the use of their personal vehicles.

In recent years, our office performed 33 audits of travel expenses at State agencies and found issues with charges for non-travel items, vehicle rentals that were not adequately monitored, and the potential misuse of rental and fleet vehicles.

Key Findings

- In the almost three years since the SAGE Commission's recommendations, OGS has not made any formal recommendations regarding the State's vehicle fleet, as directed in the Commission report. As a result, there has been relatively little progress in achieving the overall goal of consolidating and centralizing management of the fleet, which largely remains the responsibility of managers at the individual agencies. For additional progress to occur, OGS needs to perform a comprehensive analysis of agency needs and take steps to ensure the fleet available to each agency is the proper size and makeup to most efficiently meet agency missions.
- OGS officials indicate that consultants hired in 2013 (at a cost of about \$532,000) had already conducted just such an analysis. However, despite our multiple requests spanning more than a year, OGS did not provide us with the consultant's report nor disclose its results to the public. The failure to comply with our request impaired our ability to fulfill our audit objective.

- At the individual agency level, our surveys and field visits showed most agencies have taken steps to more effectively manage employee travel in an effort to ensure passenger vehicle use is as efficient and cost effective as possible in light of budgetary constraints. While some agencies still need to improve their compliance with vehicle use policies and controls, others have established exemplary practices that should be shared.
- Monitoring practices among State agencies are not always consistent to ensure available passenger vehicle resource use is appropriate for specific employee travel circumstances. The significant use of rental and personal vehicles comes with inherent risks and, while the central review of travel vouchers helps to limit these risks, some still exist and agencies need to do more to mitigate those risks.

Key Recommendations

- Formally assess the adequacy of the internal control environment at OGS, particularly as it relates to cooperation with statutorily authorized State oversight inquiries.
- Complete an overall review of agency fleet needs and make formal recommendations regarding the State's fleet management.
- Require employees to complete a vehicle use log (to record dates and times of use, purpose of trip, starting location and destination, and start and end odometer readings) when they use a rental vehicle.
- Direct State agencies to establish controls to ensure the OGS Trip Calculator is completed by travelers for all trips anticipated to exceed 100 miles.
- Work with State agencies to facilitate their sharing of successful and innovative practices to more efficiently and effectively manage employee vehicle travel, including establishing carpool policies, tracking rental car mileage, and performing routine vehicle purchase and lease analyses.

Agency Response

In response to our draft report, OGS officials disagreed with our conclusion that they made relatively little progress in consolidating the State's fleet. As evidence of progress, they referenced a series of various forms, policies, and other initiatives undertaken. Many of these items were recognized by our audit, while others either occurred near to or after the end of our audit fieldwork (and possibly as a result of the audit itself). Further, some of OGS' initiatives had minimal relevancy to the SAGE Commission's goal of consolidation and centralization of the State's vehicle fleet.

In addition, officials based their refusal to provide auditors with critical information (including the paid consultant's draft report) on their opinion that "sharing the draft report prior to the development of certain policies would have been premature and counterproductive." However, State agency officials cannot disregard the State Comptroller's constitutional and statutory audit authority, nor deny the Comptroller's auditors access to pertinent data and records for the reasons they cited. The unjustified denial of such records is antithetical to open, transparent, and accountable government.

We were generally disappointed that OGS' response did not directly address several of our key recommendations, particularly the need for a comprehensive review of agency vehicle needs.

Other Related Audits/Reports of Interest

[Department of Transportation: Selected Employee Travel Expenses \(2012-S-93\)](#)

[Department of Health: Selected Employee Travel Expenses \(2012-S-94\)](#)

**State of New York
Office of the State Comptroller**

Division of State Government Accountability

February 17, 2016

Ms. RoAnn M. Destito
Commissioner
Office of General Services
Corning Tower, 41st Floor
Empire State Plaza
Albany, NY 12242

Dear Commissioner Destito:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage government resources efficiently and effectively and, by so doing, providing accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit *Passenger Vehicle Fleet Management*. The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

*Office of the State Comptroller
Division of State Government Accountability*

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Background

In the past, the State has taken a decentralized approach to managing its fleet of passenger cars and trucks. The State's Spending and Government Efficiency (SAGE) Commission commenced work in April 2011, in accordance with Executive Order No. 4, to comprehensively review and assess New York State government, including, but not limited to, its structures, operations, and processes for governing, with the goal of saving taxpayer money, increasing accountability, and improving the delivery of government services. This included a cost savings initiative to consolidate several ancillary activities and functions, including fleet management. As of June 2014, the State's fleet inventory included 23,853 vehicles, about 70 percent of which were special purpose vehicles such as heavy-duty trucks that are generally not suitable for personal transportation. The remainder were cars and light-duty trucks used by staff to conduct regular business, such as site visits, and are referred to as "reportable vehicles." Table 1 presents the number of reportable vehicles in service during each year of our audit scope.

Table 1

Year	Reportable Vehicles
2012	7,395
2013	6,817
2014	6,693

Public employees in many agencies are routinely required to travel for work-related reasons (e.g., to conduct inspections, make site visits, or attend meetings). Typically, if public transportation is not available or feasible, staff drive to their destination using either a fleet vehicle provided by the agency, their personal car, or a rental. The cost of a fleet vehicle, including fuel, is normally paid directly by the agency. In contrast, staff are reimbursed at a standard amount per mile for personal car use. Depending on the circumstance, rental car costs (including fuel) may be paid directly by the agency or reimbursed to the employee upon submission of a travel voucher.

State records show that, for the two State fiscal years ended March 31, 2014, more than 25,000 State employees incurred at least \$31.8 million in vehicle rental and mileage reimbursement costs. About 85 percent of these costs were incurred to reimburse staff for the use of their personal vehicles, as shown in Table 2.

Table 2

State Fiscal Year	Personal Mileage Expenses	Vehicle Rental Expenses	Totals*	No. Employees Submitting Travel Vouchers
2012-2013	\$13,001,730	\$2,051,138	\$15,052,868	25,832
2013-2014	14,206,979	2,556,811	16,763,790	27,604
Totals	\$27,208,709	\$4,607,949	\$31,816,658	

*Represents 69 Executive Agencies, but does not include authorities or State University of New York schools.

Records also indicate that, for the same time period, an additional \$3 million was expended for fuel purchases related to travel. Further, it is important to note that another \$18 million in travel expenses was bulk loaded into the State's accounting system through agency-specific financial management systems that do not finely separate the costs into specific categories such as these. Rather, these expenses are comprised of all costs associated with individual employee trips, including meals, lodging, and transportation costs. Therefore, it is likely that the actual transportation expenses incurred by agencies are significantly higher, especially in the area of vehicle rentals.

During 2013, we conducted a series of 33 audits at individual State agencies to examine the accuracy and propriety of costs reported by the employees who had incurred the highest travel expense in the State. These audits identified issues related to excessive costs and expenses charged for non-travel items, as well as substantial risks associated with vehicle rentals that were not adequately monitored and the potential for misuse of both rental and fleet vehicles.

Audit Findings and Recommendations

In the almost three years since the SAGE Commission called for the Office of General Services (OGS) to make recommendations on whether to purchase, lease, or outsource the fleet and whether to manage the fleet centrally or establish a “fleet coordinator,” some initial actions have been taken to form what could be the foundation of a consolidated fleet management system. Specifically:

- OGS has developed a centralized vehicle inventory management system known as Fleetwave;
- The Governor’s Office has issued a State Vehicle Use Policy applicable to all agencies; and
- The State’s new Business Services Center (BSC) has assumed responsibility for reviewing and processing employee travel vouchers for about 60 agencies.

Beyond these efforts, however, OGS has not made any recommendations regarding consolidating and centralizing the management of the State’s vehicle fleet, which largely remains the responsibility of management at the individual agencies.

Our survey, field visits, and discussions with agency officials confirmed that many agencies continue to rely on the use of personal vehicles and rental cars for employee travel. We therefore concluded that OGS needs to perform a comprehensive analysis of agencies’ needs and take steps to ensure that the vehicle fleet available to each agency is of the proper size and makeup to allow it to most efficiently meet its employee travel requirements. When we discussed this issue with OGS officials, they indicated that a consultant had already been hired a year earlier (in 2013) to perform just such an analysis, and that it had received reports on this project in the fall of 2014. On multiple occasions, we requested copies of such reports to help us perform our audit fieldwork in compliance with professional standards.

However, after a full year, OGS failed to provide us with the reports despite our repeated requests for the materials, which were both critical and relevant to the accomplishment of our audit objective. We are concerned by OGS’ lack of cooperation. OGS provided no cogent explanation for its failure to provide the requested reports. Moreover, the failure to provide this pertinent information impaired our ability to fulfill our audit objective.

At the individual State agency level, our audit found that most individual State agencies have taken at least some steps to manage employee travel more effectively and ensure passenger vehicle use is cost efficient. However, the significant reliance on the use of rental and personal vehicles that remains continues to come with certain inherent risks of abuse, including the use of such vehicles for personal use and inaccurate and improper mileage reimbursement claims. Agencies still need to do more to mitigate these risks. While supervisory review and centralized approval of travel vouchers can help to limit some of these exposures, many will continue to exist if policies are inconsistent or not enforced. Even with the advent of the BSC, our audit showed monitoring practices are not always consistent among agencies and, in some cases, do not ensure vehicle use is appropriate for specific employee travel circumstances. Still, while some agencies need to

improve their compliance with vehicle use requirements and controls, others have implemented exemplary and sometimes innovative practices that should be shared.

Audit Efforts Hampered by Failure to Furnish Critical Information

The objective of our audit was to determine whether State agencies effectively manage employee travel to ensure efficient passenger vehicle use. At the individual State agency level, we were able to achieve our objective through a series of agency surveys, field visits, and tests of records. However, on the broader statewide level, we were unable to fully evaluate progress toward achieving the SAGE Commission's goal of improved vehicle fleet management due to OGS' refusal to provide critical relevant information.

We were able to identify several specific actions taken related to the centralized management of the State's vehicle fleet, including:

- OGS has developed an inventory management system known as Fleetwave to keep track of the statewide vehicle fleet.
- In February 2012, the Governor announced a vehicle fleet reduction initiative to permanently decrease the number of passenger cars and light-duty trucks utilized by State agencies. In response, records show that in April 2012 OGS organized an auction sale of 454 State vehicles that raised over \$1.6 million.
- OGS was also tasked with managing certain financial and human resources transactions, as well as real estate and other asset management activities, for many agencies. This enterprise shared services effort has led to the creation of the BSC, which among other functions, provides guidance on travel and also reviews and processes travel vouchers for about 50 agencies.
- In November 2013, the Governor's Office issued its State Vehicle Use Policy to establish uniform policy and procedures for the use of State vehicles by all agencies and public authorities. This new policy supersedes any inconsistent vehicle use policies previously in effect. (Exhibit A includes excerpts from this policy that are pertinent to our objective.)

While these actions begin to form some of the foundations necessary for an effective system of centralized fleet management, our audit found that many agencies still rely heavily on the use of personal and rental vehicles to fulfill their ordinary business functions. After an extensive series of agency surveys and field visits, we concluded that in order for the fleet management initiative to progress, OGS needs to perform a comprehensive analysis of agency business needs and develop a plan to ensure that individual agencies have the proper number and type of vehicles needed to most efficiently meet their organizational missions.

When we discussed this issue with OGS officials in October 2014, they informed us that they had already commissioned a consultant to conduct precisely this type of analysis, but had not disclosed this to our auditors. Furthermore, OGS officials refused to provide our auditors with copies of pertinent reports that had recently been submitted by the consultant, contending that the results were still in draft form. Upon further investigation and follow-up, we determined that in 2013 OGS had entered into a contract with Mercury Associates, Inc. (Mercury) totaling \$8.6

million and spanning a period of five years. The services to be provided would include:

- Assisting in developing and implementing a comprehensive fleet management program;
- Modernizing the management of the State's fleet assets to be more consistent with nationally accepted standards;
- Focusing on short- and long-term best practices and improving management;
- Leveraging centralized vehicle data to transform a decentralized approach into a more shared enterprise-wide approach; and
- Assisting the State in designing and undertaking fleet management initiatives and solutions.

As of September 2014, OGS had expended \$532,000 on this contract, and we were told by OGS officials that Mercury had completed two draft reports. One report, we understand, reviewed the replacement schedule for fleet vehicles, while the other reviewed the rightsizing and utilization of the fleet. In addition, we were told that IBM also managed a pilot program for, and issued a report to, OGS regarding monitoring the usage of State vehicles. As part of the pilot program, we were told transponders were installed in 250 vehicles from a variety of agencies to collect information, such as vehicle location, time spent idling, and driver habits.

Since this information is pertinent to our audit scope and was available, beginning in October 2014 our audit team repeatedly requested copies of the reports completed by Mercury and the study performed by IBM. Table 3 presents a timeline and summary of these requests.

Table 3

Date of Request	How Request Was Made	To Whom
10/7/14	Meeting	Audit Liaison
10/22/14	Phone Call	Audit Liaison
11/14/14	E-mail	Audit Liaison
11/19/14	Formal Request Letter	Deputy Commissioner for Administration
12/23/14	E-mail or Phone Call	Audit Liaison
1/14/15	E-mail	Audit Liaison
2/3/15	Meeting	Audit Liaison and Chief Financial Officer

On January 22, 2015, nearly four months after our initial request, OGS gave us a Mercury report titled "Final Draft Report on a Fleet Replacement Study." However, this report was not among the items requested and does not pertain to our audit objective. The second Mercury report, on rightsizing and utilization of the State's fleet, has still not been released to us more than a year after our initial requests. OGS officials had originally indicated that they were reviewing and discussing the reports before we could receive them, but the extensive delay clearly belies this explanation. OGS officials have also not given us the completed IBM study, noting they were concerned about misinterpretation of the study results and the feasibility of its purported recommendations.

Although OGS officials stated they would eventually release these reports to us, they did not. Delays in providing us certain relevant evidential matter limited our audit work and consequently

limited our ability to conclude on important aspects of our audit objective. There is considerable risk that important information pertaining to fleet management in New York State was purposefully withheld from auditors and thereby hidden from public disclosure. Further, OGS' lack of cooperation has significantly compromised the reliability of the consultant reports. Even if provided to us at this time, we could no longer rely on the validity of the reports' content or conclusions because the data presented could have been altered or modified since we first requested it.

OGS has a responsibility to the public to provide access to information to those who oversee their actions in order to demonstrate accountability for the resources and authority used to carry out their programs. Transparency and accountability are two cornerstones to good government. When public officials believe that they are not required to be transparent and accountable, the internal control environment suffers. Consequently, there is increased risk that internal controls do not function properly, and there is less assurance that program goals and objectives are accomplished efficiently and effectively.

In accordance with professional standards, we are required to report that management's refusal of our repeated requests to share all available, relevant evidence constitutes an impairment of our audit scope. Readers of this report should consider the effect of these scope limitations on the findings and conclusions presented in our report. Moreover, based on the audit work we were able to perform, we believe there is considerable risk that material information pertaining to fleet management in New York State may have been purposely kept from our auditors.

Employee Automobile Travel

State agencies are responsible for ensuring that the most economical method of transportation is utilized unless particular circumstances make such use unreasonable. Often, this means using a common carrier such as a train, bus, taxicab, or airplane. When a common carrier is not available or is deemed too expensive, three options exist for employee travel: fleet vehicles, rental vehicles, and personal vehicles.

In regard to travel, agencies are guided by the State Vehicle Use Policy (see Exhibit A for selected relevant sections from this policy), the BSC Travel Policy, and the Office of the State Comptroller's Travel Manual. For example:

- The BSC Travel Policy requires employees to utilize the OGS Trip Calculator for trips including single day travel over 100 miles; and
- The State Vehicle Use Policy states in circumstances where a pool vehicle is not available, State agencies and authorities may allow employees to use either a rental car or their personal vehicle, whichever is less expensive. A Trip Calculator for determining the least expensive option is on the Governor's Office of Employee Relations website.

We found most State agencies we reviewed effectively manage employee travel to ensure passenger vehicle use is efficient. While some agencies need to improve their compliance with vehicle use requirements and controls, other agencies have established exemplary practices that

should be shared. Further, the use of rental and personal vehicles comes with inherent risks of abuse, including the use of such vehicles for personal use and inaccurate and improper mileage reimbursement claims. Although the centralized review of travel vouchers by the BSC helps to limit these risks, some still exist and agencies need to do more to mitigate those risks.

Use of Fleet Vehicles

If available, State vehicles should be considered when the use of an automobile is required. All State vehicles controlled by an agency or authority are deemed part of the agency's or authority's vehicle pool. Agencies are responsible for setting policy to address the use and assignment of State vehicles by their employees. According to the State Vehicle Use Policy, agencies and authorities must maintain a vehicle use log for all State vehicles to record dates and times of use, purpose of trip, starting location and destination, and start and end odometer readings.

We found the State has begun to take steps to review and transition to a more centralized fleet management system. However, we were unable to fully determine the extent to which OGS has analyzed progress due to the scope impairment reported above. Therefore, we believe more work needs to be done to determine if a centralized system is the most efficient and effective method to manage the State fleet.

OGS' Fleet Management is responsible for maintaining an inventory of State vehicles and assisting in, analyzing, and approving the purchase of new vehicles by State agencies. As of March 2014, the Fleetwave system reported a total of 6,693 reportable vehicles in the State fleet, down 702 vehicles from March 2012. As previously noted, this is an agency-reported inventory system for the State. Each agency is responsible for their own fleet vehicles – what vehicles they own, who uses the vehicles, and how vehicles are used. OGS Fleet Management is not responsible for assigning vehicles at State agencies, reviewing the fleet to determine if new vehicles are needed, or performing any type of analysis on how the fleet vehicles are utilized.

A July 2013 OGS memo to all State Agency Commissioners and Agency Heads detailed the protocol for agency replacement of passenger vehicles. According to the memo:

- Agencies are required to complete a Business Case form to determine whether vehicles need to be replaced and/or added. Upon internal approval, the form is transmitted to OGS Fleet Management, then to the Division of Budget, and finally to the Deputy Secretaries.
- Vehicles identified for replacement must meet one or more of the following criteria:
 - Age: more than 7 years;
 - High mileage: more than 125,000 miles;
 - Critical usage: emergency response vehicle; and
 - Costly maintenance: Over \$1,500 average annual maintenance cost excluding damage repairs or depreciation costs; or vehicle is beyond repair or the cost of needed repairs exceeds the vehicle value.

The memo further states that agencies are encouraged to begin the process of acquiring a new vehicle up to a year in advance to allow time for final approvals. However, six of the 43

agencies that responded to our survey noted they did not perform any cost-benefit analysis before purchasing a fleet vehicle. Further, only one of the agencies surveyed (the Department of Agriculture and Markets) had actually submitted the required Business Case form to increase its fleet. This agency's analysis showed that, for its situation, it was more cost effective to purchase a new vehicle than to reimburse employees for mileage or pay rental expenses. Although the analysis was confirmed by OGS in November 2014, funding has not yet been approved by the Division of Budget.

Use of Rental Vehicles

When a rental vehicle is necessary and prudent, agencies should use the OGS centralized passenger vehicle rental contract. When renting a vehicle for State business, the traveler should rent in the name of New York State and sign the agreement as the agent for the State. Any gasoline purchases and other direct costs associated with the vehicle will be reimbursed.

In fiscal year 2013-14, rental expenses, including fuel, were \$2.6 million, which is an increase of just over \$0.5 million from the previous fiscal year. We found the agencies used the State rental contract 94 percent of the time when renting a vehicle. However, we also found there is no requirement for a vehicle log to be used when renting vehicles, as there is with fleet vehicles. As a result, agency management has no ability to accurately track mileage or fuel usage and, thus, limited assurance that the rental cars are being used for business purposes only. These risks were prevalent in our previous travel audits and would have been minimized had agencies required vehicle logs and used them to monitor travel. For example, our previous travel audits found:

- Audit Report 2012-S-94 – The Department of Health (DOH) incurred substantial costs for two of three employees' long-term use of rental vehicles for job-related travel. We concluded that stronger oversight and management of these costs could have saved DOH more than \$15,000. In addition, for the third employee, we found that mileage reported on the rental car company receipt exceeded expected work-related mileage by more than 2,000 miles.
- Audit Report 2012-S-99 – At the Division of Housing and Community Renewal (DHCR), an employee claimed reimbursement for \$375 in personal gasoline charges to which he was not entitled while renting a vehicle. We found 14 instances where gasoline was purchased and expensed to DHCR after the rental car had already been returned. In addition, we identified circumstances that suggest two employees submitted travel vouchers for and were reimbursed for toll charges that they did not incur. The employees regularly rented a car to conduct daily site visits and the travel route varied depending on the time of day and the location of site visits.

Notably, as detailed in Exhibit B, only seven of the 43 agencies that responded to our survey record the mileage from the rental invoice; three utilize a vehicle log; and one relies on employees to document the mileage on their travel voucher. Only one agency actually compares the miles traveled from the rental receipt with the destination traveled to. This information has been used to question mileage overages. In contrast, our survey found that 40 of the 43 responding agencies do use a vehicle log for their fleet vehicles as required.

We also reviewed vouchers for 20 different agencies and found that, in particular, DOH could benefit from vehicle logs. We reviewed travel expenses and work schedules for two employees for the period April 1, 2012 through September 30, 2014 and compared days worked with their vehicle rental usage for the same time period. Our analysis found:

- The first employee had a rental vehicle for 674 calendar days, yet did not work at least 165 of these 674 days. The days not worked include weekends and leave time, when the rental vehicle would not normally have been used for business travel. This represents 24 percent of the total rental days.
- The second employee had a rental vehicle for 587 days, yet did not work at least 119 of them. This represents 20 percent of the total rental days.

We discussed our analysis with DOH officials, including our concern that DOH had only limited assurance rental vehicles were used for business purposes, especially when the rentals included weekends and employees' leave days. DOH agreed and immediately began requiring that the first employee's travel report include a rental vehicle usage log whenever a vehicle is kept during non-work days. Given the risk of misuse and abuse, as demonstrated here and in our past audits, we believe other agencies should also consider requiring a vehicle log to better monitor the use of the rental vehicles.

Use of Personal Vehicles

A personal vehicle may be used for State business purposes when a State vehicle or common carrier either is not available, is not cost effective, or is otherwise not appropriate or practical (e.g., when transporting supplies or voluminous files). In such cases, mileage reimbursement rates are determined by the Internal Revenue Service and collective bargaining agreements. All reasonable and necessary parking and toll charges will be reimbursed whether paid in cash or with an E-ZPass. However, following the "lesser of rule" outlined in the State Vehicle Use Policy, employees who use their personal vehicles may only claim reimbursement for the less expensive option. A Trip Calculator, which is available to all State employees, should be used for determining this least expensive option, particularly for single day trips that include travel over 100 miles.

During fiscal year 2013-14, agency employees were reimbursed \$14 million for personal car mileage, an increase of \$1 million from the previous year. We reviewed transactions related to personal vehicle use at several agencies and found they were generally reasonable. However, we also found that for trips over 100 miles, Trip Calculators were not usually attached to the travel vouchers. In fact, seven of the 43 agencies responding to our survey indicated they do not use the Trip Calculator to ensure the most economical method of transportation is utilized. Two agencies that do not routinely use the Trip Calculator were part of our field visit testing.

Department of Agriculture and Markets

The Department of Agriculture and Markets does not require any of its field-based inspection employees (field staff) to use rental vehicles. Instead, it routinely reimburses all of these staff for the use of their personal vehicles, regardless of the nature, duration, or distance of the trip.

Officials told us they performed their own analysis and found renting a vehicle would have saved little to no money.

We reviewed the agency's analysis and found it was based on total mileage figures gathered from employee travel vouchers, which often included multiple days and trips, and were not limited to just the 100-mile trips referenced in the State policy. We examined all vouchers submitted during our scope period by four field staff who had received a waiver to use a personal vehicle. These vouchers usually contained daily trips accumulated over periods of up to a month. We identified 75 instances where these four staff had been reimbursed for personal mileage involving trips for which they drove more than 100 miles in a day. We used the Trip Calculator and determined that for 65 percent of these trips (49 of 75), renting would have resulted in a more cost-effective method of travel, with a total potential cost savings of \$2,136. Of these 49 trips, 18 had potential savings (of more than \$50 per trip) totaling \$1,441.

In their response to our findings, agency officials indicated that they support using the Trip Calculator for the occasional traveler, and encourage all travelers to utilize the most cost-effective means for their travel. However, they also noted that the Trip Calculator does not factor in the personnel costs associated with picking up and returning a rental car. In addition, they cited the need to ensure their field staff's time "is spent on mission critical activities." They further believe the use of the Trip Calculator by field personnel presents a risk to their ability to accomplish the agency's safety and quality control goals. Finally, they noted that the agency had submitted a business case to acquire 14 new fleet vehicles, which was approved by OGS in November 2014 but was still awaiting DOB approval.

Department of Transportation

The Department of Transportation does not require employees to submit a Trip Calculator when traveling more than 100 miles, and does not apply the "lesser of rule" when employees use their personal vehicle. If an employee does not submit a Trip Calculator, the approving supervisor cannot ensure the most economical and efficient method of transportation was utilized.

We reviewed a small sample of vouchers submitted by nine employees, each containing daily trips covering up to a month. We identified 201 instances where the nine staff had been reimbursed for personal mileage related to trips of more than 100 miles in a day. We used the Trip Calculator and determined that for 98 percent (196 of 201) of these trips, renting would have resulted in the more cost-effective method of travel for a total cost savings of \$9,400. Of these 196 trips, 85 would have had potential savings (of over \$50 each) totaling \$6,060. Agency officials agreed with our findings.

Agency Oversight of Employee Travel by Passenger Vehicle

As detailed in the previous sections of this report, our field visits and prior audits found monitoring practices in place among State agencies are not consistent and do not always ensure vehicle use is appropriate for specific employee travel circumstances. We also surveyed 46 State agencies, of which 43 responded, to gain an understanding of how they manage and monitor their employees'

use of passenger vehicles for State business. Those responses often reinforced the conclusion that some agencies need to improve their compliance with vehicle use requirements and controls.

However, they also identified areas where agencies reported having innovative practices in place that demonstrate their proactive approach to seeking the most economical method for travel while maintaining accountability for vehicle usage. Thus, we believe that OGS should work with State agencies to facilitate the sharing of successful and innovative practices to more efficiently and effectively manage employee vehicle travel. Some of the examples reported by agencies include:

- Three agencies stated they use carpooling - two of which require it whenever possible. Carpooling reduces travel expenses by limiting the number of vehicles used when more than one employee goes to the same location;
- Five agencies require a declination letter from employees to show they attempted to use a fleet vehicle;
- Forty agencies reported using a mileage log for passenger fleet vehicles as required by State policy. Seven agencies also reported capturing the mileage when using a rental vehicle, two of which require actual mileage logs be kept and submitted when using rental vehicles;
- One agency requires that the Trip Calculator be attached to each travel voucher for the supervisor to review; and
- Six agencies conduct their own routine analyses to determine whether vehicles are being effectively utilized.

Recommendations

1. Formally assess the adequacy of the internal control environment at OGS, particularly as it relates to cooperation with statutorily authorized State oversight inquiries. As necessary, take steps to ensure the control environment is adequate.
2. Complete an overall review of agency fleet needs and make formal recommendations regarding the State's fleet management.
3. Work with State agencies to facilitate their sharing of successful and innovative practices to more efficiently and effectively manage employee vehicle travel, including establishing carpool policies, tracking rental car mileage, and performing routine vehicle purchase and lease analyses.
4. Require employees to complete a vehicle use log when they use a rental vehicle, which should include dates and times of use, the purpose of the trip, starting location and destination, and start and end odometer readings.
5. Direct agencies to establish controls to ensure the Trip Calculator is completed for all trips anticipated to exceed 100 miles.

Audit Scope and Methodology

The objective of our audit was to determine what steps the Office of General Services has taken to manage the State's passenger vehicle fleet, and to determine whether agencies have controls in place that ensure vehicles are used in the most economical and efficient manner and that risks associated with vehicle usage have been addressed. The audit covers the period April 1, 2012 to March 3, 2015.

To accomplish our objective, we surveyed 46 State agencies regarding their passenger vehicle usage and received responses from 43. We analyzed vehicle-related expenses incurred by and on behalf of State employees for the two years ended March 31, 2014. We also became familiar with the internal controls related to travel, both centrally and at the individual agency level, and assessed their adequacy as they related to the limited transactions we tested. This included interviews with various agency officials to obtain an understanding of their agency's policies, procedures, and processes. We also analyzed employee travel expenses and identified employees whose vehicle-related expenses were outside the norms in the areas of gas usage, mileage reimbursement, and use of rental or agency-assigned vehicles. We examined these expenses, including reimbursements and credit card charges. We communicated our findings to agency officials, and considered information they provided.

As part of our examination, we obtained data to verify support for expenses for the period April 1, 2012 through March 31, 2014. This included determining whether the expenses incurred were for legitimate business purposes. We reviewed OSC and BSC procedures and determined the expenses selected for examination were approved and complied with this guidance. We also reviewed a judgmental sample of assigned vehicles to determine if the use of the vehicle was appropriate. Finally, in some instances, we matched time sheet and travel records to determine whether employees were working on days for which they claimed travel expenses.

We conducted our performance audit in accordance with generally accepted government auditing standards, with the exception of the scope impairment detailed previously in this report. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. Except for the effect of the limitations discussed in the section of this report entitled *Audit Efforts Hampered by Failure to Furnish Critical Information*, we believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority

The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

Reporting Requirements

We provided a draft copy of this report to OGS officials for their review and formal comment. Their comments were considered in preparing this report and are attached in their entirety at the end of it. In general, officials took exception to our conclusion that there was relatively little progress in achieving the SAGE Commission's goal of consolidating and centralizing management of the State's vehicle fleet. OGS' response lists several consultant studies that officials commissioned over the past several years, although most of these studies have still not been released to us or the public.

In particular, we note that OGS withheld from us a Fleet Rightsizing Study, prepared by a paid consultant, although we requested the study on multiple occasions, as detailed in the report. According to OGS officials, they were justified in withholding the study because sharing it prior to the development of certain policies would have been premature and counterproductive. However, no State agency or other entity subject to the State Comptroller's constitutional and statutory audit authority has the right to deny the Comptroller's auditors access to pertinent data and records (including the Fleet Rightsizing Study) for the reason OGS cited. Moreover, the unjustified denial of such records is antithetical to open, transparent, and accountable government.

Our report acknowledges several of the administrative actions that OGS took to bring a level of consistency to agency vehicle policies and procedures. OGS' response also includes various forms, policies, and other initiatives OGS developed, several of which were addressed in the draft report and are addressed in this final report as well. We note some of these initiatives occurred near to or after the end of our audit fieldwork (and possibly as a result the audit itself). Also, several initiatives had minimal relevancy to the SAGE Commission's goal of consolidation and centralization of the State's vehicle fleet. Consequently, we maintain that little progress was made toward the Commission's goal of consolidating and centralizing fleet management. Also, our rejoinders to certain OGS comments are included in the report's State Comptroller's Comments.

We were generally disappointed that OGS' response did not more directly address several of the report's key recommendations, including the need for a comprehensive review of agency vehicle needs. We therefore remind OGS officials that, within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Office of General Services is required to report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why. We are hopeful that this response will more directly and substantively address the core issues raised in this report.

Contributors to This Report

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Vision

A team of accountability experts respected for providing information that decision makers value.

Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

Exhibit A

State Vehicle Use Policy (Selected Sections)

Among other provisions, the Vehicle Use Policy states:

- Each agency is responsible for setting policy to address the use and assignment of State vehicles by its employees. In establishing a policy, each State agency and public authority shall adopt vehicle use, control, and assignment procedures consistent with State Vehicle Use Policy, and best practices.
- All State vehicles controlled by an agency or authority are deemed part of the agency's or authority's vehicle pool, which are assigned to employees on an as-needed basis.
- In extraordinary circumstances, State vehicles may be assigned to specific employees, but agencies must review no less than annually whether assigned vehicles are the most efficient method.
- Agencies and authorities must maintain a vehicle use log for all State vehicles to record dates and times of use, purpose of trip, starting location and destination, and start and end odometer readings.
- Except under very limited circumstances, State vehicles may be used only for official State business, and all personal use that is not incidental to official business must be reported on the vehicle use log.
- Agencies are responsible for ensuring that the most economical method of transportation available is utilized, unless there are circumstances that would make such use unreasonable.
- Employees should utilize the OGS Trip Calculator for trips including single day travel over 100 miles.
- In circumstances where a pool vehicle is not available, State agencies and authorities may allow employees to use either a rental car or their personal vehicle, whichever is less expensive. Employees are allowed to use their personal vehicles, but may only claim reimbursement for the less expensive option (aka the lesser of rule). A Trip Calculator for determining the least expensive option is on the Governor's Office of Employee Relations website.

Exhibit B

State Agency Survey Results – Key Items

Agency Action	Results of Survey
Response Rate	43 of the 46 agencies surveyed responded to our survey.
Use BSC Travel Policy	36 of the 43 responding agencies utilize the BSC Travel Policy.
Use Mileage Logs for Fleet Vehicles	All 40 responding agencies that have fleet vehicles used mileage logs to track their usage. Three agencies did not have fleet vehicles.
Use BSC to Process Travel Vouchers	34 of the 43 responding agencies utilize BSC to review and process employees' travel vouchers.
Employ a Carpooling Policy	Three of the 43 responding agencies have a carpooling policy in place to promote cost effectiveness.
Monitor and Track Rental Car Mileage	Seven of the 43 responding agencies track the miles traveled by rental vehicles. Three of these seven record the mileage from the rental invoice; three utilize a vehicle log; and one relies on employees to document the mileage on their travel vouchers.
Use the Trip Calculator to Measure Cost Effectiveness	36 of the 43 responding agencies use either OGS' Trip Calculator or a similar in-house version to determine the most cost-effective way to travel (e.g., rental vs. personal vehicle).
Perform a Purchase Analysis Before Acquiring New Vehicles	39 of the 40 responding agencies that have fleets own the vehicles. 32 of these indicated they did specific cost analyses to determine if purchasing was a best value. Six agencies reported no such analysis; and one agency that owned a vehicle did not answer the question.
Perform a Lease Analysis Before Acquiring New Vehicles	12 of the 43 responding agencies lease vehicles. Seven of these 12 reported doing an analysis to determine if purchasing was a better value; four didn't do an analysis; and one agency didn't answer.

Agency Comments



**Office of
General Services**

ANDREW M. CUOMO
Governor

ROANN M. DESTITO
Commissioner

January 8, 2016 (**Revised: January 11, 2016**)

Mr. John Buyce, Audit Director
Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236-0001

Dear Mr. Buyce:

In accordance with Section 170 of the Executive Law, the Office of General Services (OGS) is responding to your draft Report 2014-S-30 which examined the steps OGS has taken to manage the State's passenger vehicle fleet. OGS takes exception regarding the Office of the State Comptroller's (OSC) interpretation of OGS's oversight of the fleet and specifically objects to the statement in the draft Report that "there has been relatively little progress in achieving the overall goal of consolidating and centralizing management of the fleet." In fact, a significant number of innovative fleet management programs, as set forth in more detail below, have already been implemented. Based on the State's Spending and Government Efficiency (SAGE) Commission's recommendations, OGS has proactively taken the lead on developing strategies and implementing a wide range of policies to consolidate processes and realize both monetary and employee productivity gains.

Background

The SAGE Commission recommended that the passenger vehicle fleet management practices of the State be examined to find efficiencies and implement best practices across the historically decentralized fleet management structure amongst agencies. In furtherance of those recommendations, OGS retained two consultants, Mercury Associates, Inc. (Mercury) and IBM/Hertz to examine these practices.

OSC broadly asserts that their audit efforts were reportedly hampered by OGS's failure to furnish the Mercury and IBM/Hertz reports, which they identified as "critical information." OSC further insinuates that data in these reports "could have been altered or modified" since OSC first requested them. OGS strongly rejects such allegations as they are wholly without merit and based upon mere speculation and conjecture. OGS did provide OSC with a copy of Mercury's report on the Fleet Replacement Study, which will be discussed more fully below.

*
Comment
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There is simply no basis to suggest that OGS withheld the reports in order to modify the findings, and OSC has provided no evidence to the contrary other than veiled accusations. To assert that OGS withheld a report for any reason other than to allow time for the development of strategies and initiatives, and to allege that the draft reports would inevitably be tainted as a result, is imprudent, unwarranted, and simply untrue.

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Comment
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As was previously stated to OSC, OGS commissioned Mercury and IBM/Hertz to conduct several studies to examine the State's current fleet management practices and identify future opportunities for improvement. A summary of the results of their findings is set forth below.

i. Fleet Replacement Study, Mercury - April 9, 2014

The objective of this study was to quantify the replacement costs of the State fleet for the purposes of (1) determining the extent to which any backlog of fleet replacement spending needs may exist; (2) identifying the amount of money the State should expect to spend on the purchase of vehicles and equipment each year if these assets are to be replaced in a reasonably timely manner; and (3)

* See State Comptroller's Comments, Page 42.

identifying the impact of any recommended change in fleet replacement spending levels on the direct total cost of ownership (TCO) of the assets in the fleet.

Recommendations made in this study included the optimal replacement cycles for 10 key types of vehicles in the State's fleet including sedans, SUVs and vans.

OGS determined that the findings in the study closely mirrored State practices currently in place. Additional savings opportunities identified in the study relied on the use of alternative financing arrangements, which have not historically been favorable for the State. No further actions have been taken to implement the recommendations made in this study, but OGS continues to review and evaluate State vehicle replacement practices in order to ensure that updates to policy are made as needed.

ii. *Fleet Rightsizing Study, Mercury - April 10, 2014*

The objective of this study was to identify opportunities to optimize the size and composition of the State's passenger vehicle fleet. The study also examined whether the State should consider using State-owned vehicles to reduce the use of personally owned vehicles (POVs) and rental vehicles by State employees conducting State business. Finally, the study was intended to identify vehicles that should be replaced with a vehicle that is more suitable to the business needs of its users ("right typing") and identify locations at which the State should consider establishing or expanding existing motor pools to facilitate the shared use of vehicles by State employees.

Recommendations made in this study included the reassignment or removal of underutilized vehicles currently in the fleet, and the addition of vehicles to the State fleet to replace the use of POVs and commercially rented vehicles when warranted.

A number of the recommendations in this study have already been implemented. As noted in more detail below, employees with significant annual POV use are required to be provided with use of a State-owned vehicle. In March 2015, agencies identified as having underutilized or unnecessary vehicles were required to turn in these assets to the OGS's State Surplus Property Program. In addition, OGS now evaluates all vehicle acquisition requests in order to ensure that the composition of the State fleet remains appropriate and that no unnecessary increases are made to the size of the fleet without proper justification and review. Mercury's report did not support any significant opportunities for increasing the use of motor pools (such as the establishment of an interagency pool) to facilitate the shared use of vehicles by State employees.

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Comment
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iii. *DriverPoint Quantification Study, IBM/Hertz - December 18, 2012*

The objective of this study was to examine the State's vehicle utilization, allocation, and driver behavior in order to improve fuel efficiency and the safety of the State vehicle operators, as well as reduce maintenance costs. A small number of global positioning system (GPS) tracking devices were installed on State vehicles as a pilot program in order to create a data-driven baseline and justification for fleet reduction, cycling times, enhanced driver training, ride sharing, utilization and fleet reallocation / consolidation.

Recommendations made in this study included the reallocation of fuel efficient vehicles to high-mileage users where applicable and the adjustment of cycling parameters for purchasing new vehicles more efficiently and effectively.

OGS determined that the findings in the study closely mirrored State practices currently in place. No further actions have been taken to implement the recommendations made in this study, but OGS continues to review and evaluate its practices in order to ensure that updates to policy are made as needed.

Fleet Initiatives Implemented to Date

Based on the SAGE Commission's recommendations and as part of the Governor's Enterprise Shared Services Initiatives, OGS has taken on a centralized role by developing a comprehensive fleet management system and streamlining many of the vehicle services taking place at the agency level. In addition, OGS is constantly exploring new vehicle cost savings opportunities and other means of maximizing operational efficiencies statewide. The following policies and initiatives are some of the many results of OGS's efforts in this arena:

- The New York State Fleet Maintenance System (*FleetWave*) – A recognized leading product in the fleet management industry, *FleetWave* has provided a centralized inventory system for Executive agency vehicles. This allows for up-to-date tracking of agency-specific and statewide fleet data. The system also provides a central repository for certain fuel and maintenance records. Most Executive agencies have been transitioned to the self-serve module of *FleetWave*, allowing for their employees to access and use the system.
- The Fleet Management Working Group – This group, developed in Fall 2012, is a collection of fleet managers from various agencies along with representatives from the Governor's Office and the Division of the Budget (DOB). The group is instrumental in the development of the policies, initiatives and strategies that have since been instituted.
- The Business Case for Vehicle Purchases Form – Introduced in July 2013, the Business Case form was developed to support the Governor's Office request for a centralized process for Executive agencies to request new vehicle purchases. The form requires an in-depth self-examination of utilization and operations by an agency prior to review and approvals by OGS and DOB and ultimately validated by the Governor's Office. The form has and continues to require agencies to develop a holistic approach to their vehicle fleets based on practical needs, without reliance on past practices.
- Mandated use of the Department of Motor Vehicles (DMV) License Event Notification System (LENS). The LENS program is a data service that gathers information on a daily basis from DMV's license file and reports any new information to its participants, allowing them to monitor New York State license records of their drivers. The service provides agencies notification so that they may restrict the driving privileges of those employees who may present an increased liability risk to the State.
- The State Vehicle Use Policy – This policy, issued by the Governor's Office in November 2013, contains best practices required by all agencies. It provides standard principles for fleet management across agencies in support of an efficient and modern enterprise organization.
- Centralized Fleet Maintenance Services Contract – In March 2014, the Governor's Office mandated that agencies use the centralized contract for fleet maintenance services in order to efficiently and effectively manage maintenance of the State's fleet.
- The Personally Owned Vehicle (POV) Usage Policy – In January 2015, the Governor's Office established this policy to set a 15,000 mile threshold for reimbursement for employees' use of POVs. Supported by conclusions set forth in Mercury's Vehicle Rightsizing Study, the policy requires agencies to provide the use of a State-owned vehicle to any employee who has or may meet or exceed 15,000 miles in POV reimbursement annually. This policy will lead to significant savings across the State's fleet.
- The Passenger Vehicle Rightsizing Initiative – Based on Mercury's Passenger Vehicle Rightsizing Study, this initiative was announced in March 2015 to implement rightsizing recommendations presented in the Mercury report. OGS worked with agencies to ensure that their passenger vehicle fleets corresponded with the rightsize figures developed through the study, based on the examination

of utilization trends and discussions with each impacted agency. It should be noted that many agencies had proactively reduced their fleets prior to this initiative and required no further reductions. Only fleets that had reduction recommendations were part of this initiative, but the study has created a baseline for each agency fleet that can be used in future applications, such as purchase requests through the Passenger Vehicle Business Case form process.

Copies of applicable announcements, memorandums and policies have been attached.

OGS Responses to OSC's "Key Recommendations"

1. *Formally assess the adequacy of the internal control environment at OGS, particularly as it relates to cooperation with statutorily authorized State oversight inquiries.*

OGS makes every effort to comply with any and all statutorily authorized State oversight inquiries. Safeguards are in place to ensure that information is delivered timely, in the manner requested. As noted in OSC's report, OGS shared one pertinent study from Mercury, the Fleet Replacement Study (see above).

Concerning the Fleet Rightsizing Study, during the audit process, OGS utilized the data and recommendations to develop strategies and initiatives to incorporate into the State's fleet (POV Policy and Rightsizing Initiative – see above). Sharing the draft report prior to the development of these policies would have been premature and counterproductive.

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Comment
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Finally, the DriverPoint Quantification Study produced by IBM/Hertz (see above), which was presented to OGS in December 2012, used data from a limited number of vehicles. The results presented no benefit to OGS or applicability for use in the management of the State's fleet. Recommendations to consider eliminating underutilized vehicles and reallocating fuel efficient vehicles to high mileage users where applicable were considered too broad to be of substantive value and are already covered in greater detail under general policy and practice.

2. *Complete an overall review of agency fleet needs and make formal recommendations regarding the State's fleet management.*

OGS is responsible for overseeing and developing statewide strategic initiatives and recommending best practices across all agencies and continues to implement programs and processes to meet that responsibility. With that in mind, OGS has already spearheaded a number of programs in support of this mandate including the policies/initiatives laid out above, as well as contracting with Mercury and IBM/Hertz to evaluate the State's fleet.

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Comment
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3. *Require employees to complete a vehicle use log (to record dates and times of use, purpose of trip, starting location and destination, and start and end odometer readings) when they use a rental vehicle.*

It should be noted that in accordance with the State Vehicle Use Policy issued on November 27, 2013, *Section 2 E. Use of State Vehicles* and *Section G. Vehicle Use Logs*, agencies and authorities must maintain a vehicle use log when utilizing a State vehicle, and the definition of "State vehicle" expressly includes rental vehicles. In response to OSC's assertion that not all agencies require the use of a mileage log for rental vehicles, OGS will reinforce this requirement to all agencies, providing more specific instruction to those agencies that have failed to fully comply with this requirement.

4. *Direct State agencies to establish controls to ensure the OGS Trip Calculator is completed by travelers for all trips anticipated to exceed 100 miles.*

The OGS Trip Calculator is an online tool utilized by agencies to help determine whether it is more economically sensible to rent a vehicle or have employees utilize their own personal vehicle while driving on official State business. Note, in accordance with the OGS Business Services Center (BSC) Guidelines for

State Employee Travelers, the trip calculator is required only when personal car mileage is claimed in lieu of renting¹.

The BSC is responsible for processing and auditing all employee travel and reimbursement expenses. Reimbursement is made in accordance with established OSC travel guidelines, as described in the BSC Guidelines mentioned above. As part of its review, for all trips exceeding 100 miles where personal car mileage is claimed, the BSC mandates that travelers attach a copy of a completed trip calculator when expense reports are submitted. The only exception to this policy is if the employee receives a waiver from his or her agency. If neither the trip calculator nor an agency waiver is included, the expense report is denied by the BSC.

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Comment
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5. *Work with State agencies to facilitate their sharing of successful and innovative practices to more efficiently and effectively manage employee vehicle travel, including establishing carpool policies, tracking rental car mileage, and performing routine vehicle purchase and lease analyses.*

A program such as the one described in this recommendation has been utilized since 2012 (the Fleet Management Working Group – see above). OGS continues to engage all relevant agency partners to maximize statewide fleet efficiency through the development of policies and best practices. More recent initiatives include OGS partnering with the Department of Environmental Conservation in hosting a Clean Fleets NY Fleet Managers Forum to discuss zero emissions vehicle (ZEV) technology, best practices, upcoming procurement methods, and new environmentally friendly vehicle opportunities.

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Comment
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Conclusion

Consistent with the findings in the audit report, OGS has developed and implemented a number of strategic, cost-saving measures that have ensured the proper composition and utilization of the State's passenger vehicles. We continue to look for ways to improve upon our processes and consider this to be an ongoing exercise in total quality management. We appreciate your recommendations towards meeting these goals.

If you have additional questions or comment please contact Theresa Bonneau at theresa.bonneau@ogs.ny.gov or (518) 402-5846.

Sincerely,



RoAnn M. Destito

Attachments

cc: B. Matthews
R. Curtin
C. Jackstadt
M. Matthews
T. Bonneau

¹ <https://bsc.ogs.ny.gov/sites/default/files/TravelforEmployees.pdf>



STATE OF NEW YORK
EXECUTIVE CHAMBER

ANDREW CUOMO
GOVERNOR

JIM MALATRAS
DIRECTOR OF STATE OPERATIONS

MEMORANDUM

TO: Commissioners and Agency Heads

FROM: Jim Malatras, Director of State Operations *Jim Malatras*

SUBJECT: Statewide Fleet Policy Update

DATE: January 20, 2015

In furtherance of Governor Cuomo's goal to modernize and improve the efficiency of State Operations, please find attached, a fleet policy update which has been reviewed and approved by this office and is effective immediately.

The attached policy was developed through an ongoing analysis and review of State fleet operations. This policy, in conjunction with other recent fleet management undertakings, will help agencies maximize fleet efficiencies, reduce costs to taxpayers and ensure fleet sustainability going forward.

Thank you in advance for your cooperation with regard to further improving the State's fleet management. Please direct any questions to OGS Fleet Management via Christian Jackstadt or Mike Matthews at (518) 457-1744 or christian.jackstadt@ogs.ny.gov and michael.matthews@ogs.ny.gov, respectively. Joe Rabito, Deputy Director of State Operations for Programs, will serve as the point person for the Executive Chamber.

Attachment

Cc: William J. Mulrow, Secretary to the Governor
RoAnn Destito, Commissioner, Office of General Services
Andrew Kennedy, Deputy Director of State Operations - Policy
Matthew Millea, Deputy Director of State Operations - Administration
Joseph Rabito, Deputy Director of State Operations - Programs

Personally Owned Vehicle (POV) Usage Policy

1. Purpose and Applicability

This is a uniform, statewide policy for employee use of Personally Owned Vehicles (POV). This Policy applies to officers and employees of all State agencies and public authorities and supersedes all inconsistent policies currently in effect. Each State agency and public authority shall adopt procedures consistent with this Policy in order to address its particular operational requirements. Any deviation from this policy requires the approval of the Director of State Operations, his or her designee and the OGS Commissioner.

2. Definitions

As used herein:

“Policy” means the Statewide POV use policy set forth in this memorandum and any amendments that may be made in the future.

“Public authority” or “authority” means any public authority or public benefit corporation created by or existing under any New York State law, at least one or whose members is appointed by the Governor or whose members serve by virtue of holding a civil office of New York State, including any subsidiaries of such public authority or public benefit corporation, but not including any interstate or international authority or public benefit corporation.

“State agency” or “agency” means (i) any State agency or department, or any office, division, bureau, or board of such State agency or department, except where the head of such agency or department is not appointed by the Governor and (ii) any State board, committee, or commission, at least one of whose members is appointed by the Governor.

“State vehicle” means a vehicle owned by a State agency or authority or leased or rented by a State agency or authority for official State business.

“Personally Owned Vehicle (POV) usage” means the use of a non-State vehicle while in the course of State employment.

3. Personally Owned Vehicle (POV) Usage

- A. Any employee whose annual POV use has been or is expected to be 15,000 miles or more during a fiscal year must be provided the use of a State-owned vehicle.
- B. In order to meet additional vehicle needs based on the above threshold, agencies should first attempt to utilize existing pool vehicles and explore the possibility of obtaining additional vehicles via the Office of General Services (OGS) State Surplus Property.
- C. If an agency requires the need to purchase additional vehicles in order to meet the needs of impacted employees, they must follow the procedures set forth in Budget Bulletin D-750

including the development of a Business Case for Vehicle Purchases form for OGS, Division of the Budget (DOB) and Governor's Office approval.

Employees may only exceed this threshold in unforeseen or extraordinary circumstances and only when approved by the Director of State Operations, his or her designee and the OGS Commissioner.

- D. When requesting approval for an exemption to this Policy, agencies and authorities shall provide:
- a. A list of the job titles and circumstances which require exemption.
 - b. A detailed explanation in support of each individual request.

4. Implementation and Compliance

- A. Commencing March 1, 2015, agencies must submit a monthly status report to OGS Fleet Management outlining their strategy and progress with this policy. These reports will be required until June 2015.
- B. Commencing July 2015, agencies will be responsible for confirming to OGS Fleet Management on an annual basis that they are in compliance with this policy.



STATE OF NEW YORK

ANDREW M. CUOMO
GOVERNOR

MEMORANDUM

LAWRENCE SCHWARTZ
SECRETARY TO THE GOVERNOR

To: Commissioners and Agency Heads
From: Larry Schwartz
Subject: Use of Fleet Management Services Contract (Automotive Rentals, Inc.)
Date: March 4, 2014

In furtherance of the Governor's enterprise-wide fleet initiatives, the Office of General Services (OGS) has established a centralized fleet management services contract with Automotive Rentals, Inc. (ARI) to provide vehicle maintenance, repair and emergency services. This contract is intended to be used by State agencies to most efficiently and effectively manage its fleets.

ARI provides a wide array of services including maintenance management, emergency roadside assistance, repair oversight, and claim administration. Each agency can individually select which vehicles it enrolls in the ARI program and which services are to be provided. Additionally, agencies have the ability to choose service and repair facilities which best meet its needs. The ARI network of vendors currently includes over 4,000 locally-owned independent businesses as well as most large, national chains. ARI will also work with agencies to add additional vendors to the network should the need arise.

Those Agencies which are not yet participating must enroll its vehicles in the ARI program within the next 30 days to take full advantage of the economic and managerial benefits of the centralized contract and to promote the Governor's effort to transform management of the State's fleet through an enterprise approach. Agencies which are unable to do so because of contractual obligations must submit a memo to my office providing an explanation and seeking a waiver.

Questions regarding use of the contract should be directed to Michael Riley at NYSPRO at 518-474-6716 or michael.riley@ogs.ny.gov. Questions regarding ARI services and enrollment of vehicles should be directed to Tim Weick at ARI at 856-439-7469 or tweick@arifleet.com.

cc: Commissioner RoAnn Destito
 Michael Riley
 Tim Weick

EXECUTIVE CHAMBER STATE CAPITOL ALBANY 12224
www.ny.gov



ANDREW M. CUOMO
GOVERNOR

ROANN M. DESTITO
COMMISSIONER

STATE OF NEW YORK
EXECUTIVE DEPARTMENT
OFFICE OF GENERAL SERVICES
MAYOR ERASTUS CORNING 2ND TOWER
THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
ALBANY, NEW YORK 12242

MEMORANDUM

October 8, 2013

TO: All Commissioners and Agency Heads

FROM: RoAnn M. Destito *R.M.D.*

SUBJECT: License Event Notification Service (LENS)

This memorandum is being sent at the direction of the Secretary to the Governor's Office. By November 30, 2013, agencies must be fully enrolled and participating in the DMV LENS program via DMV's website at: <http://dmv.ny.gov/LENS/>. This program provides for application through a "pre-registration" process or expansion of participation through an existing account. Agencies are encouraged to establish accounts in the name of the staff person who will be responsible for the day-to-day activities of insuring that all operators of state vehicles are properly licensed.

On August 20, the State Vehicle Accident Review Board held its first meeting to begin its implementation process. Representatives on the Board include the Office of General Services, Office of Mental Health, Departments of Environmental Conservation and Transportation, and Division of the Budget.

Initial discussions focused on a variety of topics ranging from the Board's purpose and structure to procedures for interaction between the Board and agencies. In considering driver eligibility, the Board reviewed agencies that are currently participating in the Department of Motor Vehicles' License Event Notification Service (LENS).

LENS is a data service that gathers information on a daily basis from DMV's driver license file, and then reports new information to its participants enabling them to monitor the New York State license records of their drivers. By confirming drivers have valid licenses and receiving automatic notifications of drivers' records changes, participants can quickly detect and address any issues.

The Board agreed that participation in DMV's LENS represented an agency best practice. In concurrence, the Governor's Office is now requiring all Executive agencies participate in DMV's LENS. This must be on an agency, not facility, bureau or office, level basis. Agencies must enroll any driver or potential driver of a state vehicle and update their agency fleet policies accordingly.

Questions regarding DMV's LENS may be answered on the FAQ web page <http://dmv.ny.gov/LENS/faqs.htm> or submitted to LENS@dmv.ny.gov. General questions may be directed to Tomlynn Yacono or Christian Jackstadt at OGS Risk, Insurance and Fleet Management at 518-474-4725. Your support of the Governor's enterprise fleet management initiatives is appreciated.



ANDREW M. CUOMO
GOVERNOR

ROANN M. DESTITO
COMMISSIONER

STATE OF NEW YORK
EXECUTIVE DEPARTMENT
OFFICE OF GENERAL SERVICES
MAYOR ERASTUS CORNING 2ND TOWER
THE GOVERNOR NELSON A. ROCKEFELLER EMPIRE STATE PLAZA
ALBANY, NEW YORK 12242

MEMORANDUM

July 25, 2013

TO: All Commissioners and Agency Heads

FROM: RoAnn M. Destito

SUBJECT: Passenger Vehicle Business Case Form With Instructions

In support of the Governor's plan to transform the disparate agency fleets into a more cohesive state fleet, the Office of General Services (OGS) has continued working with key agency fleet managers, the Division of the Budget (DOB) and the Executive Chamber to develop enterprise solutions. The fleet management working group agreed that a statewide approach to requesting passenger vehicle replacements would be an important procedural improvement.

Enclosed is a business case form with instructions which agencies should immediately begin to utilize when requesting replacement of passenger vehicles. In addition to guiding agencies through the necessary steps to ensure justification for their requests, it provides agencies with definitions of the different passenger vehicles and criteria to appropriately identify the need for their replacement.

It also sets forth a standard approach for agencies to follow in submitting their requests. Upon internal approval, agencies should transmit a business case to OGS Fleet Management, then to their DOB analysts and finally to their Deputy Secretaries. Agencies are encouraged to start this process up to one year in advance to allow time for final approvals. Separate, secondary approval under DOB's Budget Bulletin B-1184 process is also necessary.

Agencies will need to consult with their DOB analysts to see if a business case is required in other instances (e.g., non-passenger vehicle replacements). General questions regarding the passenger vehicle business case may be directed to Tomlynn Yacono, Missy Bohmer or Christian Jackstadt in OGS Fleet Management at 518-457-1744. Your support of these ongoing, transformational initiatives is appreciated.

**Business Case for
Vehicle Purchases in FY 2013-14
FORM**

A. Overview and Justification of Current Fleet

1. Current Fleet

<i>Vehicle Class</i>	<i>Number of Vehicles in Agency Fleet</i>	<i>Comments</i>
Small Car		
Mid-Size Car		
Large Car		
Small MPV		
Mid-Size MPV		
Full-Size MPV		
Mini Pickup		
Mini Van		
TOTAL		

2. Description of Current Fleet Rightsizing Programs and Initiatives

(Use as much space as needed.)

3. Analysis of Current Fleet

a. Description of Agency Priorities/Program Need

(Use as much space as needed.)

b. Explanation of Vehicle Utilization

(Use as much space as needed.)

c. Evaluation of Alternate Transportation Methods

(Use as much space as needed.)

d. Justification for Vehicles that are not in the Small Car Vehicle Class

(Use as much space as needed.)

e. Average Age of Fleet

(Use as much space as needed.)

f. Fleet Savings Initiatives

(Use as much space as needed.)

g. Environmental Impact Reduction

*(Use as much space as needed.)***B. Approach to Vehicle Replacement Strategy**

1. General Overview

a. Description of Overall Vehicle Replacement Strategy

(Use as much space as needed.)

b. Determination of Vehicle Redeployments

(Use as much space as needed.)

c. Consideration of Surplus/Transfer Possibilities

(Use as much space as needed.)

2. Listing of Anticipated Vehicles for Replacement

Vehicles By Class	ID/Plate	Model Year	Make and Model	Current Odometer	Miles Driven in the Most Recent 12 Month Period	Average Annual Maintenance Cost	Reason for Replacement*	Comments

*Reasons for Replacement include the following options (please indicate all that apply in the box above):

A) Age

B) High Mileage

C) Critical Usage

D) Costly Maintenance

3. Listing of Requested Vehicle Acquisitions

Number of Vehicles	Make	Model	Comments	Estimated Cost
			TOTAL	

4. Justification for Vehicle Acquisitions that are not in the Small Car Vehicle Class

(Use as much space as needed.)

C. Proposed Procurement Approach

1. Method

(Use as much space as needed.)

2. Timing

(Use as much space as needed.)

3. Funding Source

(Use as much space as needed.)

FOR OFFICE OF GENERAL SERVICES (OGS) FLEET MANAGEMENT USE ONLY

Comments on Impact on State Fleet Assets and Enterprise Management (e.g., Vehicles Needed, Proper Procedure Followed, etc.)

(Use as much space as needed.)

FOR DIVISION OF BUDGET (DOB) USE ONLY

Comments on Affordability

(Use as much space as needed.)

**Business Case for
Vehicle Purchases in FY 2013-14
INSTRUCTIONS**

Notes:

For passenger vehicles, this business case must be used in conjunction with the policies set forth in DOB BPRM D-750, which can be found at: <http://www.budget.ny.gov/guide/bprm/d/d750.html> and it is required for DOB and Executive Chamber approval.

For all other non passenger vehicles and equipment, agencies should first consult with their DOB analysts as to whether this business case is required for DOB approval. OGS Fleet Management may be consulted regarding the appropriate Vehicle Class.

Please ensure that you address and answer all questions precisely and thoroughly.

Upon internal agency approval, you should transmit to OGS Fleet Management at fleet.admin@ogs.ny.gov, then to your DOB analysts and finally to your Deputy Secretary.

A. Overview and Justification of Current Fleet

1. Current Fleet

Agencies are required to complete the table or attach a report of vehicles in an agency's fleet. (See Glossary for Vehicle Class descriptions.) Vehicles in the fleet should be grouped by VIN decoded vehicle classes. Any additional information you feel is important to highlight about specific classes or groupings (e.g., no vehicles replaced in more than ten years, etc.), please add in the "Comments" section provided.

2. Description of Current Fleet Rightsizing Programs and Initiatives

Describe the size and components of the fleet. Describe any recent reductions that have been made to the fleet. Provide information about any programmatic initiatives that have been undertaken which increase or decrease the need for vehicles. Submit a list, or as much information as possible, regarding the number of cars that have been surplus or retired over the past two years. In addition, discuss relevant background information on topics such as Personnel Ratios (cars to employees) and Car Sharing / Rotating Assignment programs in place or underway.

3. Analysis of Current Fleet

- a. **Description of Agency Priorities/Program Need:** Describe how the agency fleet is used to support priorities and fulfill specific programmatic needs. Detail at length what the mission critical drivers for your fleet are and how each vehicle (or vehicle type) supports the core mission of the agency.
- b. **Explanation of Vehicle Utilization:** Explain how vehicle utilization patterns are optimal from an agency and program perspective. Be sure to highlight vehicles that appear underutilized (e.g., geographical factors). Discuss how many cars are used exclusively for management and/or administrative use (e.g., meetings). Discuss what factors or metrics are considered when aligning fleet size to the agency's workforce and mission.

- c. **Evaluation of Alternate Transportation Methods:** Describe alternate transportation methods currently used, or why they are not feasible and/or cost effective. Alternate transportation methods include short-term rentals, personal mileage and public transportation.
- d. **Justification for Vehicles that are not in the Small Car Vehicle Class:** As required by DOB BPRM D-750, provide justification or advise what special circumstances require a vehicle in a larger vehicle class. Also explain why a small vehicle class would not be suitable. Cite examples of past conversions from larger vehicles to a smaller class and any similar initiatives currently underway.
- e. **Average Age of Fleet:** Provide an overview of the age of the agency fleet, citing statistics by relevant classes of vehicles. Indicate when your last vehicle purchase took place.
- f. **Fleet Savings Initiatives:** Describe what you have done to increase fleet savings in general (e.g., conserve fuel, lower maintenance costs, retire vehicles, reduce travel, etc.).
- g. **Environmental Impact Reduction:** Explain how you have reduced the environmental impact of your fleet (e.g., shift from SUVs/large cars to smaller vehicles, transition to alternative fuel vehicles, etc.).

B. Approach to Vehicles Replacement Strategy

1. General Overview

Please describe your agency's vehicle replacement strategy, addressing both short and long-term replacement goals. Agencies should select vehicles to be replaced in accordance with established agency replacement policies. Provide a summary of relevant data your agency tracks as part of fleet management. Describe the impact of not making the recommended purchases.

- a. **Description of Overall Vehicle Replacement Strategy**
- b. **Determination of Vehicle Redeployments:** Advise why vehicles within the agency's fleet cannot be redeployed to avoid the acquisition of vehicle replacements.
- c. **Consideration of Surplus/Transfer Possibilities:** Demonstrate that no suitable vehicles are available to be transferred from OGS Surplus Property.

2. Listing of Anticipated Vehicles for Replacement

Complete the table or attach a report with vehicles that are prime candidates for replacement. For small to mid-sized fleets, vehicles should be listed individually. Alternatively, for fleets greater than 1,500 vehicles, you may attach a report and/or group vehicles by class, however, please note: you must still provide as much detail as possible (including the information requested in each box as applicable). If a vehicle meets one or more of the following eligibility criteria now, or in the next six months, please indicate in the box provided:

- a. Age: 7+ years
- b. High Mileage: 125,000+ miles
- c. Critical Usage: emergency response vehicle

- d. Costly Maintenance: \$1,500+ average annual maintenance excluding damage repairs or depreciation costs; vehicle is beyond repair (e.g., inoperable); repairs exceed the vehicle value

Any additional information or special circumstances agencies feel may assist in the review of their request should be added to the "Comments" section or attached. For example, you may provide an analysis showing that the cost of repairing a vehicle is greater than its current market value. A replacement vehicle may be required for an agency to come into compliance with an environmental mandate or regulation (i.e., hybrid, flex fuel vehicles). If an agency is replacing existing vehicles with a different class that better accomplishes a program's core function or mission, this would be pertinent information to include as well.

3. Listing of Requested Vehicle Acquisitions

Complete the table or attach a report. Be as detailed and specific as possible. List any specifications that need to be added to the vehicles, as applicable, in the "Comments" section.

4. Justification for Vehicle Acquisitions that are not in the Small Car Vehicle Class

As required by DOB BPRM D-750, provide justification or advise what special circumstances require a vehicle in a larger vehicle class. Also explain why a small vehicle class would not be suitable.

C. Proposed Procurement Approach

1. Method

Provide the selected procurement method, including but not limited to, Statewide or State Contract, Agency-specific RFP/IFB, direct sale, etc.

2. Timing

Timing of the intended procurement. Please be as specific as possible.

3. Funding Source

Explain what funds are available. Note whether or not funds have already been identified in your current Budget or if the funding source is still undetermined.

Glossary of Terms

Small Car

Passenger and cargo volume is under 110 cubic feet.

Mid-Size Car

Passenger and cargo volume is 110 to 120 cubic feet.

Large Car

Passenger and cargo volume is 120 and more cubic feet.

Small MPV

With a length under 167 in.

Mid-Size MPV

With a length roughly between 167 to 181 in.

Full-Size MPV

With a length is 181 in. and more.

Mini Pickup

GVWR is under 6000 Pounds.

Mini Van

Having a boxlike shape, side and rear windows, and typically removable rear seats for cargo.

**Agenda Items for Kickoff Meeting
with Fleet Management Consultant**

1. Vehicle and Equipment Tracking
 - a. Issue RFP for a vendor that can provide technology and analytics with maximum flexibility
 - b. Technology should range from GPS to full telematics monitoring.
 - c. Analytics should include system feeds and reporting.
2. Statewide Fleet Related Policies
 - a. Revise/recraft policies utilizing best practices /national standards
 - i. Agency fleet policies (vehicle use, replacement and acquisition criteria, etc.)
 - ii. Agency fleet safety and driver training
 - iii. Accident Review Board
 - b. Update procedural documentation
3. Organizational/Operational Consolidation
 - a. Rightsizing (fleet reduction, improved utilization/fuel economy, vehicle reallocation/consolidation, etc.)
 - b. Car pools/Ride Sharing
 - c. Shared fleet maintenance services
4. Process Improvements
 - a. Develop "cycling" process (including business case)
 - b. Explore procurement options and timeline
 - c. Surplus / Interagency vehicle transfer efficiencies
5. System Enhancements and Comprehensive Reporting
 - a. Performance Measurements
 - b. Agency Reports
 - c. Executive Level Reports
 - d. Other (Green Practices/Compliance)



STATE OF NEW YORK
EXECUTIVE CHAMBER

ANDREW CUOMO
GOVERNOR

JIM MALATRAS
DIRECTOR OF STATE OPERATIONS

MEMORANDUM

TO: Commissioners and Agency Heads
FROM: Jim Malatras, Director of State Operations *Jim Malatras*
SUBJECT: Passenger Vehicle Rightsizing Initiative
DATE: March 3, 2015

As you may recall, the State's Executive agency passenger vehicle fleet was the subject of a utilization study, commissioned in 2014, to examine how the State's fleet could further move towards maximum effectiveness and structure. Your agency's active participation and engagement in the study process was integral to its effectiveness, as the feedback received on each vehicle from your staff was used to develop final recommendations. While validating efforts of prior fleet sizing initiatives, the study provided evidence that the State's passenger vehicle fleet could be further optimized in both size and composition to ensure fleet efficiencies going forward. Accordingly, some agencies have been identified as having further opportunities to "rightsizing" its fleet by decreasing its vehicle inventory and consolidating transportation needs.

At the conclusion of the analysis it was determined that 208 vehicles amongst 28 agencies could be eliminated. If your agency has been identified as having a rightsizing opportunity, the list of your agency's vehicles slotted for elimination will be sent directly to your fleet coordinator. Agencies must turn in vehicles recommended for elimination to the Office of General Services (OGS) State Surplus Property no later than April 1, 2015. As discussed during the study exercise, an agency may substitute an identified vehicle with another similar vehicle depending on age, condition and/or availability. Additionally, should your agency need vehicles to meet the requirement set forth in the Personally Owned Vehicle (POV) Usage Policy issued January 20, 2015, you must first consider these vehicles recommended for elimination in that capacity and include this evaluation in your monthly updates to OGS Fleet Management.

Thank you in advance for your cooperation with regard to further improving the State's fleet management. Please direct any questions to OGS Fleet Management via Christian Jackstadt or Mike Matthews at (518) 457-1744 or christian.jackstadt@ogs.ny.gov and michael.matthews@ogs.ny.gov, respectively.

EXECUTIVE CHAMBER STATE CAPITOL ALBANY 12224
www.ny.gov

State Comptroller's Comments

1. The fact remains that more than a year passed between our original request for the Mercury Fleet Rightsizing and IBM/Hertz Studies and the time our draft report was issued (without OGS ever providing us with the requested documents). Under such circumstances, we maintain that there was material opportunity for, and the risk of, OGS effecting changes to these studies which would have compromised their value as audit evidence. Moreover, nothing in OGS' response is sufficient to refute our concern, as stated in our report, that "the data presented could have been altered and modified since we first requested it."
2. OGS completely misses the point. With respect to a State Comptroller's audit, no agency has the legal authority to deny the Comptroller's auditors access to pertinent records or documents "to allow time for the development of strategies and initiatives." There is no statutory provision for such a right, and the action is contrary to generally accepted government auditing standards.
3. As noted in our report, OGS officials withheld from us the Fleet Rightsizing and IBM/Hertz Studies, although we requested them from OGS on multiple occasions. Consequently, we are unable to comment on the Studies or the extent to which OGS implemented any Study recommendations. Thus, we are also unable to comment on the adequacy of OGS' efforts to implement such recommendations. Further, see State Comptroller's Comment 2.
4. No State agency or other entity subject to the State Comptroller's constitutional and statutory audit authority has the right to deny the Comptroller's auditors access to pertinent data and records (including the Fleet Rightsizing Study) under the guise that sharing such information prior to the development of certain policies "would have been premature and counterproductive." Moreover, the unjustified denial of such records is antithetical to open, transparent, and accountable government.
5. We acknowledge that OGS undertook a range of initiatives, including consultant studies, related to Statewide vehicle fleet management. Nevertheless, as detailed in the report, these initiatives did not result in formal recommendations regarding the State's vehicle fleet, as otherwise required by the SAGE Commission. Consequently, OGS officials need to take additional actions to substantively address this recommendation.
6. As noted on pages 14-15 of the report, we determined that Trip Calculators were often not attached to the travel vouchers that we reviewed. Further, two agencies we field tested (the Department of Agriculture and Markets and the Department of Transportation) did not require employees to use the Trip Calculator under certain circumstances. In fact, one agency granted a blanket waiver to a group of employees.
7. We do not question the existence of the Fleet Management Working Group. However, based on our audit work, including agency field tests, there was little evidence to indicate that the subjects denoted in our recommendation were addressed in any comprehensive fashion by the Working Group or any other assemblage of agency officials. Consequently, we maintain that OGS should take additional actions to adequately address the core intents of our recommendations.