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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF BUSINESS OPERATIONS
BUREAU OF FINANCE

Nicholas A. Toumpas
Commissioner

Sheri L. Rockburn
Chief Financial Officer

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March 10, 2015

Her Excellency, Governor Margaret Wood Hassan
And the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services to increase their fleet by eleven (11) vehicles pursuant to ADM 611.08(g).

EXPLANATION

Over the years, the Department of Health and Human Services (DHHS) has strived to minimize the cost of operating a fleet while also meeting the needs of their customers and their mission. As such, the Department has historically reimbursed employees for the use of their personal vehicles for miles traveled for conducting state business. While this practice has enabled the Department to maintain its fleet size, the cost to the state has been high. By transferring eleven (11) of our employees into a state-owned vehicle, via the leasing contract established with Merchants Automotive of Hooksett (G&C Item 28A, 9/4/13), DHHS can save \$37,925 per year. During the five year lease term this equates to \$189,625 of savings. The potential exists for additional savings since the average lifespan of a state-owned vehicle is ten (10) years. The amount of those savings depends upon the specific vehicle and the mileage after the lease period has concluded.

Attachment A identifies eleven (11) employees who have the highest reimbursement for business use of their personal vehicle. We have completed a cost comparison of reimbursing for their annual business mileage, purchasing and the annual cost to lease vehicles via the Merchants Automotive leasing contract. This analysis clearly shows the savings available by increasing our fleet size to allow the Department to execute contracts for the leasing of vehicles.

Respectively submitted,

Sheri L. Rockburn
Chief Financial Officer

Approved by:

Nicholas A. Toumpas
Commissioner

Attachment A

Name	Reimbursement July 1 - Dec 31, 2014	Reimbursement/Mile	Estimated Mileage	Estimated Annual Mileage
Murray, Shelly	\$5,902.64	\$0.56	10,540	21,081
Pineau, Linda	\$5,264.84	\$0.56	9,402	18,803
Ubaldo, Richard	\$4,964.96	\$0.56	8,866	17,732
Rossetto, Angelina	\$4,819.60	\$0.56	8,606	17,213
Riggio, Victoria	\$4,796.68	\$0.56	8,566	17,131
Kavanagh, Debra	\$4,639.60	\$0.56	8,285	16,570
Gilroy, Jennifer	\$4,450.32	\$0.56	7,947	15,894
Pivin, Linda	\$4,354.72	\$0.56	7,776	15,553
Mason, Katherine	\$4,354.56	\$0.56	7,776	15,552
Powers, Mackenzie	\$4,315.36	\$0.56	7,706	15,412
French, Daniel	\$4,231.55	\$0.56	7,556	15,113
Smith, Melanie	\$4,090.68	\$0.56	7,305	14,610

RFB 1516-13 Employee Utilization Analysis - PassAUTO and LDTs

Employee Name	Vehicle Type (Make and Model)	Estimated Mileage	Estimated Cost to Drive State-Owned (PassAUTO: \$0.23/mile operating cost + \$3.172 vehicle purchase)	Estimated Cost to Reimburse (\$0.565/mile)	Total Annual Cost to Lease (Incl Lease, Insurance and Fuel)	Annual Cost of Lease	Estimated Annual Fuel Cost	Annual Insurance Cost (Liability and Physical Damage)	lease cost per mile
Murray, Shelly	Ford Focus	21,081	\$8,020.60	\$11,805.28	\$6,344.13	\$4,278.48	\$1,619.90	\$445.75	\$0.30
Pineau, Linda	Ford Focus	18,803	\$7,496.69	\$10,529.68	\$6,169.09	\$4,278.48	\$1,444.86	\$445.75	\$0.33
Ubaldo, Richard	Ford Focus	17,732	\$7,250.36	\$9,929.92	\$6,086.79	\$4,278.48	\$1,362.56	\$445.75	\$0.34
Rossetto, Angelina	Ford Focus	17,213	\$7,130.96	\$9,639.20	\$6,046.90	\$4,278.48	\$1,322.67	\$445.75	\$0.35
Riggio, Victoria	Ford Focus	17,131	\$7,112.13	\$9,593.36	\$6,040.61	\$4,278.48	\$1,316.38	\$445.75	\$0.35
Kavanagh, Debra	Ford Focus	16,570	\$6,983.10	\$9,279.20	\$5,997.50	\$4,278.48	\$1,273.27	\$445.75	\$0.36
Gilroy, Jennifer	Ford Focus	15,894	\$6,827.62	\$8,900.64	\$5,945.56	\$4,278.48	\$1,221.33	\$445.75	\$0.37
Plwin, Linda	Ford Focus	15,553	\$6,749.09	\$8,709.44	\$5,919.32	\$4,278.48	\$1,195.09	\$445.75	\$0.38
Mason, Katherine	Ford Focus	15,552	\$6,748.96	\$8,709.12	\$5,919.28	\$4,278.48	\$1,195.05	\$445.75	\$0.38
Powers, Mackenzie	Ford Focus	15,412	\$6,716.76	\$8,630.72	\$5,909.52	\$4,279.48	\$1,184.29	\$445.75	\$0.38
French, Daniel	Ford Focus	15,113	\$6,647.92	\$8,463.10	\$5,885.52	\$4,278.48	\$1,161.29	\$445.75	\$0.39
Totals		186,053	\$77,684.18	\$104,189.66	\$66,264.23				
Averages		16,914	\$7,062	\$9,472	\$6,024				



Fleet Management Unit
Analysis of Leased Rather than In-State Travel Reimbursement

Employee:
 Recommended Vehicle:

Multiple
 Ford Focus

EXISTING OPERATIONS:

Employee	Type of Operation	\$/Mile (FY15)	Miles (FY15 ³)	Ann Cost
12 Murray, Shelly	In-State Travel Reimbursement	\$ 0.56	21,081	\$ 11,805
13 Pineau, Linda		\$ 0.56	18,803	\$ 10,530
14 Ubaldo, Richard		\$ 0.56	17,732	\$ 9,930
15 Rossetto, Angelina		\$ 0.56	17,213	\$ 9,639
16 Riggio, Victoria		\$ 0.56	17,131	\$ 9,593
17 Kavanagh, Debra		\$ 0.56	16,570	\$ 9,279
18 Gilroy, Jennifer		\$ 0.56	15,894	\$ 8,901
19 Pivin, Linda		\$ 0.56	15,553	\$ 8,709
20 Mason, Katherine		\$ 0.56	15,552	\$ 8,709
21 Powers, Mackenzie		\$ 0.56	15,412	\$ 8,631
22 French, Daniel		\$ 0.56	15,113	\$ 8,463
				\$ 104,190

PROPOSED OPERATIONS:

Employee	Type of Operation	\$/Mile ¹	Miles	Ann Cost
12 Murray, Shelly	Lease		21,081	\$ 6,344
13 Pineau, Linda			18,803	\$ 6,169
14 Ubaldo, Richard			17,732	\$ 6,087
15 Rossetto, Angelina			17,213	\$ 6,047
16 Riggio, Victoria			17,131	\$ 6,041
17 Kavanagh, Debra			16,570	\$ 5,998
18 Gilroy, Jennifer			15,894	\$ 5,946
19 Pivin, Linda			15,553	\$ 5,919
20 Mason, Katherine			15,552	\$ 5,919
21 Powers, Mackenzie			15,412	\$ 5,910
22 French, Daniel			15,113	\$ 5,886
				\$ 66,264

ANNUAL COST SAVINGS:

Estimated annual cost savings **\$37,925**

RIO (non-general fund):

Vehicle Investment² \$0
 Annual Cost Savings \$37,925
 Est. Yrs to Recoup Investment **0.00**

¹ \$/Mile is based on current BEM calculation (FY14/15)

²

"Vehicle Investment" is \$0 because there is no cash outlay; it is included in the annual cost and cost savings.

³ FY15 Mileage is based on reimbursements from July 1 - Dec 31, 2014 then multiplied by 2; assuming no change in travel for the rest of the year. FY15 data was used due to changes in duties and job descriptions that render FY14 information out dated.