

Fewer SUVs, smaller fleet cut state vehicle costs by millions

By Mark Scoloro, Associated Press, June 10, 2005

The state government has made good on its promise to reduce its vehicle costs by shrinking the fleet and getting rid of at least 228 sport-utility vehicles, including nine that were being driven by cabinet secretaries, new state data show.

The state has already saved more than \$25 million and the savings will reach \$40 million in five years as a result of the changes, according to the Department of General Services, which oversees much of state government purchasing.

The cut in the state fleet, which was ordered by Gov. Ed Rendell, has reduced the number of vehicles under the administration's control by 705 to 11,724, a drop of 5.7 percent. Those numbers exclude the Department of Transportation, which participated separately in the cost-cutting plan.

The Rendell administration also is keeping vehicles longer – passenger cars are not sold until the odometer reads 80,000 miles instead of the previous threshold of 65,000 miles.

Auctioning off unneeded vehicles has generated about \$1.7 million, and replacing sport-utility vehicles with sedans has led to lower maintenance and fuel costs, officials said.

More reductions could be on the way as the administration considers whether it would be economical to keep vehicles until they have 90,000 or 100,000 miles, said David P. Yarkin, General Services deputy secretary for procurement.

Rendell ordered each department to eliminate 5 percent of its fleet and 20 percent of its SUVs. The number of non-PennDOT SUVs is now 1,050, down from 1,278 in 2004.

"I know that for some agencies, getting to 5 percent was a difficult operational challenge, and making further reductions may be difficult and/or impossible," Yarkin said. "But I think we have a responsibility to always be looking for further ways to reduce administrative costs."

Yarkin said some of the eliminated cars came from vehicle pools, where officials found "a lot of cushion."

The Department of Environmental Protection eliminated the most SUVs – 99 – though Secretary Kathleen A. McGinty recently replaced her Dodge Intrepid sedan with a Ford Escape Hybrid SUV, which is powered partly by electricity.

The DEP still has 373 SUVs, the most among state agencies, followed by the departments of Conservation and Natural Resources, State Police, and Corrections.

Nine cabinet secretaries, including the heads of the departments of Public Welfare, Insurance, and Aging, relinquished SUVs or traded them in for sedans, mostly Chevrolet Impalas.

"To ask the agencies to make a significant cut in their SUV fleet, which in many cases involves changing the way they do business, and not make those same changes at the cabinet level would be hypocritical," Yarkin said.

The General Services savings estimate includes \$24.9 million in lower purchase costs over the last two years from keeping vehicles longer and the gains from the auction of eliminated vehicles. An additional \$13 million in savings will be realized over five years – the life span of the average state vehicle – by having 705 fewer vehicles to buy, maintain and fuel, officials said.

Yarkin said the savings, part of more than \$150 million Rendell says has been saved through better management of government purchasing, have helped the Democratic administration address budget shortfalls elsewhere.

But Al Bowman, policy director for House Appropriations Committee chairman Brett O. Feese, R-Lycoming, said the vehicle cuts haven't translated into "real cash savings."

"Eventually we should see these moneys coming back into the General Fund, either in reductions in the line items for General Services – significant reductions – or it should appear somewhere on the books in an account, in real cash. It has not yet," Bowman said.

PennDOT currently maintains a 7,790-piece equipment inventory that includes 292 SUVs, 492 sedans, 2,293 dump trucks and 132 forklifts. PennDOT's equipment inventory is 5 percent smaller than it was two years ago; its SUV fleet is 17 percent smaller, the department said.