

MINUTES OF MEETING
STATE AFFAIRS COMMITTEE
March 6, 1961

The meeting was called to order and Mr. Underwood was introduced to discuss HOUSE BILL No. 150. Mr. Underwood presented figures to substantiate his request that a motor pool be established. See attached. Members of the committee discussed the pros and cons of such establishment and asked additional questions of Mr. Underwood.

Dr. Martin of the Dept. of Health spoke concerning his feeling on the establishment of a car pool, and pointed out that from the standpoint of his department it wouldn't be practical; that his people need automobiles because of the peculiar type of work they do. That if economy is to be the aim, compact cars would help. He also pointed out how much time would be lost in checking out automobiles and returning them to the pool; that he felt the time lost in working time would exceed the cost of commuter traffic.

The entire meeting time was consumed in discussion and questions and Mr. Freeland of the Board of Agriculture and Mr. Bibb of the Budget Department were invited to appear on March 7th, to discuss their feelings in regard to this proposal.

Meeting adjourned.

HOUSE BILL NO. 150

The Problem:

How to operate State owned automotive equipment costing \$500,000.00 economically and efficiently?

Data:

The State has approximately 250 cars and delivery trucks operating out of headquarters in Topeka, which cost approximately \$500,000.00 (250x2,000=\$500,000.00) For the purpose of this study we assume that 250 cars are driven 18,000 miles annually for a total of 4,500,00 miles. And with a cost of 5¢ per mile the total annual operating cost to the State is approximately \$225,000.00. The assumed operating cost of 5¢ per mile The assumed operating cost of 5¢ per mile covers depreciation @ 2.5¢ and operating cost @ 2.5¢.

Areas of abuse of State owned vehicles:

1. Commuter mileage: Practically all state owned vehicles assigned to personnel on a permanent basis are driven from home to work each work day. An employee living in the southwest edge of Topeka would average 10 miles per day or approximately 2500 miles yearly of commuter travel. If we may assume that 80% of the cars used in this manner the commuter mileage would be 500,000 miles annually. (2500 x 200 = 500,000),
2. Cars are assigned to "office" employees who do not use these vehicles the statutory limit. In August of 1961 several cars were sold with less than 15,000 miles showing on the speedometer, which indicated a waste in this area. If commuter mileage was deducted from the total mileage driven, these employees could not be assigned a State vehicle (Sec. 75-3209).
3. Each Agency manages their own vehicles, and they have no uniform policy of preventive maintenance or replacement. Some vehicles receive good care at reasonable cost, while others receive hit and miss attention at excessive cost.

Part 2.

4. The State is paying for storage in private parking lots in the vicinity of the State Office Building for state owned vehicles used by "office" employees. Possibly some storage is paid private garages for employees living in the downtown area.

Example of Savings which could be effected with a centrally operated pool:

1. Cars could be operated from a motor pool at a cost of approximately 3.5¢ mile. This operating cost is made up as follows: Depreciation @ 1.0¢, Gas @ 1.5¢, Oil, Grease and Tires @ 0.3¢, Repairs @ 0.4¢, Pool cost (operation) 0.3¢.
2. Commuter miles eliminated:
500,000 miles @ 5¢ = \$25,000.00
Savings on operating costs:
4,000,000 miles @ 1.25¢ = \$50,000.00
Private parking lot storage charges:
50 stalls @ 100.00 = \$5,000.00
Total - \$90,000.00
3. If the total mileage was 5,000,000 instead of 4,500,000 as assumed above we could expect savings of \$7,500.00 more or \$97,500.00 total.
4. Since the depreciation cost of state owned cars is running about ^{1.25}\$12.5 per day, it is costing the state approximately \$75.00 per unit each time a trade is made. (60 days x \$1.25 = \$75.00)
Last month and this month the purchasing department sold or is selling over 100 cars that have been out of use from 30 to 60 days or more.
5. In the first year of operation a motor pool could sell at least 50 cars, which would be excess to their needs, for approximately \$50,000. This money could be used to establish the physical plant for a Central Motor Pool.

Other Advantage of Motor Pool Operations:

Safety-Cars would be periodically inspected and necessary adjustments and repairs made. Safety belts and side mount rear view mirrors could be standard equipment.

Accidents on commuter travel would be eliminated. Snow and Mud tires would be stocked and installed as required. Chains could also be installed in foul weather for emergency travel.