Analysis of Suggestions for Improvement as part of the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

Request By: Public

Suggestion: Reimburse employees for mileage rather than maintaining a fleet of cars.

Response: Department of Vehicle Services

Background: Some County Employees already use their own vehicles for County business on a case by case basis. However, the recommendation being put forth is, can employees be forced to use their privately owned vehicles and eliminate the County fleet of cars.

Recommendation:

Current County policy, as stated in County Procedural Memorandum #06-03, *Fairfax County Travel Policies and Procedures*, encourages the use of County vehicles and authorizes supervisors to approve employee use of their personally owned vehicles (POVs) for non-local County business. Under this policy, employees are reimbursed at the rate published by the Internal Revenue Service (IRS) for the use of their POV. The FY 2009 IRS reimbursement rate is $0.585 per mile. There is no cost savings associated with this option. The Department of Vehicle Services has compared the per mile costs for sedans against the IRS mileage reimbursement rate. The analysis included only sedans, as it cannot be assumed that employees have any other vehicle type available (i.e. a 7 passenger van, or a ½ ton pickup). Based on current vehicle utilization rates, the cost of the IRS reimbursement rate is approximately $432 more per sedan per year or equal to a total of approximately $234,000 more than using county owned vehicles. This analysis includes costs associated with maintenance, insurance and operating costs, as well as replacement/depreciation.

In addition, Fairfax County, state and federal guidelines encourage employees to use van pools, car pools, teleworking and mass transit in lieu of using their POV to travel to work. Since there is no existing agreement or understanding with County employees that require use of their POV to conduct County business, it is unlikely that all employees will have a POV for such travel. Furthermore, any POV used to conduct county business must be insured to at least the minimum liability amounts required under the law of the state in which it is registered, which would require verification. An accident involving a POV used on County business may result in the County's liability for injury or damage to another party's property. The County manages these liability claims, but does not provide insurance coverage for any damage to the POV.

A shift from permitting employees to use their POV, when they are offered no alternatives, since the motor pool and agency administrative vehicles would be eliminated, would change the degree to which the County could effectively perform mission requirements. It would also increase the County's exposure to otherwise controllable safety risks, such as driver qualifications and safety conditions of vehicles used. Employees may be required to notify their insurance company that they are using their POV for business purposes which could increase their insurance rates or result in denied coverage.

In summary, it is not recommended to eliminate the County motor pool fleet and other department administrative vehicles, nor mandate that employees use their personal vehicles for County business. A mandate requiring employees to use their POV to conduct County business is not a current condition of employment. If such a policy were to be implemented, it could have an adverse effect in hiring qualified individuals in a very competitive environment.