

## Response to Questions on the FY 2006 Advertised Budget Plan

**Request By:** Chairman Connolly

**Question:** Does the Department of Vehicle Services charge a markup over our cost for fuel? Could DVS services be provided more cheaply through the private sector?

**Response:** The Department of Vehicle Services (DVS) does charge a markup over the cost of fuel. In FY 2005, this markup is \$0.10 per gallon. This markup recovers the overhead costs of the fuel program, to include salary of the fuel truck driver, repair/maintenance of fuel sites and equipment, and replacement of fuel tanks. It should be noted that the majority of fuel deliveries are made by a commercial fuel vendor. The DVS driver picks up fuel during emergencies such as hurricanes, floods, etc., and delivers to small fuel sites that commercial vendors cannot or will not support.

The DVS budget includes a performance measure that compares the cost that DVS charges customers for fuel, compared to the price charged by commercial gas stations (excluding federal and state taxes) during the same time period. Based on that performance measure, DVS fuel has always been significantly cheaper than purchasing gas from the private sector. In fact, over the past three fiscal years, DVS' per gallon selling price for unleaded gas averaged \$0.111 less than commercial stations, and the per gallon selling price for diesel fuel averaged \$0.256 less than commercial stations.

Fairfax County purchases fuel off of a Metropolitan Council of Governments (COG) contract. Riding this large-scale contract affords Fairfax County very competitive fuel prices.

## Response to Questions on the FY 2006 Advertised Budget Plan

**Request By:** Chairman Connolly

**Question:** Are departments charged when Vehicle Services tows a vehicle? What is the charge? Could towing be provided more cheaply through the private sector?

**Response:** User Departments are charged when vehicles are towed, regardless of whether Vehicle Services or a commercial vendor performs the tow. If DVS performs the tow, the charge is based on the actual number of hours required to perform the tow, times the DVS labor rate (currently \$57.00 per hour). If the tow is performed by a commercial vendor, the price is based on the current DVS contract, and varies with the vehicle type that is towed and the number of miles towed.

DVS acknowledges that, on average, commercial vendors can provide towing services more cheaply than DVS. In fact, an analysis of FY 2005 year-to-date data indicates that the average charge for a tow performed by DVS is about 20 percent higher than the average charge for a tow performed by a commercial vendor. For this reason, DVS contracts out the majority of towing services. In fact, so far in FY 2005, DVS has contracted out approximately 75 percent of all towing jobs.

DVS must, however, maintain some capacity for towing due to extremely high demand during certain circumstances (i.e., snowstorms, or other days with a high number of accidents due to weather). In addition, DVS receives emergency requests from the Police Department to perform tows that require a quicker response than what is contractually required of the towing vendors. For example, a major intersection blocked by a multi-vehicle accident, or a very heavy piece of equipment rolled over on the side of a roadway.