

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Agriculture, Environment, and General Government

BILL: CS/SB 1152

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Brandes

SUBJECT: Fleet Management

DATE: April 7, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Candelaria</u>	<u>McVaney</u>	<u>GO</u>	<u>Fav/CS</u>
2.	<u>Davis</u>	<u>Betta</u>	<u>AEG</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1152 requires the Department of Management Services (DMS) to prepare an inventory of all state-owned motor vehicles, maintenance facilities, and fuel depots. The inventory must be submitted to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2021.

The bill requires the DMS to create, administer, and maintain a centralized management system for the fleet of state-owned motor vehicles, maintenance facilities, and fuel depots. The DMS is also required to consolidate under a centralized system the management of existing motor vehicles, maintenance facilities, fuel depots, and any full-time equivalent and other personal services positions associated with state-owned maintenance facilities and fuel depots.

Each state agency and state university must provide information to the DMS necessary for consolidating the management of existing vehicles, maintenance facilities, fuel depots, and personnel under the centralized system.

The bill requires the DMS to contract with a vendor or contractor for privatizing the centralized management and operation of the state-owned motor vehicle fleet, motor vehicle acquisitions, maintenance facilities, and fuel depots.

The bill has an indeterminate, likely significant, negative fiscal impact on state expenditures. The DMS will incur indeterminate costs associated with creating and maintaining the centralized system, along with the process of privatizing with a vendor or contractor.

The bill takes effect upon becoming a law.

II. Present Situation:

Acquisition, Assignment, and Use of Motor Vehicles and Watercraft

The DMS has the authority to adopt and enforce rules for the efficient and safe use, operation, maintenance, repair, disposal, and replacement of all state-owned or state-leased aircraft, watercraft, and motor vehicles assigned.¹ Rules 60B-1.001–1.013 of the Florida Administrative Code, provide for the acquisition, assignment, and use of motor vehicles owned by the state.²

No state agency can purchase, lease, or acquire any motor vehicle, watercraft, or aircraft of any type unless prior approval from the DMS. The DMS approval is not required for the short-term lease of motor vehicles by state agencies.³ Special authorization, with approval from the DMS, is given to the Department of Children and Families, the Agency for Persons with Disabilities, the Department of Health, the Department of Juvenile Justice, and the Department of Corrections to secure motor vehicles for use at residential facilities, centers, and county health departments.⁴

All state-owned or leased vehicles will be assigned to and operated in conformance with the regulations pertaining to one of the following classes of assignment:

- Class A – Pool assignment.⁵
- Class B – Limited use assignment.⁶
- Class C – Special assignment.⁷

Except when otherwise specifically authorized by law, all state-owned vehicles are required to carry an official state license plate.⁸

Bureau of Fleet Management and Federal Property Assistance

The Bureau of Fleet Management (bureau) within the DMS provides oversight responsibility for the state's fleet of motor vehicles and mobile equipment, along with the federal surplus property

¹ Section 287.16(6), F.S. establishes rulemaking authority for the Department of Management Services (DMS).

² Fla. Admin. Code R. 60B-1.001 – 60B-1.013.

³ Section 287.15, F.S.

⁴ Section 287.155, F.S.

⁵ Fla. Admin. Code R. 60B-1.006, defines “pool vehicle assignment” to mean vehicles which are centrally controlled and made available for specific trips and returned to the pool upon completion of the trips.

⁶ Fla. Admin. Code R. 60B-1.007, defines “limited use assignment” to mean state-owned or leased passenger vehicles required by an employee or position to conduct official state business and which are required for use 15 or more work days per month but do not meet special use assignment use classification.

⁷ Fla. Admin. Code R. 60B-1.008, defines “special assignment” to mean vehicles which are state-owned or leased vehicles and are: 1) officially authorized as a prerequisite by the DMS, 2) required by an employee after normal duty hours to perform duties of the position to which he is assigned, or 3) assigned to an employee whose home is his official base of operation

⁸ Fla. Admin. Code R. 60B-1.005.

program. The bureau's programs include fleet management, federal property assistance, and aircraft operations.⁹

The bureau oversees fleet management, which manages the purchase, operation, maintenance, and disposal of the state's fleet of motor vehicles and watercraft. The state's fleet currently includes approximately 25,000 assets of 30 agencies.¹⁰ The fleet includes automobiles, light trucks, heavy trucks, aircraft, construction and industrial equipment, trailers, tractors, motorcycles, all-terrain vehicles, boats, airboats, and boat engines. The bureau is responsible for four areas of fleet management which include: the purchase of mobile equipment, the fleet information management system (FIMS), the disposal of mobile equipment, and the surplus state vehicles and equipment auctions.¹¹

The FIMS is used to provide management and cost information required to effectively manage the state's fleet. The FIMS also provides accountability of equipment use and expenditures. The FIMS requires agencies to keep records and provide reports regarding the effective use, operation, maintenance, repair, and replacement of motor vehicles.¹² The FIMS also assures the safe use of motor vehicles and they are used solely for state business.¹³ The FIMS does not account for maintenance facilities and fuel depots.

State Agency Fleets

Table 1 provides the total fleet count by state agency.

Table 1. Agency Fleets

Agency	Total Fleet Count
Agriculture and Consumer Services	4,573
Agency for Health Care Administration	1
Agency for Persons with Disabilities	242
Business and Professional Regulation	538
Citrus Commission	1
Children and Families	481
Economic Opportunities	7
Environmental Protection	1,451
Financial Services	590

⁹ DMS, *Fleet Management and Federal Property Assistance*, available at https://www.dms.myflorida.com/business_operations/fleet_management_and_federal_property_assistance (last visited Mar. 15, 2021).

¹⁰ DMS, *Fleet Management*, available at https://www.dms.myflorida.com/business_operations/fleet_management_and_federal_property_assistance/fleet_management (last visited Mar. 15, 2021).

¹¹ *Id.*

¹² DMS, *The Fleet Information Management System*, available at https://www.dms.myflorida.com/business_operations/fleet_management_and_federal_property_assistance/fleet_management/fleet_information_management_system_fims, (last visited Mar. 15, 2021).

¹³ DMS, *Fleet Management*, available at https://www.dms.myflorida.com/business_operations/fleet_management_and_federal_property_assistance/fleet_management (last visited Mar. 15, 2021).

Agency	Total Fleet Count
Juvenile Justice	526
Law Enforcement	745
Military Affairs	104
Management Services	62
Education	43
Health	416
Lottery	228
Revenue	15
State	25
Transportation	4,484
Veterans' Affairs	23
Executive Office of the Governor	54
Florida Commission on Offender Review	2
Corrections	2,956
Fish and Wildlife Conservation Commission	2,965
Highway Safety and Motor Vehicles	2,891
Justice Administration Commission	602
Office of the Attorney General	115
Public Service Commission	22
School for the Deaf and Blind	43
TOTALS	24,205¹⁴

Business Case for Outsourcing Projects

Section 287.0571(4), F.S., provides that an agency should complete a business case for any outsourcing projects that have an expected cost in excess of \$10 million within a single fiscal year. The business case should be available for solicitation and must include all of the following:

- A detailed description of the service or activity for which the outsourcing is proposed.
- A description and analysis of the state agency's current performance, based on existing performance metrics if the state agency is currently performing the service or activity.
- The goals desired to be achieved through the proposed outsourcing and the rationale for such goals.
- A citation to the existing or proposed legal authority for outsourcing and the rationale for such goals.
- A description of available options for achieving the goals. If state employees are currently performing the service or activity, at least one option involving maintaining state provision of the service or activity must be included.
- An analysis of the advantages and disadvantages of each option, including, at a minimum, potential performance improvements and risks.
- A description of the current market for the contractual services that are under consideration for outsourcing.

¹⁴ Information contained in Fleet Information Management System (FIMS) report provided by the DMS (Mar. 7, 2021).

- A cost-benefit analysis documenting the direct and indirect specific baseline costs, savings, and qualitative and quantitative benefits involved in or resulting from the implementation of the recommended option or options.
- A description of differences among current state agency policies and processes and, as appropriate, a discussion of options for or a plan to standardize, consolidate, or revise current policies and processes, if any, to reduce the customization of any proposed solution that would otherwise be required.
- A description of the specific performance standards that must, at a minimum, be met to ensure adequate performance.
- The projected timeframe for key events from the beginning of the procurement process through the expiration of a contract.
- A plan to ensure compliance with the public records law.
- A specific and feasible contingency plan addressing contractor nonperformance and a description of the tasks involved in and costs required for its implementation.
- A state agency's transition plan for addressing changes in the number of agency personnel, affected business processes, employee transition issues, and communication with affected stakeholders, such as agency clients and the public. The transition plan must contain a reemployment and retraining assistance plan for employees who are not retained by the state agency or employed by the contractor.
- A plan for ensuring access by persons with disabilities in compliance with applicable state and federal law.¹⁵

Business cases to outsource should be evaluated for feasibility, cost-effectiveness, and efficiency before a state agency proceeds with any outsourcing of services.¹⁶

III. Effect of Proposed Changes:

Section 1 requires the DMS to prepare an inventory of all state-owned motor vehicles, maintenance facilities, and fuel depots. The DMS is required to submit the inventory to the Governor, President of the Senate, and the Speaker of the House of Representatives by December 31, 2021.

The section provides the inventory to, at a minimum, provide all of the following information:

- The entity of ownership of all state-owned motor vehicles, maintenance facilities, and fuel depots.
- The entity of possession of all state-owned motor vehicles, maintenance facilities, and fuel depots.
- The estimated annual operating and other costs of all state-owned motor vehicles, maintenance facilities, and fuel depots.
- The number of full-time equivalent and other personal services positions assigned to operate and maintain each state-owned maintenance facility and fuel depot.
- The physical address for the location of all state-owned motor vehicles, maintenance facilities, and fuel depots.

¹⁵ Section 287.0571(4)(a)-(o), F.S.

¹⁶ Section 287.0571(2), F.S.

Each state agency and state university must provide any information requested by the DMS necessary for the completion of the inventory.

Section 2 requires the DMS to create, administer, and maintain a centralized management system for the fleet of state-owned motor vehicles, maintenance facilities, and fuel depots. The DMS is also required to consolidate under a centralized management system the existing motor vehicles, maintenance facilities, fuel depots, and any full-time equivalent and other personal services positions assigned to operate and maintain each state-owned maintenance facility and fuel depot. Each state agency and state university must provide any information requested by the DMS that is necessary for consolidating under the centralized system.

Section 3 requires the DMS to contract with a vendor or contractor for privatizing the centralized management and operation of the state-owned motor vehicle fleet, motor vehicle acquisitions, maintenance facilities, and fuel depots.

Section 4 provides that the act will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill has an indeterminate fiscal impact on state expenditures. Based on the state's expenditures on fleet management that exceed \$10 million, a business case pursuant to s. 287.0571(4), F.S., may be required in order to outsource and privatize fleet management.

The DMS will incur costs associated with consolidating the fleets and updating the FIMS with fuel depots and maintenance facilities. The outsourcing of the management and operation of the state-owned motor vehicle fleets, motor vehicle acquisitions, maintenance facilities, and fuel depots to a contractor or vendor will result in a significant indeterminate fiscal impact on the DMS.

State agencies and state universities may incur additional workload responding to requests from the DMS for information to complete the inventory and consolidate under a centralized system.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Lines 51-60 require the DMS to create and consolidate, under a centralized system, the management of existing motor vehicles, maintenance facilities, fuel depots, and any full-time equivalent and other personal services positions assigned to operate and maintain each state-owned maintenance facility and fuel depot. The DMS noted, if the intent of the bill is to permanently transfer such positions to the DMS, the Legislature may want to consider an amendment specifying this transfer as a type two transfer pursuant to s. 20.06, F.S.¹⁷

VIII. Statutes Affected:

This bill creates an undesignated section of law.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Governmental Oversight and Accountability on March 17, 2021:

The CS narrows the governmental entities required to provide certain information to the DMS to include only state agencies and state universities.

¹⁷ Department of Management Services, *2021 Agency Legislative Bill Analysis for CS/SB 1152*, at 5 (Mar. 23, 2021) (on file with the Senate Subcommittee on Agriculture, Environment, and General Government).

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
