

MEMORANDUM

TO: State Fleet Agencies

FROM: Robin Rehborg, Director
State Fleet Services

DATE: June 5, 2015

RE: New Rental Rate Structure for monthly assigned vehicles

All agencies previously received a letter along with budget guidelines outlining a change in the State Fleet rental rate structure to be effective July 1, 2015. As we have been preparing for this change we have realized we will not be able to issue the new rates until after all of the financials for the current biennium have been processed and closed. Therefore, the rental rate structure will remain as is until new rates are issued on September 1, 2015. So you won't see a difference in your billing until the October bill runs. There are also several policies that will be made to go along with this change. Please see the attached policy document. Please remember this rate change only affects permanently assigned vehicles; there is no change to the way daily pool vehicle usage will be billed. We will continue to review the rental rates on a quarterly basis and adjust them as needed.

STATE FLEET POLICY ADDITIONS AND CHANGES:

If a vehicle is picked up on the first of the month it will not be billed the monthly depreciation until the next month's usage.

A monthly assigned vehicle will be charged the entire month depreciation for the month it was turned in. However, if another agency uses the vehicle, the usage will represent a usage split of the monthly depreciation.

If an agency does not enter usage in a month the monthly depreciation will still be billed to the agency for that vehicle.

Agencies with monthly assigned vehicles cannot back bill to previous months. If a previous month other than the current usage month is entered it will bill at the current month rate. For example: if the current usage month is May, but you enter usage with an April date the May rate will apply. Usage can still be entered for the current billing cycle until 5PM on the second working day of the following month. Billing will still run on the third working day.

On a motor pool reservation, the rate charged is the month in which the reservation ends. Example: vehicle is dispatched (picked up) on August 28 and returned on

September 5. The rate charged shall be the effective rate for the month of the return (reservation end.)

Motor pool reservations: reservations can be made for the motor pool for no more than 1 week periods, unless otherwise approved from State Fleet motor pool supervisor or fleet manager. Consecutive week reservations will not be allowed unless approved by the Fleet manager.