

# Transportation Budget Optimization Report and Recommendations

February 2025

## Scope of Work

The Budget Optimization Initiative aims to identify new processes to both reduce costs and enhance efficiency within the Transportation department. This initiative will focus on exploring different strategies for maximizing revenue and minimizing expenses to optimize the Transportation budget efficiently.

## Work Group

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## Work Completed to Date

- Worked with Purchasing on a new approval document for purchasing vehicles. Approval document now requires an explanation for why a new vehicle is needed, as well as exploring if using a Motorpool vehicle would be more cost effective.
- Discontinued the Commuter Bus program and sold all but one of the remaining commuter buses.
- Removed 20 vehicles from inventory that have been either under utilized or too costly to repair.
- Created a Fleet Master List in SmartSheets to keep all vehicle information in one place
- Charge departments for running driving background checks for their employees (as per Chargeback Policy)
- Charge departments for insurance for their department owned vehicles.

## Budget Impact to Date

- Discontinuing the Commuter Bus program allowed Transportation to sell the remaining buses. We have received \$18,961 to date for auctioning buses.
- Utilization rates for the Motorpool Rental fleet is between 20-30% depending on the vehicle. Recommended usage rates are recommended to be around 70%
  - Moved one Motorpool vehicle to Public Safety patrol fleet and one to Idaho Falls

## Recommendations

- Transportation Services currently has a deficit of \$11,592. Transportation is recommending to have that number brought to \$0. This would enable the department to build funds to help maintain and buy new Motorpool vehicles, maintain the fuel station, and pay for the labor of employees.
- Fuel Charges
  - Change fuel prices once a month to reflect current fuel costs per gallon.
  - Include a 5% excise fee on fuel to cover overhead and equipment/software maintenance of the fueling station.
- Vehicle Repair Orders
  - Institute an hourly labor rate of \$36 per hour of work for mechanics. Motor pool mechanic support is not included in ISU's administrative recovery fee and is

essential for maintaining safety and vehicle stewardship. Departments would need to pay this labor charge for department-owned vehicles. For reference, external labor rates are approximately \$165/hour.

- Include a supply charge of cost + 2.5% on vehicle repair work (pass thru of Adm Recovery fee on supplies)
- Motorpool Fleet Rentals
  - Discontinue charging per mileage on vehicles.
  - Raise prices to be comparable to sister institutions and market rates
  - Institute half day charges

<b>Vehicle Type</b>	<b>Current</b>	<b>Proposed Half Day</b>	<b>Proposed Full Day</b>
Sedan	\$15 per day	\$34	\$68
Minivan	\$20	\$32	\$65
Truck	\$122	\$61	\$122
Suburban	\$153	\$76	\$153
12 Passenger Van	\$105	\$57	\$115
Trailer	\$20	\$10	\$20

Next Steps:

- Continue auditing department vehicles for utilization and condition
- Continue tracking Motorpool rental fleet for utilization. If the utilization is still low, we would like to look at removing some sedans and trailers.
- Implement new charges and fee structure
- Auction last commuter bus
- Develop replacement plans for all university vehicles