

# New Wheels

## Understanding the Commonwealth's Vehicle Purchase and Lease Procedures

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FORUM2014

# Agenda

- Vehicle Request Process
  - OFMS Lease
  - Agency Purchase
- OFMS Planning Process
- The Form-1
- Industry Trends



# So you need a new vehicle.....

- Determine your needs and minimum requirements
- Review current vehicle options on eVA website
- Make buy/OFMS lease decision
- Complete and submit OFMS-1 Form
- Once approved, wait for notification of vehicle delivery or issue PO for vehicle through eVA

# Ordering Process – Minimum Requirements

- Wants vs. Needs




- Approvals are based on needs only
- All requests begin at compact car
- 4WD is approved based on off-road need

- Considerations

- What are you currently doing for transportation?
- How will the vehicle be used?
- Where will the vehicle be used?
- Why is a larger vehicle needed?

# Ordering Process – Current Offerings

- Review eVA website
- New vs. Used
- Calculate Lifecycle costs

COMPACT PASSENGER CARS									TOP
Contract Number	Description	Model	Price	Vendor	Vendor Contact Person	Order Cut Off - Date	Contract Expiration Date	Swam Status	DPS Contact
<a href="#">E194-72773</a> <a href="#">Spreadsheet</a>	 COMPRESSED NATURAL GAS (CNG) Compact-Size Passenger Fleet Car	2014 Honda Civic CNG Sedan Dedicated Compressed Natural Gas	\$26,964.32	Hall Automotive	Skip Webb 757 498-2290	TBD	2/28/15		Chris Nichols
<a href="#">E194-72774</a> <a href="#">Spreadsheet</a>	 HYBRID (HEV) Compact-Size Passenger Fleet Car	2015 Ford C-Max Hybrid SE	\$22,493.00	Sheehy Ford of Richmond	Leah Arnold 804-419-1381	5/30/2015	9/18/2015		Chris Nichols
<a href="#">E194-72768</a> <a href="#">Spreadsheet</a>	4 Dr. Compact Passenger Car FLEX FUEL	2014 Ford Focus SE, Flex-Fuel	\$15,470.00	Haley Ford South	Bobby Moses 804-564-8090	9/1/2014	11/10/2014	N/A	Mike Oprysko
FULL AND MID - SIZE PASSENGER CARS									TOP
Contract Number	Description	Model	Price	Vendor	Vendor Contact Person	Order Cut Off - Date	Contract Expiration Date	Swam Status	DPS Contact
<a href="#">E194-72775</a> <a href="#">Spreadsheet</a>	 HYBRID (HEV) Mid-Size Passenger Fleet Car	2015 Ford Fusion HYBRID SE	\$24,194.00	Sheehy Ford of Richmond	Leah Arnold 804-419-1381	TBD	6/4/2015	Small	Mike Oprysko
<a href="#">E194-72765</a> <a href="#">Spreadsheet</a>	Full-Size Car Flexible Fuel Vehicle (Gasoline/E-85)	2015 Chevrolet Impala LS Fleet	\$ 17,721.00	Capital Chevrolet Buick GMC	Brian McGuire 804-222-4600	5/1/2015	8/15/2015	Small & Woman Owned	Chris Nichols

# Lifecycle Cost Calculator

## OFMS Vehicle Justification Calculator

A Vehicle Lifecycle Cost Comparison Tool

Instructions

### Vehicle Acquisition / Usage Data

Enter Acquisition Cost	\$20,246
Enter Annual Finance Percentage	
Enter Fuel Price per Gallon	\$2.72
Enter Annual Operational Cost	\$1,528
Enter the Estimated MPG	25
Enter Expected Monthly Mileage	1486
Enter One-way Commuting Distance	10
Enter Commuting Days Per Week	5
Standard IRS Reimbursement Rate	\$0.560

### Summary

Accumulated Mileage	110,000		
Life Cycle Max Months	74		
Years in Service	6.2		
Operational Cost	\$9,421.68	\$127.32	Per Month
Fixed Cost	#####	\$0.25	Per Mile
Fuel Cost	#####	\$0.11	Per Mile
Total Lifetime cost	#####	\$6,357.76	Per Year
Monthly Cost	\$529.81	\$26.49	Daily Rate
<b>Total Cost Per Mile</b>	<b>\$0.36</b>		

### Cost per Mile

Miles	Personal Reimbursement (\$)	Commonwealth Vehicle (\$)
0	0.00	0.00
1000	1.00	0.50
2000	2.00	1.00
3000	3.00	1.50
4000	4.00	2.00
5000	5.00	2.50
6000	6.00	3.00
7000	7.00	3.50
8000	8.00	4.00
9000	9.00	4.50
10000	10.00	5.00

**At this Utilization Level – it is more economical to provide a Commonwealth-Owned Vehicle**

### For Commuting Approval Only

Monthly Cost of Commuting		Lifetime Commuting Use Costs	
Monthly Commuting Mileage	400	Fixed Cost	#####
Personal Commuting Use	27%	Fuel Cost	\$3,221.53
Monthly Commuting Cost	\$142.61	<b>Total Commuting Cost</b>	#####

Monthly Cost of Business		Lifetime Business Use costs	
Monthly Business Mileage	1086	Fixed Cost	#####
Commonwealth Business Use	73%	Fuel Cost	#####
Monthly Business Cost	\$387.20	<b>Total Business Cost</b>	#####

**Commuting Assignment not Approved.**

- Vehicle Purchase \$
- MPG
- Mileage



# Alternative Fuel Vehicles

- Compressed Natural Gas
- Propane
- E85
- Hybrid / Electric

Lifecycle Cost Analysis				
Variable Data		Derived Values		
Vehicle:				
Target Months in Service:	84	Actual Months:	84	Actual Months in Service given the Ma
Target Replacement Mileage:	110,000	Actual Mileage:	84,000	Actual Miles at Replacement given the
Expected Mileage-per-Month:	1,000			Expected Average Miles-per-Month dri
Book Depreciation Rate:	1.04%			
Projected end of term resale value	0.00%			Resale Value of the vehicle at end of Te
City Miles-per-Gallon	20			Value from EPA Estimated City Mileag
	<b>Alt Fuel</b>	<b>Standard</b>		
<b>Acquisition Cost</b>				
Factory Invoice Price	\$ 6,800	\$ -		Purchase price or purchase price + conversion cost
Dealer Holdback Adjustment				
Mfg. Additional Incentive		\$ -		
Fleet Incentive				
Down Payment		\$ -		
<b>Net Acquisition Cost</b>	<b>\$ 6,800.00</b>	<b>\$ -</b>		Factory Invoice Price - Dealer Holdback Adjustment - I
<b>Fixed Costs</b>				
Actual Depreciation	\$ 6,800.00	\$ -		Net Acquisition Cost - Projected Resale Price
Projected Resale Price	\$ -	\$ -		Uses Calculated resale Value - or enter Finance or lease
Insurance	\$ -	\$ -		Life time Insurance cost (annual rate/12*Actual Month
<b>Total Fixed Cost:</b>	<b>\$ 6,800.00</b>	<b>\$ -</b>		
<b>Operating Costs</b>				
Total Fuel Cost	\$ 7,728.00	\$ 14,280.00		(Actual Miles/Estimated Miles-per-Gallon) * Fuel Cost-
Cost of Fuel	\$ 1.84	\$ 3.40		Average price of fuel per gallon
Vehicle MPG	\$ 20.00	\$ 20.00		
Total Maintenance Cost	\$ 6,271.25	\$ 6,271.25		Values from "Maintenance Estimate" worksheet
<b>Total Operating Cost:</b>	<b>\$ 13,999.25</b>	<b>\$ 20,551.25</b>		Total Fuel Cost + Total Maintenance Cost
<b>Total Lifecycle Cost:</b>	<b>\$ 20,799.25</b>	<b>\$ 20,551.25</b>		Total Fixed Cost + Total Operating Cost
<b>Lifecycle Cost-per-Mile:</b>	<b>\$ 0.2476</b>	<b>\$ 0.2447</b>		Total Lifecycle Cost / Actual Miles
<b>Lifecycle Cost-per-Month</b>	<b>\$ 247.61</b>	<b>\$ 244.66</b>		Total Lifecycle Cost / Actual Months



# OFMS Form-1

- Insures transportation needs are met in most cost effective manner
- Reviews Buy vs. Lease
- Reviews Used vs. New
  - Attach quote for requested vehicle
- Does not waiver procurement process/procedures



# Manufacturer's Timeline

- Model Year pricing established
- Job 1
- Build-out Date
  - May fluctuate - Don't wait until the last day!
- Job Last
- Contract Timeline
- Mid-year refresh / New model release

# OFMS Timeline

- Mileage review
- Vehicles ordered by class
- New Assignments
- Class Changes

# Industry Trends

## SUV's

- Becoming more car-like
- Less ground clearance
- Less cargo capacity
- Less towing capacity
- No true 4WD – most are AWD



# Industry Trends

## Engine Power - Gas

- 2000 Ford 4.0l V6
  - 160 Horsepower
  - 225 lbs-ft. Torque
- 2014 Ford 2.5L I4
  - 168 Horsepower
  - 170 lbs-ft Torque



## Engine Power - Diesel

- 2000 Ford 7.3L Diesel
  - 210 Horsepower
  - 425 lbs-ft. Torque
- 2014 Ford 6.7L Diesel
  - 440 Horsepower
  - 860 lbs-ft. Torque
- 2014 Ford 6.2L Gasoline
  - 385 Horsepower
  - 405 lbs-ft. Torque



# Industry Trends

## Interior Dimensions

- Driver compartment dimensions becoming equalized across models
- compact cars are increasing in size

<b>Dimension</b>	<b>Impala</b>	<b>Focus</b>
<b>Wheelbase</b>	110.5	104.3
<b>Overall Length</b>	200.4	178.5
<b>Vehicle Height</b>	58.7	57.7
<b>Vehicle Width</b>	72.9	71.8
<b>Seating Capacity</b>	5	5
<b>Cargo Capacity</b>	19	13
<b>Front Headroom</b>	39.4	38.3
<b>Front Legroom</b>	42.3	41.9
<b>Rear Headroom</b>	37.8	38
<b>Rear Legroom</b>	37.6	33.2
<b>All measurements in inches except cargo capacity which is cubic feet</b>		



# Industry Trends

## Truck Weight Ratings

- 2000 Ford F150
  - 6,000 GVWR
- 2014 Ford F150
  - 8,200 lbs
- 2000 Ford F250
  - 8,800 GVWR
- 2014 Ford F250
  - 10,000 lbs

# Industry Trends

## Vehicle Technology

- Back-up cameras
- Integrated computers
- Harder to modify / upfit
- More sensors
- Safer but more expensive collision repairs

# Questions?

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