

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



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27B-Memo
5b
Attachments-2

Date: April 22, 2024

To: Centralized Service Administrators of all State Agencies

From: Ryan Osmundson, Budget Director
Office of Budget and Program Planning

Subject: Vehicle Leasing Program- EPP

The Office of Budget and Program Planning encourages agencies with vehicle replacement needs to use the State Motor Pool. The Motor Pool alternative transfers an agency's responsibility for vehicle maintenance and management to the Motor Pool and guarantees safe, reliable vehicles. The vehicles may be new or used depending on the estimated yearly mileage and agency wide usage. The leasing agency is responsible for maximizing the vehicle utilization within the agency. If the vehicles are not getting the maximum usage, the Motor Pool may reassign an underutilized vehicle to another agency.

Accompanying to this memo are two surveys. Please complete the pre-populated Attachment 1: *OBPP Lease Survey* for current leases. For new leased vehicle requests, please complete Attachment 2: *NP PL* for EACH request and email both surveys to Christine Hultin at OBPP by June 6, 2024. This information will be used by the Motor Pool to prepare for the next biennium's budget including equipment purchases.

The Motor Pool charges both an hourly and a per mile rate. The hourly rate will be established by the Motor Pool at a cost recovery level. Motor Pool management includes vehicle purchase and replacement, scheduled and unscheduled maintenance, liability insurance, and fuel.

The following FY 2025 rates are for reference only. These are the rates as of March 26, 2024. As of today's price, the rates are at the Tier 1 level. The recommended 2027 biennium rates will be determined based on the number of lease vehicle requests received from this survey and will be provided to agencies in August.

FY 25 Estimated Rates			
Class	Description	(per hr)	(per mile)
02	Small Utilities	1.171	0.200
04	Large Utilities	1.497	0.288
05	Hybrid Sedans	1.013	0.192
06	Mid-Size Compact	1.089	0.195
07	Small Pickups	0.428	0.321
11	Large Pickups	1.505	0.293
12	Van, All Types	1.192	0.241

Example: If an agency requests a class 02 small utility and estimates 12,000 miles per year, the estimated cost would be (2,920 hrs x \$1.522/hr) +(12,000 x \$0.133/mile) = \$6,040.24 per year.