

University of California, Merced
Business & Financial Services
Fleet Services Recharge Rate Summary
Proposed Rates for Fiscal Year 2018/19

SERVICE/ACTIVITY	CURRENT RATES		PROPOSED RATES	
	C&G RATE	NON-C&G RATE	C&G RATE	NON-C&G RATE
			% Δ	% Δ
Fleet Services Administrative Rate				
Long-Term Vehicle Administration Fee	\$243.26	\$253.26	\$232.59 ↓ -4.4%	\$242.59 ↓ -4.2%
Long-Term Cart Administration Fee	\$62.97	\$67.97	\$53.07 ↓ -15.7%	\$58.07 ↓ -14.6%
Long-Term Equipment Administration Fee	\$34.83	\$39.83	\$22.62 ↓ -35.1%	\$27.62 ↓ -30.7%

SERVICE/ACTIVITY	CURRENT SERVICE FEE	PROPOSED SERVICE FEE	UC AVERAGE	ENTERPRISE RATES
			% Δ	
Daily Vehicle Rental Rates				
Passenger Van	\$73.46	\$63.92 ↓ -13.0%	\$73.57	\$60.89
Compact/Compressed Natural Gas Sedan	\$54.90	\$27.26 ↓ -50.3%	\$27.26	n/a
Electric Sedan		\$39.30 ● 0.0%	\$52.10	n/a
Full-Size Sedan	\$55.42	\$55.75 ↑ 0.6%	\$49.74	\$40.94
Full-Size Truck	\$62.04	\$66.62 ↑ 7.4%	\$66.99	\$60.89
Sports Utility Vehicle	\$60.41	\$58.68 ↓ -2.9%	\$74.20	\$60.89
Weekly Vehicle Rental Rates				
Passenger Van	\$220.38	\$191.77 ↓ -13.0%	n/a	\$334.89
Compact/Compressed Natural Gas Sedan	\$164.71	\$81.79 ↓ -50.3%	n/a	n/a
Electric Sedan		\$117.89 ● 0.0%	n/a	n/a
Full-Size Sedan	\$166.25	\$167.25 ↑ 0.6%	n/a	\$225.17
Full-Size Truck	\$186.13	\$199.85 ↑ 7.4%	n/a	\$334.89
Sports Utility Vehicle	\$181.24	\$176.05 ↓ -2.9%	n/a	\$334.89
Daily Cart Rental Rates				
2-Passenger Carts	\$66.01	\$60.94 ↓ -7.7%	\$49.86	n/a
6-Passenger Carts	\$64.37	\$48.78 ↓ -24.2%	\$49.86	n/a

Note: Long-Term Administration rates are calculated on the basis of current items in the Fleet Inventory (e.g. Vehicle, Carts, and Equipment), and Rental rates are calculated on the basis of estimated rentals days. The cost analysis containing all calculations has been included in this submission.

RECHARGE COMMITTEE DECISION

After working with Fleet Services to recalculate the Administrative Fee and Short Term Vehicle and Cart rental rates, Fleet Services is requesting the consolidation of the current two-tier rates (contract/grant and non-contract/grant) to a single tier for the short-term rental rates.

With the current short-term vehicle and cart rental recharge rates, separate contract/grant and non-contract/grant rates were established back around 2014/2015 because at the time, it was not clear if the depreciation/vehicle replacement costs that were included in the rental rates were also included in the campus F&A rate (if vehicle depreciation was included in the F&A rates, this would double-charge Federal users of the short-term vehicles, once in the F&A rate and the other in the recharge rate). After cleaning up the short-term vehicle pool, a specific subset of recently acquired vehicles are only used as part of this program, and it can be confirmed that depreciation/replacement costs for these vehicles is not in our current F&A rate, or the proposed F&A rate calculations. Because of this, we now have the ability to recover this cost from our contract/grant users and consolidate the rate tiers.

While the committee was in agreement that this would be a good move for Fleet Services, there were some concerns on the cost impacts to contract and grant users (the average rate increase would be 116%, or \$29). It was recommended that if we move forward with this new rate structure, that an impact analysis be performed to quantify the impacts to contracts and grants (and startup funds). Further, a communication plan should also be established so we present the new rate information to the appropriate research groups.

This impact analysis has been attached. From this review, approximately 4% of FY2016/17 short-term vehicle rental revenue originated from contract and grant sources (excludes pass-through costs, such as fuel or repairs), for a total amount of \$1,428. When applying FY2016/17 contract and grant usage statistics to the proposed vehicle rates, the charges to contracts and grant users will increase by approximately 145%, or \$2,094. While there will be an increase to contracts and grants users, it was brought up at the Committee meeting that these users should also pay their share of allowable costs and the rates should not be made lower for certain users for identical services, especially where no unallowable costs are included in the rate calculations and all costs can be equally charged to all users. If the contract and grant rates are still allowed, we would be subsidizing our Sponsoring Agencies with University funds.

Enterprise Rate Comparison

Collectively over a fiscal year, UC Merced internal-users would pay approximately \$1,100 more for using our internal Fleet, rather than Enterprise, for short-term daily vehicle rentals (based on FY16/17 vehicle usage statistics). This is a result of Enterprise having reduced daily rates for the passenger van, full-size sedan, and full-size truck. While the daily-rates for most Enterprise vehicles are on average \$7.86 lower, the weekly rates charged by Enterprise are higher than UC Merced.

Many of the short-term weekly users at UC Merced use the vehicles on a Monday-Friday basis (five business days). With Enterprise, the weekly rates is 5.5-times the daily rate, and is currently priced higher than UC Merced's weekly rates (3.0-times the daily rate). Assuming UC Merced internal-users were to use the Enterprise vehicles and pay the weekly rate, collectively over a fiscal year, UC Merced would pay more (approximately \$4,300) to rent Enterprises' vehicles for a week. If a department were to rent a vehicle for five-business days, this would still result in UC Merced paying more for the business-week rental (approximately \$3,000).

SERVICE CENTER BUDGET STATISTICS

Full-Time Equivalent Supported by Recharge	0.13
Projected FY2018/19 Revenue	63,250
Projected FY2018/19 Expenditures	54,672
Surplus/(Deficit) from Operations	\$ 8,578
Projected FY2017/18 Carry-Forward Balance	24,966
FY2018/19 Net Position	\$ 33,544