



ADMINISTRATIVE PROCEDURES

Procedure Number: 49-10

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County Administrator

SUBJECT: **FLAT RATE MILEAGE CHARGE (FRMC)**

DEPARTMENT RESPONSIBLE: **FLEET SERVICES DEPARTMENT**

I. STATEMENT

This procedure details the guidelines of the Flat Rate Mileage Charge (FRMC). The FRMC is implemented for the following reasons;

- County Fleet will operate more efficiently.
- Number of underutilized vehicles will decline.
- Provides a financial incentive to Departments to utilize their vehicles more efficiently.
- Fleet Services will be reimbursed for all expenses related to vehicle underutilization.

II. DEFINITIONS

Underutilized vehicles – are defined as vehicles that traveling less than the annual utilization base. The utilization base is set annually as part of the FRMC process.

Flat Rate Mileage Charge- is a monthly billing process that charges every mileage rate vehicle a base number of miles times the vehicle class mileage rate as a minimum monthly charge for assigned vehicles.

III. PROCEDURE

Once the FRMC has been set, the Fleet Management System will be modified to reflect the FRMC base miles to be charged. In addition, the following items pertain to the FRMC.

- The Fleet Management Billing System looks at each month without any regard to the possibility the vehicle drove less than the base miles in any month. Departments cannot bank credit miles in this system.
- The FRMC will have no effect on the monthly bills of those vehicles that travel more than the base miles set in the FRMC.
- On a monthly basis, departments will be charged for actual mileage in excess of the FRMC for that month.

VI. AUTHORITY

Each year during the Budget process Fleet Services and Finance & Risk Management will set the base number of miles to be used in the FRMC process. Fleet Services and Finance & Risk Management are the only two Departments that have any authority over the FRMC process.