

## MGT-16

### Employees use car-share program

When Philadelphia, Pennsylvania (1,518,000), cut the core budget of its fleet management office by \$2 million and the fleet acquisition budget by another \$2 million, the office realized that the only way to balance its budget would be by eliminating 400 cars from the city's fleet. The office knew it needed to soften the blow to employees who would lose their assigned vehicles as well as enable departments to get their work done. Fleet management teamed up with PhillyCarShare, a local car-sharing nonprofit organization, to offer employees access to a group of cars shared with other employees.

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#### Implementation notes

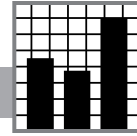
**Leadership/staffing** The city's initiative is led jointly by the mayor's office, the office of fleet management, the finance department, and the managing director's office.

**Timeline** The program has been in place since the spring of 2004.

**Budget/funding** Under its contract with the city, PhillyCarShare charges employees the same rate as individuals. Departments are charged \$3.90 per hour plus 39 cents per mile when their employees use the cars assigned to the city. These charges cover expenses for maintenance, insurance, and gas.

**Program description** When fleet management decided to offer the car-sharing option to departments, it issued a request for proposals from potential suppliers of automobiles. Responses came in from some large, for-profit companies, including a car rental agency, but the city selected a local nonprofit, PhillyCarShare.

Employees who have a sporadic need for a city car now request department permission to use a shared car. Once they have permission, these employees can reserve a car online or over the phone. Reservations can be made 15 minutes or several days in advance. The car-share organization's Web site shows the locations of available cars, and employees select one to use. The employees then go to the



public garage in the downtown location where the vehicle is stored, use the key fob that was assigned to them to unlock the car, and proceed to use the key mounted on the dashboard to drive the car. On-board computers track the driver's time and mileage so that the employees' departments can be billed for the car use. Employees return their cars to the same parking lots when they complete their tasks. The cars provided to employees are hybrid gas-electric sedans and fuel-efficient station wagons.

To further offset the challenges created by eliminating fleet vehicles, the city has expanded its personal auto program, which reimburses employees up to \$150 a month when they use their own cars for city business. A new vehicle allowance program provides monthly stipends for employees who often need a vehicle.

**Results** Employees are using the cars so much that PhillyCarShare recently increased—from nine to ten—the number of vehicles assigned to the city. It is currently negotiating with departments to determine their projected need for the vehicles, and it expects to expand the number of cars even further. Fleet management has reduced its fleet by 250 vehicles to date, and it plans to eliminate an additional 150 in the near future.