

## STATE FLEET VEHICLE RENTAL RATES

There are three components to the rental rates of state fleet vehicles. They are operating, depreciation, and replacement. The operating and depreciation can be charged to federal projects, however the replacement rate cannot.

### Operating Rate

To determine the operating rental rate, the following components are included in the calculation:

1. Direct Labor and Payroll Additives.
2. Parts, Fuel, Commercial Repairs, Etc.
3. State Fleet Services Overhead.
4. Shop Overhead.
5. Insurance.
6. The rate computation will include the adjustment for over/under applied revenues.

These costs are rolled up over a 12-month period and then divided by the 12 month usage to arrive at an actual cost operating rate per mile/hour. We review these costs quarterly and make adjustments to the rate to avoid as much over/under applied revenue as possible.

### Depreciation Rate

To determine the depreciation rental rate the following components are used in the calculation:

1. Miles or hours vehicle to be in service.
2. Years vehicle to be in service.
3. The rate computation will include the adjustment for gain/loss from sale.

Financial Management Division will use this information as well as the estimated salvage value to determine the current depreciation schedule to be assigned to each group of new units. Estimated salvage value is based on a percentage of new vehicle cost as dictated by recent auctions. All vehicle depreciation is straight line over the useful months' life of the vehicle minus the estimated salvage value. Depreciation is charged based on if vehicle is a pool or assigned vehicle.

- For pool vehicles, agencies are to budget depreciation based on miles/hours driven.
- For assigned vehicles, agencies are to budget based on number of vehicles in group times the group monthly assigned depreciation rate times 24 months. This rate will be charged each month regardless of usage.

### Replacement Rate

The purpose of the replacement rate is to recover the cost associated with inflation of new vehicle prices from the time a new vehicle is purchased until the time it is to be replaced and/or the addition of new vehicles to a group to meet the state's needs.

If the new prices remain flat within a group or there are no new additions to the group, the replacement rate may not be needed for periods of time.

The process used to calculate the rates is in full compliance with 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Compliance with this regulation allows agencies to apply State fleet usage costs to federal programs as applicable.

The rates are reviewed quarterly and, if necessary, adjusted to remain responsive to changing conditions. It should be noted the rates are not designed to result in a new profit or loss to state fleet; however, they are designed to cover the actual costs of operating and acquiring state fleet vehicles.

### Replacement Guidelines

The following are examples of the guidelines used to replace some of the vehicle groups:

Group	Replacement age	Target miles
01 Mini Passenger Vans	7 Years	75,000 Miles
02 Sedans	5 Years	70,000 Miles
03 Light Duty Pickups and Cargo Vans	8 Years	85,000 Miles
04 Heavy Duty Pickups and Vans	7 Years	85,000 Miles
07 Highway Patrol Vehicles	5 Years	85-100,000 Miles
08 Game Enforcement	4 Years	80,000 Miles
09 Regulatory Vehicles	4 Years	85,000 Miles
12 Facility Vehicles	12 Years	N/A
13 Compact SUV	6 Years	80,000 Miles
18 Miscellaneous Trucks	12 Years	N/A
22 Tandem Axle Snow Plow Truck	15 Years	N/A

State Fleet consistently evaluates the depreciation (replacement years) to determine if changes should be made.

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
STATE FLEET SERVICE  
2021 - 2023 BIENNIUM**

**ASSIGNED VEHICLE BUDGET GUIDELINES**

DESCRIPTION	GROUP No.	OPER RATE	REPLCMNT RATE	MILE/HOUR RATE	DEPREC/ MONTH
<b>Mini Pass. Van</b>	<b>1</b>	<b>0.28</b>	<b>0.04</b>	<b>0.32</b>	<b>152.00</b>
Sedan/Wagon	2	0.22		0.22	161.00
<b>Light Pickup/Cargo Van/Full-Size Utility</b>	<b>3</b>	<b>0.34</b>	<b>0.12</b>	<b>0.46</b>	<b>192.00</b>
Heavy Pickup/Van/Full-Size Utility	4	0.21	0.06	0.27	216.00
<b>Highway Patrol</b>	<b>7</b>	<b>0.37</b>	<b>0.02</b>	<b>0.39</b>	<b>463.00</b>
Game & Fish Enforcement	8	0.28	0.04	0.32	400.00
<b>Regulatory Vehicles</b>	<b>9</b>	<b>0.21</b>	<b>0.02</b>	<b>0.23</b>	<b>304.00</b>
Facility Service Vehicle	12	0.77	0.20	0.97	140.00
<b>Compact Utility/All</b>	<b>13</b>	<b>0.38</b>	<b>0.20</b>	<b>0.58</b>	<b>243.00</b>
Miscellaneous Truck/Mid-Size Bus	18	32.00	3.00	35.00	210.00
<b>Distributor Truck</b>	<b>19</b>	<b>35.00</b>		<b>35.00</b>	<b>322.00</b>
Sign Truck/Garbage Truck	20	37.00		37.00	662.00
<b>Medium Axle Truck/All</b>	<b>22</b>	<b>63.00</b>	<b>15.00</b>	<b>78.00</b>	<b>682.00</b>
Tractor	23	52.00		52.00	288.00
<b>Water Commission Truck</b>	<b>27</b>	<b>30.00</b>		<b>30.00</b>	<b>1,062.00</b>
Shuttle Bus	30	29.00		29.00	533.00
<b>Drill Truck</b>	<b>32</b>	<b>16.00</b>		<b>16.00</b>	<b>573.00</b>

**FLEET MOTOR POOL VEHICLE BUDGET GUIDELINES**

DESCRIPTION	GROUP No.	OPER & DEPR RATE	REPLCMNT RATE	MILE/HOUR RATE
<b>Mini Pass. Van</b>	<b>1</b>	<b>0.50</b>	<b>0.04</b>	<b>0.54</b>
Sedan/Wagon	2	0.42		0.42
<b>Light Pickup/Cargo Van/Full-Size Utility</b>	<b>3</b>	<b>0.60</b>	<b>0.12</b>	<b>0.72</b>
Heavy Pickup/Van/Full-Size Utility	4	0.68	0.06	0.74
<b>Highway Patrol</b>	<b>7</b>	<b>0.65</b>	<b>0.02</b>	<b>0.67</b>
Game & Fish Enforcement	8	0.42	0.04	0.46
<b>Regulatory Vehicles</b>	<b>9</b>	<b>0.35</b>	<b>0.02</b>	<b>0.37</b>
Facility Service Vehicle	12	1.56	0.20	1.76
<b>Compact Utility/All</b>	<b>13</b>	<b>0.62</b>	<b>0.20</b>	<b>0.82</b>
Miscellaneous Truck/Mid-Size Bus	18	48.00	3.00	51.00
<b>Rotary Snowplow</b>	<b>24</b>	<b>86.00</b>		<b>86.00</b>
Medical Simulator Trucks	25	43.00		43.00
<b>Bridge Aerial Lift</b>	<b>28</b>	<b>45.00</b>		<b>45.00</b>
Fireworker Truck	29	49.00		49.00
<b>Fuel Truck</b>	<b>31</b>	<b>14.00</b>		<b>14.00</b>

The replacement rate is a federally unallowable cost and therefore should not be charged to federal awards