



Mitigating Fuel Costs

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Whenever fuel costs skyrocket, fleet managers tend to turn to what has worked for them in the past. They revitalize old emails and newsletters, reminding vehicle operators of the virtues of such well known fuel savings techniques as properly inflating tires, using regular unleaded instead of premium unleaded fuel, use of generic-name fuel instead of popular brand-name, etc.

There are items that fleet managers can do now and into the future that can save fuel on an ongoing basis. One item that is so basic that it is often overlooked, is obtaining the right vehicle to do the job to begin with. Often times the wrong vehicle is acquired or it is either under-spec'd or over-spec'd.

When these situations occur, the vehicle is either working harder to do the job and wasting fuel or wasting fuel by propelling a vehicle that is heavier than required.

Another important continuous cost savings is the routine monitoring of fuel inventory and consumption. A routine balancing of fuel inventory can detect possible pilferage or misuse early, while ensuring that there is an adequate supply on hand.

Fuel systems and fuel card issuers provide standard and exception fuel reports. Reviewing them on a routine basis will give you an edge when it comes to vehicle and fuel misuse. Monitoring MPG by vehicle class will display vehicles with

MPGs that fall outside tolerance parameters. If for example all sedans of a specific model in the fleet average 22 MPG, exception reports should be set to a MPG that should trigger a vehicle review, say 20 on the low side and 24 on the high side.

Vehicles with a very high MPG may signal other problems such as using the vehicle for non-business related reasons. If the mileage is collected as usual but if fuel is put in the vehicle outside the standard fueling methods, this will result in a higher MPG and may indicate misuse of the vehicle.

Seek out the better performing 6-cylinder engines. Downgrading to a 4-cylinder for insignificant fuel savings could result in a loss at resale, exceeding the fuel savings. Periodically review routes to see if some can either be combined or entirely eliminated. Check to see if some of the vehicle traffic can actually be done on the telephone or on the Internet.

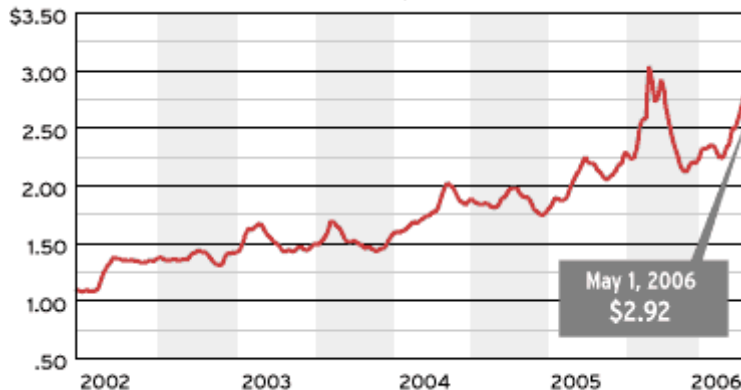
Ensure that vehicles in the motor pool are fully utilized rather than reimburse for mileage while pool vehicles sit idle. In many instances, mileage reimbursement is more expensive than using pool vehicles or renting vehicles. Institute a web based program where the driver inputs the start-

ing and stopping point, and the program selects the cheapest of the three methods and provides a copy to the driver and the driver's manager.

Use diesel engines where possible in light duty vehicles instead of gasoline engines. Diesels produce a fuel economy savings compared to gasoline engines. A few items that are often overlooked for fuel savings are to remind drivers to use cruise control when possible and that big isn't always better. Encourage leaders that want to provide a vehicle upgrade to deserving executives or other employees, to issue them an upgraded sedan instead of a higher fuel consuming SUV.

Implement these and other fuel saving items that make good daily business sense and you can show your superiors that your plan to save fuel is ongoing, and not just a passing trend that will be forgotten when fuel prices drop.

U.S. AVERAGE RETAIL GASOLINE PRICE, REGULAR GRADE (PER GALLON)



SOURCE: Energy Information Administration

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