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Session notes from the AM Breakout Session
Wednesday June 6th 2018

From TCO to TCM – Presenting the Cost Allocation Tool

Presenter:

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During the session an introduction and presentation was given on the new Cost Allocation Tool developed by Fleet Forum. CAT has been developed with the support of USAID / OFDA, to serve NGOs and other humanitarian agencies. CAT has been developed based on feedback, best practices and requests from various fleet-operating humanitarian agencies. The CAT tool allows humanitarian fleet managers at country level to allocate cost to projects/programmes based on TCO; total cost of ownership. It furthermore allows agencies to properly budget and plan for forthcoming years or projects/programmes. The session had two main objectives, presenting the work being carried out and most importantly discuss the wider issues, impact and way forward of CAT. The forthcoming paragraphs will summarize some of the discussions that took place among and by the participants of the sessions or questions being raised. The breakout session ran twice in the morning.

A summary of several issues discussed during the sessions:

Budgeting & FMS: for larger agencies all of the data required for the first part should be captured in their FMS system. Why is the budgeting/plan component as presented in the CAT tool not incorporated within the commercial Fleet Management Systems (FMS)?

Reserve building: if a vehicle is disposed, how to deal with these disposal revenue? During the session it was questioned if an agency should use this revenue to build up reserves. OR should this disposal revenue be seen as direct revenue influencing your yearly total cost. But how about if you dispose five vehicles in a certain year, that would really reduce your fleet cost in the next year.

From TCO to TCM: The concept of TCO was widely acknowledged by the participants, and what it had to include. However if we are to move to TCM, Total Cost of Mobility; after the discussion a pentagon was drawn on where the cost should be based on. Discussed with concept to TCM, there are other parameters to get included, asking for other options. Identified were:

1. where you drive the car (city, rural, and other options)
2. When you drive, day/night, morning/afternoon, rush hour/non rush hours
3. Mileage was fully agreed here, however people were taken by the concept of days in use too
4. What you drive (eg people for meetings, assessment team, goods, patients, etc)
5. How do you drive (driving behaviour)

Efficiency, outside the Fleet Box: Several discussions were concerned about next steps towards TCM; Total Cost of Mobility. Should we only look at fleet for this, or should we start looking “outside the fleet box”. Enabling shuttles between offices or driving from warehouse to office and back; isn’t a different layout in these cases more efficient?

Missing in CAT and for future releases: In no specific order, but to consider for the future:

- Disposal cost of vehicles
- Time spend by procurement in HR cost,
- How to include lease cost for future releases of CAT?