



February 23, 2010

The Honorable Denise Moreno Ducheny, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814
Attn: Jody Martin, Principal Consultant

Dear Senator Ducheny:

Pursuant to the requirements of Senate Bill (SB) 78, Chapter 172, Statutes of 2007 (The Budget Act of 2007), the Department of General Services (DGS) is submitting the Fleet Asset Management System (FAMS) Implementation Report for 2009.

In keeping with our commitment to environmental conservation, we have posted this report on our website. The report can be viewed at:
<http://www.legi.dgs.ca.gov/Publications/2009LegislativeReports.htm>. The report is entitled the Fleet Asset Management System (FAMS) Implementation Report for 2009 (SB 78).

If you wish to receive a printed copy of this report, please contact Kimberly Harbison, Associate Governmental Program Analyst, Office of Fleet and Asset Management, Department of General Services, at (916) 928-9808.

Sincerely,



Ronald L. Diedrich
Acting Director

cc: Distribution List #5
Kimberly Harbison, Associate Governmental Program Analyst, Office of Fleet and Asset Management, Department of General Services

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Attn: Danny Alvarez, Staff Director

The Honorable Christine Kehoe, Chair (Attn: Bob Franzoia, Director)
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The Honorable Noreen Evans, Chair
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REVISED 1/29/10

Fleet Asset Management System Implementation Report for 2009

Report to the Legislature and the Department of Finance
September, 2009

State of California

Arnold Schwarzenegger, Governor

State and Consumer Services Agency

Fred Aguiar, Secretary

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TABLE OF CONTENTS

| TOPIC | PAGE NUMBER |
|---|--------------------|
| EXECUTIVE SUMMARY | 1 |
| BACKGROUND | 2 |
| INTRODUCTION | 3 |
| IMPLEMENTATION OF THE FLEET ASSET MANAGEMENT SYSTEM | 4 |
| STATUS UPDATE ON THE FLEET ASSET MANAGEMENT SYSTEM | 5 |
| PROJECT RISKS AND MITIGATION STRATEGIES | 6 |
| THE FLEET ASSET MANAGEMENT SYSTEM AND THE ENVIRONMENT | 8 |
| BENEFICIAL OUTCOMES OF IMPLEMENTING THE FLEET ASSET MANAGEMENT SYSTEM | 9 |
| CONCLUSION | 11 |
| ATTACHMENT A, LIST OF AGENCIES THAT HAVE ENTERED FLEET DATA INTO THE FLEET ASSET MANAGEMENT SYSTEM | 13 |
| ATTACHMENT B, LIST OF AGENCIES THAT HAVE NOT ENTERED FLEET DATA INTO THE FLEET ASSET MANAGEMENT SYSTEM | 16 |

FLEET ASSET MANAGEMENT SYSTEM IMPLEMENTATION REPORT 2009 (SENATE BILL 78)

Executive Summary

This report discusses the evolution of the Fleet Asset Management System (FAMS), the Department of General Services' (DGS) progress to date, and the ongoing work being conducted with State agencies to assist them in verifying and uploading their fleet data into the FAMS.

Currently, 128 of the 145 reporting agencies have complied with the requirement to report their data into the FAMS. The 17 agencies that have not input their data into the FAMS represent approximately 7 percent of the statewide vehicle fleet. The DGS expects to achieve 100 percent participation from reporting agencies by the end of 2009. The DGS will be using the 15 percent vehicle reduction plans required by EO S-14-09 to validate the departments' vehicle inventory data and ensure an accurate accounting of State fleet vehicles by comparing them to Department of Motor Vehicles (DMV) records. Additionally, plans are under way to update the vehicle home storage permit form to capture data that makes the justified business need for a permit easier to discern, and to modify the FAMS to incorporate this data.

When fully implemented, the FAMS will enable the DGS to efficiently and effectively record, access and manage critical information about California's statewide fleet inventory. This data will be used to improve the State's analysis and reporting capabilities by providing consistent and reliable statewide fleet data with a higher level of data integrity than ever before. The DGS' Office of Fleet and Asset Management (OFAM) will be able to create both standard and customized reports to meet a variety of analysis and reporting mandates, as well as produce ad hoc reports for the Administration, the Legislature, the media, and the public within short timeframes. The use and analysis of this robust data will allow the OFAM to improve overall operating efficiencies. Additionally, the OFAM will be able to position the State fleet to minimize its impact on the environment and the State budget by right-sizing the fleet, removing higher-polluting vehicles from the fleet and replacing them with newer, more fuel efficient models, and actively managing vehicle miles traveled to reduce petroleum consumption.

Background

The California Department of General Services' (DGS) Office of Fleet & Asset Management (OFAM) provides transportation and commute-related services statewide. The OFAM is responsible for the development, implementation, and enforcement of policies, procedures, and processes governing State-owned mobile equipment and vehicles. The OFAM oversees vehicle acquisitions and dispositions and provides consultation regarding automotive management problems and transportation-related services that include vehicle pools, repair facilities, vehicle inspection, and employee parking. The OFAM is also responsible for travel-related services that include discount air fares, commercial car rentals, hotel/lodging, and meeting and conference planning.

Historically, the OFAM has functioned primarily as a service provider of fleet vehicles to various State agencies. Recent legislation and Executive Orders have moved the Office into a more comprehensive policy role and expanded the OFAM's duties and reporting responsibilities. While State agencies are responsible for managing their fleets, complying with statewide fleet rules, and meeting fleet related policy goals, the DGS has been assigned the lead role in administering statewide policy governing the purchase, operation, maintenance, and disposition of mobile equipment for State agencies and departments under the Governor's direct executive authority. This expanded role also includes compiling, analyzing, and reporting comprehensive statewide information regarding the composition, utilization, reutilization and disposition of all fleet assets; adopting fuel efficiency standards; and reducing vehicle miles traveled, petroleum use and green house gas emissions, among other mandates. Examples of legislative directives that have lead to such a significant shift in the OFAM's roles and responsibilities include:

- **Chapter 737, Statutes of 2003 (SB 552 - Burton)** added Section 25722.5 to the Public Resources Code, requiring the DGS, in consultation with the California Air Resources Board (CARB) and the California Energy Commission (CEC), to develop new, environmentally conscientious, and more energy efficient fleet vehicle specifications, and to compile comprehensive information about the State fleet each calendar year.
- **Chapter 767, Statutes of 2006 (AB 2264 - Pavley)** added a new component to this statute that established a minimum fuel economy standard for passenger vehicles and light duty trucks.
- **Chapter 593, Statutes of 2007 (AB 236 - Lieu, DeSaulnier, and Huffman)** further amended the statute and revised the fleet purchasing methodology to rank the environmental and energy benefits of fleet procurements, added additional fleet utilization data and other reporting criteria, and required a plan be developed to reduce the State fleet's petroleum consumption 10 percent by 2012 and 20 percent by 2020.
- **Executive Order S-14-09 (EO)** requires State agencies and departments under the Governor's direct executive authority that own or operate leased vehicles to reduce the overall size of their respective fleets by 15 percent by April 1, 2010, while maintaining the newest, most fuel efficient vehicles whenever possible. The EO also requires a reduction of the number of vehicle home storage permits by at least 20 percent and a justification for all remaining permits. And, with limited exceptions, the EO prohibits departments from ordering or purchasing any new vehicles for non-emergency use. Departments

must submit their reduction plans to the DGS; the DGS must then make public the progress of meeting the reduction targets by July 1, 2010.

In response to this role shift, the OFAM is implementing the Fleet Asset Management System (FAMS). The FAMS is a technological solution designed to replace a decentralized and antiquated manual data gathering and reporting process with a centralized electronic data warehouse. The primary objective of the FAMS is to provide a reliable tool for the accurate and efficient collection, storage, and retrieval of statewide fleet inventory and utilization data from the DGS and other reporting agencies.

When fully implemented, the FAMS will enable the DGS to efficiently and effectively record, access and manage critical information about California's statewide fleet inventory. This data will be used to improve the State's analysis and reporting capabilities by providing consistent and reliable statewide fleet data with a higher level of data integrity than ever before. The OFAM will be able to create both standard and customized reports to meet a variety of analysis and reporting mandates, as well as produce ad hoc reports within short timeframes for the Administration, the Legislature, the media, and the public. The use and analysis of this robust data will allow the OFAM to improve overall operating efficiencies. Additionally, the OFAM will be able to position the State fleet to minimize its impact on the environment and the State budget by right-sizing the fleet, removing higher-polluting vehicles from the fleet and replacing them with newer, more fuel efficient models, and actively managing vehicle miles traveled to reduce petroleum consumption.

Introduction

This is the first of two status reports delineated in Senate Bill 78, Chapter 172, Statutes of 2007 (The Budget Act of 2007), regarding the progress of the implementation of the FAMS. Governor Schwarzenegger vetoed the language in SB 78 that codified the reporting requirement because it amounted to "an expenditure increase without regard to the availability of revenues." However, in light of the Legislature's desire to obtain statewide fleet information, the Governor did instruct the DGS Director to "comply with this legislative request for this report to the extent compliance can be achieved using existing resources and without impairing the DGS' ability to perform its essential functions." The DGS believes it is in the public's best interest to provide status reports on the implementation of the FAMS, and has prepared this report for the Legislature's consideration accordingly.

SB 78 provided the expenditure authority for the FAMS and instructed the DGS to provide FAMS implementation progress reports to the Department of Finance and the appropriate fiscal committees of the Legislature on April 1, 2009 and April 1, 2010. SB 78 requires status updates for the following areas:

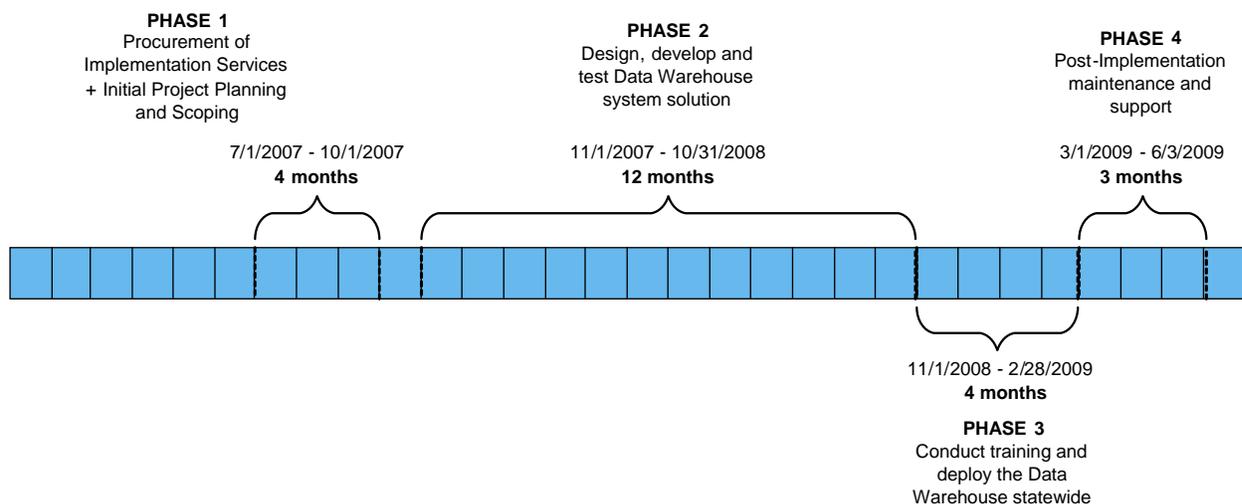
- a) Progress on meeting statewide fleet utilization targets;
- b) Disposal of vehicles not meeting minimum utilization standards;
- c) Trend of statewide fleet size;
- d) Trend of statewide fleet average fuel efficiency;
- e) Timeframes associated with producing standard and ad hoc reports; and
- f) Savings and cost avoidances achieved to date and potential for additional savings and cost avoidances.

Implementation of the FAMS

The initial introduction of the FAMS to all State agencies occurred in July of 2008, though the first of the four implementation phases began in July of 2007. Following is a brief description of each phase, along with a diagram of the project schedule (see Figure 1). The dates listed in Figure 1 reflect projected start and end dates for each phase of the implementation plan, while the actual dates are listed in the text below:

- **Phase 1, the *Procurement and Project Planning Stage***, began on July 1, 2007, and was completed on November 9, 2007. This phase involved the initial planning and scoping activities to procure the implementation services from pre-qualified Information Technology Consulting Service firms.
- **Phase 2, the *Data Warehouse System Development Stage***, began on November 1, 2007, and was completed ahead of schedule on June 26, 2008. This phase involved analyzing and validating the functional and technical requirements of the system, as well as development activities including installation, configuration, and testing of all solution components.
- **Phase 3, the *System Deployment and Training Stage***, began on June 27, 2008, and was completed ahead of schedule on January 7, 2009. This phase involved in-person and web-based training sessions for reporting agencies. Despite the official conclusion of this phase in January 2009, OFAM and the DGS Office of Technology Resources (OTR) staff have continued to provide training to agencies upon request. Most agencies accepted and completed training from the DGS by December 1, 2008, including the nine State agencies with the largest number of mobile assets. The OFAM intends to train the remaining agencies by December 31, 2009; if agencies choose not to participate in the training they will still be expected to enter their data into the FAMS.
- **Phase 4, the *Post-Implementation Maintenance and Support Stage*** (technical work), was completed ahead of schedule on July 1, 2008. Although this was the final phase of the FAMS implementation process, DGS OTR staff continue to provide ongoing support beyond the completion of Phase 4.

Figure 1: FAMS Project Schedule:



Prior to introducing the FAMS to State agencies, the DGS trained its own staff on the type of data and delivery processes required for uploading information to the data warehouse. The DGS then deployed the FAMS to a selected pilot group of agencies to determine whether the system met statewide reporting and analysis requirements. The pilot deployment proved successful, and the DGS subsequently initiated deployment to the remaining reporting agencies. The OFAM has identified 145 State Executive Branch entities; 137 of these agencies have reported to the DGS that they own or lease State vehicles. Once all of these entities have uploaded their complete primary data sets into the FAMS, the DGS will begin receiving vehicle purchase, disposal, utilization, and fuel data information into the system on a monthly basis.

The FAMS does not maintain or report information on vehicles owned or operated by the California Public Utilities Commission, the State Compensation Insurance Fund, the University of California, California Community Colleges, the Legislative Branch (including the Legislative Counsel Bureau), or the Judicial Branch because these entities do not fall under the direct executive authority of the Governor. The numbers for the Department of Food and Agriculture's 52 District Agricultural Associations (DAAs) and the California State University's (CSU's) 23 campuses, including the CSU Chancellor's Office, are consolidated in agency totals, rather than reported individually.

Status Update on the FAMS

In December of 2008, only 18 of the reporting agencies had entered their fleet data into the system; however, with the DGS' continued efforts to provide ongoing training to State agencies, as of July 2009, 128 agencies have uploaded their data into the FAMS (See Attachment A for a complete list of agencies that have entered their data into the system, and see Attachment B for a list of those that have not). The OFAM is in the process of verifying whether the data uploaded by these 128 agencies is complete and accurate. Of the 145 agencies that have reported they own or lease State vehicles, nine agencies combined, own or lease 82 percent of the 38,326 passenger vehicles in the State's fleet¹. These agencies are:

- 26% - California Department of Transportation (CalTrans)
 - 19% - Department of General Services (DGS)
 - 11% - California Highway Patrol (CHP)
 - 8% - California Department of Corrections and Rehabilitation (CDCR)
 - 5% - Department of Parks and Recreation (DPR)
 - 5% - California State University (CSU) System
 - 4% - Department of Fish and Game (DFG)
 - 3% - California Department of Forestry and Fire Protection (CDF)
 - 1% - Department of Water Resources (DWR)
- 82%

The DGS expects to achieve 100 percent participation from reporting agencies by the end of 2009. The DGS will be using the 15 percent vehicle reduction plans required by EO S-14-09 to validate the departments' vehicle inventory data and ensure an accurate accounting of State fleet vehicles by comparing them to DMV records. Additionally, plans are under way to

¹ SB 552 Report for 2007 – <http://www.documents.dgs.ca.gov/ofa/sb552/sb5522007.pdf>

update the vehicle home storage permit form to capture data that makes the justified business need for a permit easier to discern, and to modify the FAMS to incorporate this data.

Project Risks and Mitigation Strategies

Because the FAMS electronic database is a new concept in statewide fleet asset tracking, the DGS has encountered several challenges in implementing it. However, the DGS is actively and effectively mitigating project risks associated with the implementation of the FAMS. These risks include, but are not limited to, the following:

- Lack of experience – some agencies have never captured or tracked their fleet inventory and utilization data before which translates to submission of partial or inaccurate vehicle, fuel, and/or utilization data;
- Lack of the technological resources – many agencies still track their fleet data manually;
- Lack of consistency of data entries – there has never been a standard naming convention established for capturing and reporting fleet data;
- Technical problems uploading data into the FAMS; and,
- Lack of participation from all agencies.

Each State agency oversees its own fleet assets and is responsible for utilizing leveraged vehicle contracts negotiated by the DGS OFAM and the DGS Procurement Division to purchase vehicles; they are also responsible for the payment, management, and reporting of their respective vehicle assets to the DGS. The OFAM has found that some State agencies do not normally maintain or track the type of fleet data that the FAMS specifically requests, such as mileage, fuel types or amounts of fuel consumed, or if they do track it, the information is often incomplete and/or inaccurate. Furthermore, until recently, agencies have been using a variety of methods to track their fleet assets and vehicle performance data – some have been using stand-alone database applications or spreadsheets to record, analyze, and report their fleet assets, while some smaller State agencies have been attempting to capture the information manually. Often, the data fields selected for tracking are inconsistent from agency to agency, and for those data fields that are consistent, the records frequently include abbreviations or acronyms that are not readily identifiable, consistent, or able to be matched with other records. This leads to classification discrepancies that make aggregate reporting more complex and require manual intervention for interpretation and correction. This is a tedious, time consuming, and costly task that requires staff and resources that State agencies do not readily have available, especially in times of economic uncertainty, employee furloughs, and budget constraints.

Thus, the first challenge the OFAM staff faced was educating the 145 State agencies required to report their data about how to switch from ineffective paper and incompatible electronic tracking systems, or none at all, to a uniform, centralized electronic format. With the implementation of the FAMS, the DGS has put new policies and procedures in place that will guarantee fleet data will be consistent statewide. In the past, the ability to capture certain types of data and ensure its accuracy was dependent upon the input policies and processes adopted by each agency, but the FAMS will now provide State agencies with the same parameters and data definitions to track and enter their data, thereby increasing data integrity and reliability.

The second, ongoing, challenge has been achieving full reporting participation from these agencies and assisting them in entering the nearly 52,000 mobile assets owned by the State of California into the FAMS system in a relatively short amount of time². The OFAM has instituted mitigation strategies to guarantee 100 percent participation in the FAMS by those State agencies required to report their data. These mitigation strategies will assist those agencies that have yet to input their inventory data, have only maintained partial or inaccurate fleet data, and/or are missing fuel and various utilization data, including vehicle mileage. The DGS' mitigation strategies include:

- Providing (ongoing) FAMS training in person and through webinars;
- Improving communications with agencies by assigning dedicated OFAM staff to provide one-on-one support;
- Agency-specific assistance;
- Developing better instructional materials for State agencies to assist them in preparing their data submissions;
- Regular information updates to ensure that all agencies continue to receive the same information about any changes in policies, procedures, or requirements; and
- Encouraging agencies to self-validate their data prior to submission.

Other mitigation strategies the DGS will employ to assist State agencies include using DGS staff to conduct initial data verification and data entry to guarantee the data uploaded into the FAMS is accurate and complete by the end of 2009. The DGS also plans to garner support for the FAMS by involving upper levels of agencies' management in the project through regular written updates notifying them about their agencies' status; this will ensure high-level support to capture and report the required data into the FAMS each month. Additionally, the DGS plans to post FAMS participation on its webpage, and will provide the DOF and the Legislature with periodic comprehensive implementation status reports as requested in SB 78.

The third major challenge has been collecting accurate statistical data on bulk fuel, as State agencies often track usage manually on a paper clipboard system. This manual process of tracking bulk fuel limits agencies' ability to reliably track their bulk fuel purchases and consumption, as well as their ability to upload this fuel data into the FAMS. The OFAM is currently working to secure contracts to install electronic card readers and sensors on all bulk fuel tanks statewide. The card readers and sensors will allow the bulk fuel utilization data to be electronically captured and uploaded into the FAMS, and will increase the accuracy of reported bulk fuel data. This information will then be used to negotiate better contract prices on fuel. Installation of the sensors will also result in cost avoidances to these agencies through better fuel contract management, as departments will have more accurate information about the fuel levels in the tanks and be able to avoid rush orders for refueling that incur financial penalties.

Another significant challenge in the fuel arena is the accuracy of the classification of fuel types that the OFAM receives from the Voyager Fleet Credit Card. (Note: The Voyager Fleet Credit Card is the primary payment mechanism for retail fuel purchases, and the OFAM has the ability to capture and upload fuel information into the FAMS using Voyager Fleet

² Note: While the SB 552 Report for 2007 identified 38,326 passenger vehicles in the State's fleet, the FAMS data warehouse collects information on all of the State's nearly 52,000 mobile assets, including construction, farm, fire, and snow equipment, boats, forklifts, trailers, passenger vehicles, etc.

Credit Card fuel data records). The OFAM has learned that this is due largely to the limitations and inconsistencies of the coding systems commercial fueling stations use. For example, Ethanol fuel (E-85) could be coded as unleaded fuel at one fueling station and as diesel at another. Additionally, third party vendors who process the credit card information may not be coding the fuel types correctly. OFAM Inspectors visited twenty-two (22) alternative fueling sites throughout California in June of 2009 to test the data integrity of E-85 coding. Twenty-one of the physical receipts correctly identified the product being purchased as E-85, and the other one identified the fuel type as "Flex." The results were far less accurate once the data had been processed through to the credit card statements. Fourteen (64%) of the transactions were miscoded as "Unleaded," two (9%) transactions were miscoded as "BL77," one (4.5%) transaction was miscoded as "DSL," one (4.5%) transaction was miscoded as "Super Unleaded," and only four (18%) transactions were coded correctly as E85. This problem is not unique to California - the federal government and private industry face the same problem, and the OFAM is partnering with Voyager and third party entities to investigate ways to correct these coding problems.

In an effort to standardize the State's fleet asset management tracking program so that all State agencies will be able to track and monitor their vehicle and mobile equipment assets with greater ease and accuracy, the OFAM recently partnered with the California Department of Transportation (CalTrans) to explore standardized software options that track and monitor vehicle and mobile equipment data. Statewide standardization software would provide immediate information to State agencies, thereby capturing more of the State's spend information and enhancing the State's ability to leverage contract purchasing prices to achieve the lowest prices and the most efficient vehicles. Additionally, the OFAM plans to partner with CalTrans in an effort to capitalize on the progress CalTrans has made in automating their home storage permit data for the benefit of all State agencies. The OFAM looks forward to opportunities to explore different strategies and methods for tracking fleet utilization data and to ensure that agencies are adhering to fleet policies.

FAMS and the Environment

The California Global Solutions Warming Act of 2006 (Chapter 488, Statutes of 2006 [AB 32, Núñez]) is an environmental law that establishes a timeline to bring California into compliance with the provisions of the Kyoto Protocol (The Kyoto Protocol is an international agreement between countries worldwide to combat global warming by limiting emissions of green house gases (GHG). It was initially adopted on December 11, 1997, in Kyoto, Japan, and entered into effect on February 16, 2005. As of February 2009, 183 countries have signed and ratified the agreement to reduce their collective GHG emissions by 5.2 percent from the 1990 level). The law requires the State's GHG emissions be reduced to the level of emissions in 1990 by the year 2020. The Legislature intends for the statewide GHG limit to continue in existence and to be used to maintain and continue reductions in emissions of greenhouse gases beyond 2020. The CARB has oversight responsibility for the plans to achieve the reductions stated in the Act.

In response to this legislation, the DGS has developed diverse composition goals for its fleet and has made recommendations to the Governor's Climate Action Team that will assist the CARB in reducing GHG emissions. The DGS' recommendations include:

- Right-sizing the State fleet;
 - Removing higher-polluting vehicles from the State fleet;
 - Actively managing vehicle miles traveled; and
 - Reducing petroleum consumption.
- Right-sizing the State fleet focuses on the number, type, and use of State vehicles. The goals are to properly align vehicle needs with vehicle assignments, increase the efficiency of vehicle uses, and increase the ratio of technologically advanced vehicles within the fleet. A typical effect of right-sizing is a reduction in the number of vehicles in the fleet overall, which can result in a reduction of the fleet's GHG emissions.
 - Removing higher-polluting vehicles from the State fleet by replacing older vehicles with newer, more fuel efficient models that are equipped with advanced pollution control systems is one of the most expeditious ways to reduce fleet emissions. The 15 percent vehicle reduction plans required by EO S-14-09 will jumpstart removing the oldest and highest-polluting vehicles from the fleet; the State is also currently identifying these types of vehicles in the fleet to designate them for entry into the replacement cycle first. The DGS will use FAMS information to work with operating agencies to present cost-benefit analyses and vehicle replacement/redundancy plans and opportunities to the DOF for appropriate budgetary action.
 - Actively managing vehicle miles traveled and reducing petroleum consumption by changing the way government conducts business, eliminating unnecessary business travel, and embracing telecommunication technologies in lieu of in-person meetings are measures that will allow the State to eliminate trip redundancy and optimize vehicle utilization. These actions will result in a reduction in the total number of vehicle miles traveled, GHG emissions, criteria pollutants, and fleet maintenance costs. Likewise, actively managing fuel consumption will decrease petroleum use and provide opportunities to increase the utilization of renewable and alternative fuels for business travel.

The utilization of FAMS data will prove crucial in implementing the recommendations listed above. For instance, regular (i.e., monthly) reporting of mileage information into the FAMS will allow the DGS and the reporting agencies to examine the mileage trends of their vehicles. Agencies will be able to identify both high mileage vehicles (those driven a large number of miles each month) and underutilized vehicles (those driven a low number of miles each month). They will then be able to strategically redistribute vehicles within and between agencies to even out the mileage across vehicles and extend the useful life of these State assets. This information will also enable agencies to identify opportunities to pool or share vehicles.

Beneficial Outcomes of Implementing the FAMS

Implementation of the FAMS has led to several ancillary benefits for the State:

Having the ability to access statewide fleet information in one location has afforded the OFAM the opportunity to re-examine its vehicle procurement methodology. The OFAM recently contracted with an independent consulting firm to assess leasing versus buying

options for State vehicles, including best practices for managing and right-sizing the fleet. To accomplish their objectives, the consulting firm developed a comprehensive financial analysis model for comparing leasing versus purchasing options, and identified areas that could serve as potential opportunities to update the OFAM's fleet management program. They thoroughly combed through the OFAM's data sets to ensure accuracy and reliability of the data contained therein, and identified missing records and incorrect data that they subsequently adjusted with the correct data. Based on the results of this study, the OFAM recently received approval from the State and Consumer Services Agency (SCSA) to begin phasing out purchasing vehicles in favor of leasing vehicles for the State's fleet. This change in procurement methodology is projected to provide a cash outlay benefit of \$36.7 million over a five year period for the DGS' fleet of approximately 6,500 vehicles. When expanded to the statewide fleet, the cash outlay benefit is projected to be \$143.9 million over a five year period (Note: CHP vehicles have been excluded from this estimate due to the high number of miles their vehicles are driven annually and the number of modifications made to their vehicles).

Using FAMS vehicle utilization information, the OFAM recently developed a proposal to change the current rate methodology for how it charges agencies for monthly rental vehicles. The current rate is based on the type of vehicle rented (e.g., compact, intermediate, trucks, vans, police vehicles, 4-wheel drives, etc.), and it recovers the cost of acquisition of the vehicle, insurance, and administrative expenses. The OFAM also currently charges a concurrent mileage rate (0.30/mile) that recovers the cost of fuel, maintenance, and administrative costs. Departments have very little incentive under this rate structure to reduce the number of miles they drive. The proposed rate methodology, by contrast, eliminates the per mile fee, increases the monthly rental rate \$100 to recover the cost of maintenance and administrative fees, and shifts the cost of fuel to the departments. It then implements a tiered rate structure based on the number of miles the vehicle is driven each month (i.e., a base rate for vehicles driven 1,000 miles per month, and higher rates for vehicles driven 2,000, 3,000 or 4,000 or more miles per month). The tiered rates will discourage departments from driving excessive or unneeded miles, will make them responsible for their fuel consumption, and will encourage them to redistribute vehicles within their fleets to round out the mileage averages on all of their vehicles. This will extend the useful life of these assets and encourage departments to only maintain vehicles they truly need to conduct their business. The OFAM used billing data from April 2009 to test the impacts of the proposed rate structure change on four departments (CDCR, Alcohol Beverage Control (ABC), Department of Industrial Relations, and the DGS). The proposed rate structure change resulted in a savings for each of the departments, ranging from \$1,859 per month for ABC to \$78,625 per month for the CDCR. The OFAM predicts \$1.2 million in statewide savings during 2009/10 and \$1.6 million annually thereafter from this rate methodology change.

A notable outcome from the implementation of the FAMS is that it has inspired other agencies to put their own fleet management plans in place. The DPR, DFG, and the Office of Emergency Services (OES) have all reported that they have created fleet management plans to manage their respective fleet assets. These plans promote compliance with legislative mandates, allow proactive management of their vehicle fleets, and assist in their contributions to the State's climate change initiatives. In addition, the DPR issued a report in November 2007 entitled "*A Vehicle Analysis for State Park Peace Officers - California State Parks*" that examined the business needs for various patrol vehicle options, such as whether all of their vehicles needed to be cage-units or 4-wheel drive type vehicles. The DPR

reviewed three specific types of vehicles - sedans (e-class, family), pickups (standard, crew and extended), and sport utility vehicles (SUVs), and utilized a data-driven approach to best determine and justify the diversity of vehicles they need in their fleet. Thoughtful planning like this will result in optimized fleet acquisitions and utilization for the DPR and other agencies alike.

The DGS is in the early stages of using Geographic Information System (GIS) technology to map various business travel metrics. GIS technology integrates hardware, software, and data to capture, manage, analyze, and display numerous forms of geographically referenced information. Through partnerships with private industry entities, local and State agencies, the cooperation of the Office of the State Chief Information Officer, and the utilization of GIS to complement the FAMS data, the OFAM will be able to map and visually represent State travel, driving, auto repair, and fueling patterns. This information will aid the DGS in being able to calculate and reduce the carbon footprint of government travelers and the effects of that travel on the environment. It will also provide a mechanism to centrally manage and capture the State's total spend on vehicles, maintenance, fuel, and other costs, and to then leverage this data to ensure that the State takes advantage of its vast spending and buying powers to obtain lower rates on bulk fuel purchases, vehicle repair services, vehicle acquisitions, and other expenditures. Additionally, this graphical information can be used in coordination with current and future public and private partners to investigate ways to implement and situate emerging alternative fuel and Smart Grid infrastructures in the marketplace in the best possible locations.

FAMS information is also proving crucial in responding to ancillary federal mandates like the Energy Policy Act of 1992 (EPAAct). The EPAAct addresses energy efficiency, energy conservation, and energy management. It also addresses alternative fuels and requires certain fleets, such as California's State fleet, to acquire certain numbers of alternative fuel vehicles (i.e., those capable of operating on non-petroleum fuels), among other provisions. The DGS has successfully fulfilled the EPAAct requirements since the program's inception and has steadily increased its use of alternative fuels. The State fleet currently includes 7,653 alternative fuel vehicles; however, because of the sheer size and geographic diversity of California and a woefully undersized alternative fuel infrastructure, these cars must often be fueled with petroleum fuels. As a result, California has only been able to reduce its petroleum consumption by 4 percent. The DGS is therefore relying on data from the FAMS to challenge EPAAct requirements and suggest other means, such as purchasing lower cost, higher fuel efficiency and ultra low emissions vehicles, and reducing vehicle miles traveled, to reduce petroleum consumption.

Conclusion

The progress the OFAM has made in implementing the FAMS is significant. As of the date of this report, 128 of the 145 reporting agencies, or 93 percent, have uploaded their vehicle asset, bulk fuel, and Voyager fuel information into the FAMS. The OFAM is currently reviewing the data and working with each State agency to validate their data entries. The OFAM will be able to offer more in-depth trend analysis on fleet size and average fuel efficiency in future fleet reports. It is important to note, though, that this information will change significantly throughout 2009 and early 2010 as State agencies implement the 15 percent fleet reduction pursuant to EO S-14-09 that was issued by Governor Arnold Schwarzenegger on July 17, 2009.

State agencies must be diligent in conducting data verifications and uploading data on a regular basis so the information and reports generated from the data warehouse are accurate, meaningful, and timely for all interested stakeholders. State agencies' cooperation and participation in the FAMS is critical to the successful management of the State's mobile fleet. The DGS has the staff and resources in place at OFAM to achieve 100 percent participation from all reporting State agencies.

Full implementation and participation in the FAMS data warehouse will generate annual cost avoidance to the State by more effectively tracking vehicle assets, eliminating unneeded, high-polluting, and fuel inefficient vehicles from the State's fleet, redirecting vehicles to their highest and best use, denying unnecessary vehicle purchases, and reducing GHG emissions and petroleum use.

Fleet managers will be better able to make educated and timely adjustments in how they manage their fleets, and the FAMS will provide a positive feedback loop as agencies begin to use the reports generated by the data repository to address data issues and policy changes. The savings in staff resources to work on more value-added tasks, such as conducting asset analysis and trending instead of compiling manually generated data, will lead to better decision-making and will undoubtedly enhance the public trust via increased transparency of fleet asset information. Likewise, the ability to provide complete, accurate, and reliable statewide fleet inventory and utilization data will reduce the amount of negative press coverage devoted to the State's fleet.

Interested parties may learn more about the FAMS and follow its status on a web page developed by the DGS OFAM at: <http://www.ofa.dgs.ca.gov/FAMS/default.htm>.

Attachment A – List of Agencies That Have Entered Data Into the FAMS

1. African American Museum, California
2. Aging, Department of
3. Agricultural Labor Relations Board
4. Air Resources Board
5. Alcohol and Drug Programs, Department of
6. Alcoholic Beverage Control, Department of
7. Board of Equalization
8. Boating and Waterways, California Department of
9. California Coastal Commission
10. California Conservation Corps
11. California Exposition
12. California Gambling Control Commission
13. California Highway Patrol
14. California Horse Racing Board
15. California Natural Resources Agency¹
16. California Public Employees' Retirement System
17. California Public Utilities Commission
18. California Science Center
19. California State Controller
20. California State Lands Commission
22. California State Library
22. California State Lottery
23. California State University (CSU), Chancellor's Office
24. CSU, Bakersfield
25. CSU, Cal Poly Pomona
26. CSU, Cal Poly San Luis Obispo
27. CSU, Channel Islands
28. CSU, Chico
29. CSU, Dominguez Hills
30. CSU, East Bay
31. CSU, Fresno
32. CSU, Fullerton
33. CSU, Humboldt
34. CSU, Long Beach
35. CSU, Los Angeles
36. CSU, Maritime Academy
37. CSU, Monterey Bay
38. CSU, Northridge
39. CSU, Sacramento
40. CSU, San Bernardino
41. CSU, San Diego
42. CSU, San Francisco

¹ Agency does not currently own or lease any State vehicles.

² Agency is currently in the process of collecting/inputting data into the FAMS.

³ As of 07/01/09, the agency has not started entering data into the FAMS.

⁴ As of 07/01/09, the DGS has been unable to make contact with the agency.

⁵ Office closed until 2010.

43. CSU, San Jose
44. CSU, San Marcos
45. CSU, Sonoma
46. CSU, Stanislaus
47. California Tahoe Conservancy
48. Chief Information Officer, Office of¹
49. Child Support Services, Department of¹
50. Commission on Peace Officer Standards and Training¹
51. Conservation, Department of
52. Consumer Affairs, Department of
53. Corrections & Rehabilitation
54. DAA 02 San Joaquin - Stockton
55. DAA 03 Silver Dollar Fair - Chico
56. DAA 04 Sonoma-Marín - Petaluma
57. DAA 07 Monterey - Monterey
58. DAA 10 Siskiyou Golden - Yreka
59. DAA 10A Tulelake-Butte Valley Fair - Tulelake
60. DAA 12 Redwood Empire - Ukiah
61. DAA 13 Yuba/Sutter - Yuba City
62. DAA 14 Santa Cruz - Watsonville
63. DAA 15 Kern - Bakersfield
64. DAA 19 Santa Barbara - Santa Barbara
65. DAA 20 Gold Country Fair - Auburn
66. DAA 21-A Madera District - Madera
67. DAA 22 San Diego - Del Mar
68. DAA 24 Tulare - Tulare County
69. DAA 27 Shasta - Anderson
70. DAA 28 San Bernardino - Victorville
71. DAA 29 Mother Lode - Sonora
72. DAA 30 Tehama - Red Bluff
73. DAA 31 Ventura – Ventura
74. DAA 32 Orange - Costa Mesa
75. DAA 33 San Benito - Hollister
76. DAA 34 Modoc - Cedarville
77. DAA 35 Merced - Merced
78. DAA 35A Mariposa - Mariposa
79. DAA 37 Santa Barbara - Santa Maria
80. DAA 38 Stanislaus – Turlock
81. DAA 42 Glenn - Orland
82. DAA 45 California Mid-Winter - Imperial
83. DAA 46 Southern California - Lake Perris
84. DAA 48 Schools Involvement Expo - Walnut
85. DAA 50 Antelope Valley - Lancaster²

¹ Agency does not currently own or lease any State vehicles.

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³ As of 07/01/09, the agency has not started entering data into the FAMS.

⁴ As of 07/01/09, the DGS has been unable to make contact with the agency.

⁵ Office closed until 2010.

86. DAA 52 Sacramento - Sacramento¹
87. DAA 53 Desert Empire - Ridgecrest
88. DAA 54 Colorado River – Blythe
89. Developmental Services, Department of
90. Education, California Department of
91. Emergency Medical Services Authority, Governor's Office of
92. Employment Development Department
93. Finance, Department of¹
94. Fish and Game, Department of
95. Food and Agriculture, Department of
96. Forestry and Fire Protection, Department of
97. Franchise Tax Board
98. General Services, Department of
99. Governor's Office of Emergency Services
100. Health Care Services, Department of
101. Housing & Community Development¹
102. Industrial Relations, Department of
103. Inspector General, Office of
104. Insurance, Department of
105. Integrated Waste Management Board
106. Justice, Department of
107. Managed Care, Department of¹
108. Mental Health, Department of
109. Motor Vehicles, Department of
110. Parks and Recreation, Department of
111. Pesticide Regulation, Department of
112. Prison Industry Authority
113. Public Health, Department of
114. Rehabilitation, Department of
115. San Gabriel & Lower Los Angeles Rivers & Mountains Conservancy
116. Secretary of State
117. Sierra Nevada Conservancy
118. Social Services, California Department of
119. State Military Department
120. State Personnel Board
121. State Teachers' Retirement System
122. Statewide Planning and Development, Office of
123. Toxic Substances Control Board
124. Transportation, Department of
125. Treasurer, State
126. Veterans Affairs, Department of
127. Water Resources Control Board
128. Water Resources, Department of

¹ Agency does not currently own or lease any State vehicles.

² Agency is currently in the process of collecting/inputting data into the FAMS.

³ As of 07/01/09, the agency has not started entering data into the FAMS.

⁴ As of 07/01/09, the DGS has been unable to make contact with the agency.

⁵ Office closed until 2010.

Attachment B – List of Agencies That Have Not Entered Data Into the FAMS

1. DAA 01A Grand National - San Francisco²
2. DAA 09 Redwood Acres - Eureka²
3. DAA 16 California Mid-State - Paso Robles³
4. DAA 17 Nevada - Grass Valley²
5. DAA 18 Eastern Sierra Tri-County - Bishop⁴
6. DAA 21 Big Fresno - Fresno²
7. DAA 23 Contra Costa - Antioch²
8. DAA 24A Kings - Hanford³
9. DAA 25 Napa Town & Country - Napa²
10. DAA 26 Amador - Plymouth²
11. DAA 36 Dixon - Dixon²
12. DAA 39 Calaveras - Angels Camp³
13. DAA 40 Yolo County²
14. DAA 41 Del Norte - Crescent City²
15. DAA 44 Colusa - Colusa²
16. DAA 49 Lake - Lakeport³
17. DAA 51 San Fernando Valley - Van Nuys⁵

¹ Agency does not currently own or lease any State vehicles.

² Agency is currently in the process of collecting/inputting data into the FAMS.

³ As of 07/01/09, the agency has not started entering data into the FAMS.

⁴ As of 07/01/09, the DGS has been unable to make contact with the agency.

⁵ Office closed until 2010.