Instruction LETTER

NUMBER: 09-01	
SUBJECT: REDUCTION OF THE OVERALL SIZE OF THE STATE FLEET BY 15%	**DATE ISSUED:** August 5, 2009
REFERENCES: EXECUTIVE ORDER S-14-09	**SUPERSEDES:** N/A

TO: Agency Secretaries
Department Directors
Department Fleet Coordinators

FROM: DEPARTMENT OF GENERAL SERVICES

On July 17, 2009 the Governor issued Executive Order (EO) S-14-09 directing State agency and Cabinet level departments under his direct executive authority to reduce the fiscal and environmental costs of operating the State's motor vehicle fleet. EO S-14-09 requires a reduction of the overall size of the fleet by at least 15 percent. The EO further requires a reduction of vehicle home storage permits by at least 20 percent, and prohibits leasing or purchasing any new vehicles for non-emergency use, with limited exceptions. This Instruction Letter provides State agencies and departments with instructions for implementing the EO.

Deadlines and Deliverables	
On or before August 10, 2009	**Departments must conduct a survey of their respective fleets and identify the vehicles that can be declared surplus.**
On or before August 10, 2009	**Departments must assign these surplus vehicles to the Department of General Services (DGS) for the "Great California Garage Sale" that will be held August 28th and 29th.**
On or before October 1, 2009	**Departments must submit a vehicle reduction plan, with a timeline for implementing the plan by April 1, 2010, to the Director of the DGS.**
On or before April 1, 2010	**Departments must fully implement their vehicle reduction plans.**
On or before July 1, 2010	**The Director of the DGS shall make public the progress of meeting the 15 percent reduction.**

EO S-14-09 requires State agencies and departments under the Governor's direct executive authority that own vehicles or operate leased vehicles to reduce the overall size of their respective fleets by at least 15 percent while maintaining the newest, most fuel efficient vehicles whenever possible. EO S-14-09 requires a reduction of the number of vehicle home storage permits by at least 20 percent and a justification for all remaining permits. With limited exceptions, EO S-14-09 also prohibits departments from ordering or purchasing any new vehicles for non-emergency use.

Prohibition on Ordering or Purchasing Any New Vehicles for Non-Emergency Use

Except as provided below, departments are immediately prohibited from ordering or purchasing any new vehicles for non-emergency use. Purchases will only be considered in instances that meet one or more of the following criteria:

- The purchase is necessary to protect the health and safety or security of the public;
- The purchase is necessary to provide critical services and functions;
- A significant portion of the purchase will be made with stimulus funding;
- The purchase will result in significant cost savings.

Purchase exemption requests must be submitted in writing and must be approved by the Director of the Department of General Services. All purchase exemption requests are subject to review by the Secretary of the State and Consumer Services Agency. Please complete Attachment C to submit a Purchase Exemption Request.

Fleet Survey and Surplus Declarations

All State agencies and departments under the Governor's direct executive authority that own vehicles or operate leased vehicles must conduct an immediate survey of their respective fleets by August 10, 2009. The objective of the survey is to identify the obvious vehicles that can be declared surplus. Prime candidates include those vehicles that are old, fuel-inefficient, have high mileage and/or are least utilized. Vehicles may be department-owned or leased from the DGS. These vehicles are to be assigned to the DGS for the "Great California Garage Sale" that will be held at 1700 National Drive in Sacramento on August 28th and 29th. Vehicles turned over to the DGS for the Garage Sale will be counted in the surrendering department's 15 percent fleet reduction target. There are no exceptions to completing the survey.

Vehicle Reduction Plan and Timeline for Implementation

All State agencies and departments under the Governor's direct executive authority that own vehicles or operate leased vehicles must submit a vehicle reduction plan to the Director of the DGS by October 1, 2009. Departments must include a timeline for implementing their 15 percent reduction by April 1, 2010 with the vehicle reduction plan. Each plan must include the following information (Please see Attachment A for the Reduction Plan Template, and Attachment B for expanded instructions):

- Identification of every vehicle that is department-owned, leased from the DGS, or leased from a commercial vendor;
  - The information provided in the plan will be compared to Department of Motor Vehicles records and the Fleet Asset Management System (FAMS) data warehouse to ensure an accurate accounting of State agency vehicles.
- Identification of job classifications that are required to utilize a State vehicle in the performance of their official duties;
  - Each agency must utilize job classification information from the State Personnel Board to determine which of their job classifications include essential functions that require a vehicle to perform the duties of the job.
- Justification of the business need for the agency or department to retain each vehicle;
  - Agencies are required to demonstrate that there is a significant business need for each vehicle in their fleet.
  - Agencies should consider consolidating business practices and vehicle utilization whenever possible.
  - Agencies should also take steps to eliminate unnecessary travel and to use teleconferencing technologies to the greatest extent possible.
- Identification of opportunities to create vehicle pools and share vehicle resources;
  - Agencies must identify ways to share vehicle resources within their organizations. This includes redistribution of vehicles within agencies, more efficient scheduling of vehicle usage, and ridesharing to job sites.
  - Agencies must indicate if each vehicle in their fleet is available for shared pool use on their vehicle reduction plan.

- Reduction of the number of vehicle storage permits by at least 20 percent;
  - Agencies must justify the need for all remaining vehicle home storage permits;
  - Any exemption to this reduction must be submitted in writing and approved by both the Secretary of the State Consumer Services Agency and the Cabinet Secretary.
- Retention of the newest, most fuel efficient vehicles whenever possible.
  - The fleet reduction plan should demonstrate that agencies are retaining vehicles with the fewest miles, the lowest emissions ratings and the fewest known mechanical issues.
  - The EO instructs the DGS to take steps to transfer vehicles between agencies and departments to ensure the newest and greenest vehicles are retained.

Exemptions and Exemption Process

There are no exemptions from submitting a fleet reduction plan for any State agencies or departments that own vehicles or operate leased vehicles and are under the Governor's direct executive authority. If any department or agency's plan fails to achieve a 15 percent vehicle reduction and/or a 20 percent vehicle home storage permit reduction, the agency must obtain approval from its Agency Secretary or Cabinet-level Director prior to submitting the plan to the DGS. The DGS will then make a recommendation to the Cabinet Secretary and the Secretary of the State and Consumer Services Agency either for or against accepting the under-target plan.

Summary of Attachments

There are three attachments to this Instruction Letter to assist departments and agencies in meeting the requirements of EO S-14-09. The purpose of these documents is summarized below.

Attachment A: Vehicle Reduction Plan Template. This form is a template to be used to list complete fleet inventory information. The completed form must include data for each of the following categories for each vehicle in the agency's fleet:

- Vehicle Make, Model and Year*
- Vehicle Identification Number (VIN)*
- Current Odometer Reading
- Ownership of the Vehicle
- Fund Source for the Vehicle
- Whether the Vehicle is Available for Pooling
- Class Code of the Primary Driver of the Vehicle
- Business Need for Retaining the Vehicle
- Whether a Home Storage Permit is Currently on File for the Vehicle
- Business Need for the Vehicle Home Storage Permit, if applicable
- Whether the Vehicle is Targeted for the 15 Percent Fleet Reduction
- Whether the Home Storage Permit is Targeted for the 20 Percent Reduction, if applicable
- Proposed Date of Surveying the Vehicle, if applicable.

* The DGS will email this template to authorized departmental FAMS contacts for completion. The template will be pre-populated with the vehicle information (i.e., vehicle make, model, year and VIN) that your agency has already entered the FAMS. Confidential VIN information will be truncated with the VIN stub to protect the identity of these vehicles.

Departments should use additional sheets, if necessary. Agency Secretaries and Cabinet-level Directors should use this document to evaluate Under-Target Exemption Requests submitted by departments. Upon approval, Agency Secretaries and Cabinet-level Directors should forward the form to the DGS on or before October 1, 2009. All forms should be mailed to the DGS Office of Fleet and Asset Management at 1700

National Drive, Sacramento, CA 95834. The Cabinet Secretary and the Secretary of the State and Consumer Service Agency will make the final decisions on these exemption requests.

Attachment B: Directions for Completing the Vehicle Reduction Plan Template. This attachment provides instructions for completing each category of information required on the Vehicle Reduction Plan Template. DGS will auto-populate columns A, B, C, and D; departments are required to complete columns E through O.

Attachment C: Purchase Exemption Request Form. This form must be completed to submit an exemption request for an exception to the prohibition on ordering or purchasing any new vehicles for non-emergency use. Completed forms must be approved by the Director of the Department of General Services for an exemption to be granted.

Application to Other Entities of State Government

While the provisions of EO S-14-09 do not apply to entities of the California Government not under the Governor's direct executive authority, it is requested that such entities implement similar or other mitigation measures to achieve budget and cash savings and additional transparency in State government. These entities include constitutional officers, the California Public Utilities Commission, the University of California, the California Community Colleges, the legislative branch of government (including the Legislative Counsel Bureau), and the judicial branch of government.

If you have questions regarding this Instruction Letter, please contact the DGS Office of Fleet and Asset Management at (916) 928-2550.

Kathy Hicks

KATHY HICKS
Chief, Office of Fleet and Asset Management

Enclosures