



# State of California Fleet Reduction



## Vehicle Allocation Methodology (VAM)



**DGS** CALIFORNIA DEPARTMENT OF  
GENERAL SERVICES



**MERCURY**

Mercury Associates Inc.

# Introduction

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# EXECUTIVE ORDER B-2-11

Each state agency and department shall:

- Eliminate non-essential or cost ineffective vehicle home-storage permits.
  - Update vehicle data by and provide monthly updates to DGS.
  - Conduct an analysis to determine the purpose of, the necessity for, and the cost-effectiveness of, the vehicles and equipment in their fleet.
  - Submit reduction plan for approval to the Director of the Department of General Services and the Department of Finance.
  - Provide excess vehicles and equipment for sale within 120 days of plan approval.
  - Provide Department of Finance the amount of fiscal savings for relinquished vehicles.
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# VAM Process Phase One: Data Collection

- Agency updates all required data in FAMS
- DGS performs GAP analysis
- DGS attempts to fill gaps where feasible
- DGS sends data to Mercury



# VAM Process Phase Two: Vehicle Home Storage Permits

- Agency Secretary and Department Director reviews VHSP for his/her organization
- Agency withdraws non-essential VHSPs and those not cost effective
- Agency completes and submits VHSP template to DGS



# VAM Process Phase Three: Initial Data Analysis

- DGS and Mercury will webinar with agencies to explain VAM and answer questions
  - DGS and Mercury will discuss agency's mission with larger agencies
  - Mercury will develop survey to gather more information
  - Mercury will work with DGS to develop utilization thresholds to generate "Target List"
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# Sample VAM Survey Questions

10) How many trips per week does this vehicle average? (Trip: When the driver takes the vehicle from its normal parking area and then returns it to that same general area.)

- 1
- 2 to 3
- 4 to 6
- 7 to 12
- 13 or more

11) How many weeks per year is this vehicle used?

- 1 to 24
- 25 to 47
- 48 to 52

12) How many hours does a typical trip take for this vehicle?

- 0 to 0.5
- 0.5 to 1.5
- 1.5 to 3
- 3 to 5
- More than 5

13) Is this a security or law enforcement vehicle?

- Yes
  - No
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# VAM Process Phase Four: Survey State Agencies

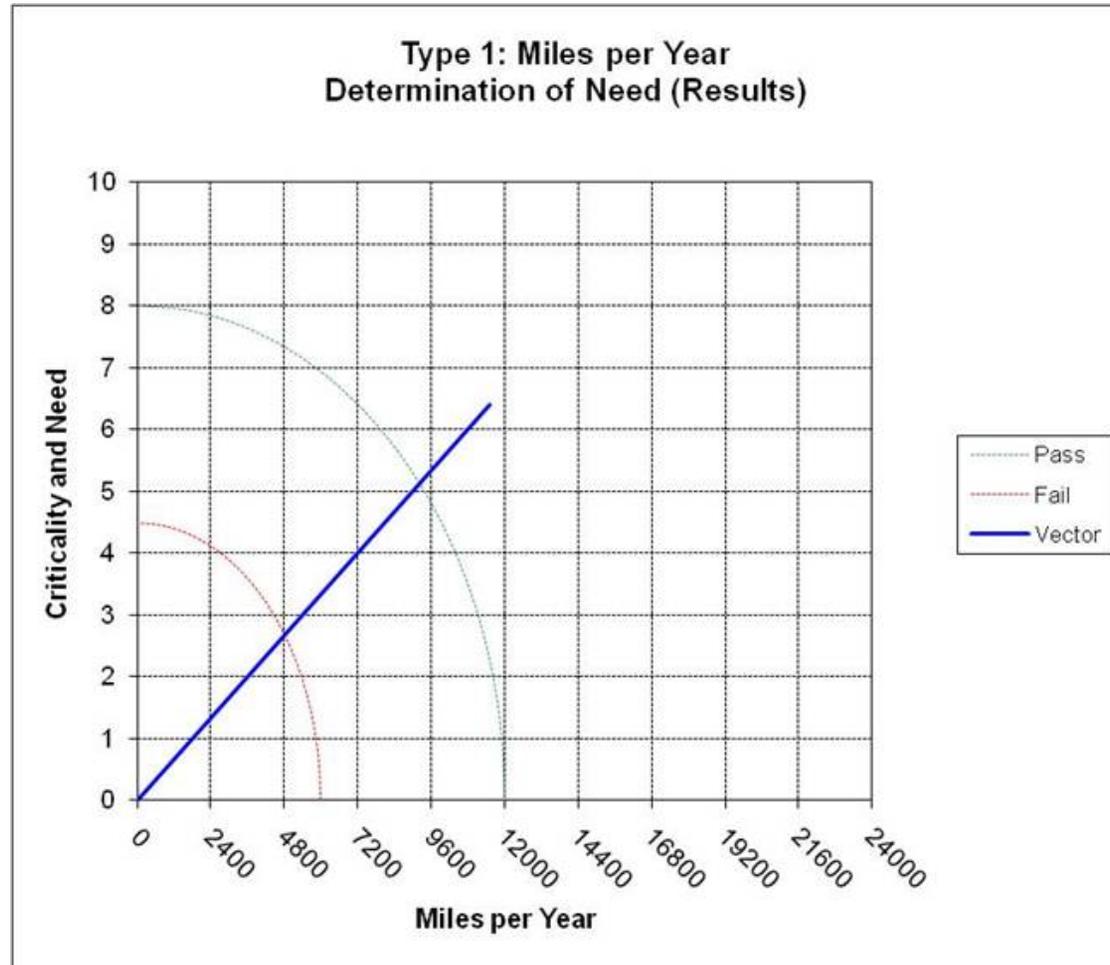
- DGS and Mercury will query Agencies via a web-based survey developed in Phase Three
  - Survey will address fleet asset utilization and criticality of business needs
  - Only assets on “Target List” will be surveyed
  - Agencies will have 1 to 3 weeks to complete all surveys
  - Time allowed is based on fleet size
  - DGS to determine schedule
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# VAM Process Phase Five: VAM Analysis Feedback

- Mercury uses survey responses to run VAM Tool to produce *preliminary* recommendations (Red, Yellow, Green)
    - Red - Eliminate (high potential for removal)
    - Yellow - Questionable (moderate potential for removal)
    - Green - Retain (low potential for removal)
  - Recommendations based on:
    - Objective criteria examples:
      - Asset mileage/engine hours
      - Number and duration of trips per asset
    - Subjective criteria example:
      - user opinion of asset “criticality” based on survey responses (relative importance to agency mission and business needs)
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# VAM Tool

## Applies Utilization *and* Criticality

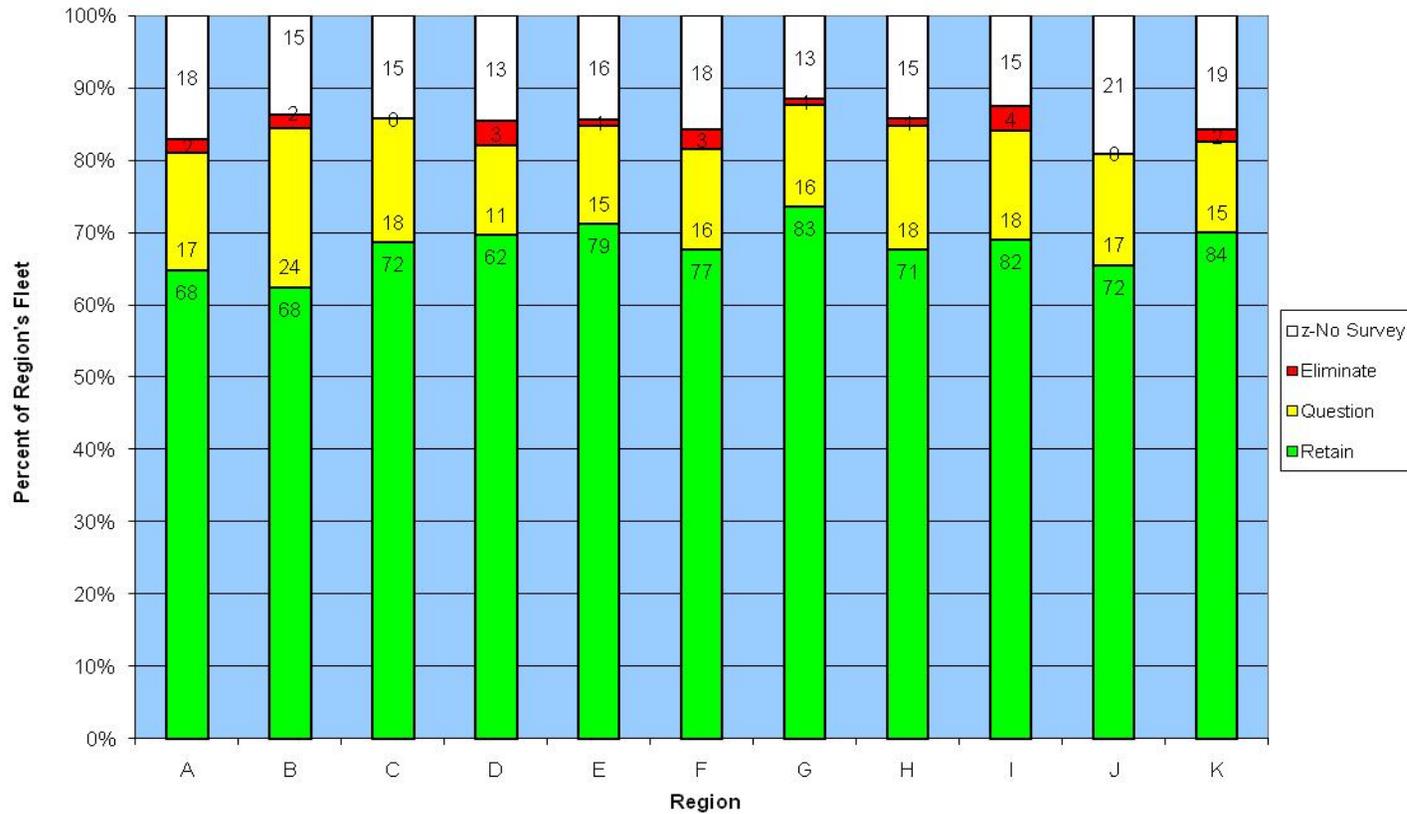


# VAM Recommends Initial Actions

CLASS & TAG #	Answer	Current Age (Years)	Current Miles / Year	Hours / Year	Trip / Year	Criticality
G10-17404	Blank-No Survey	No Survey	6000			
G10-25359	Eliminate	4.1	1123	27	12	3
G42-41531	Eliminate	7.1	614	3	12	3.5
G10-5294A	Eliminate	4.1	5381	60	60	3
G41-65494	Eliminate	6.1	6633	67.5	30	3
G10-6424D	Eliminate	2.1	1779	135	60	1
G63-22589	Eliminate	13.2	580	12	12	3
G61-2089B	Questionable	2.2	6100	281.25	125	4.5
G10-9909A	Questionable	3.1	3594	125	125	6
G11-06736	Questionable	4.1	3350	360	90	6
G11-3591F	Questionable	1.2	2425	281.25	125	6
G11-03980	Questionable	8.1	3052	12	12	5
G41-71020	Questionable	4.2	2803	180	180	5.5
G11-0015D	Questionable	2.1	4628	360	90	5
G11-1229B	Questionable	3.2	5538	67.5	30	5
G11-0007D	Questionable	2.1	2109	31.25	125	4
G10-28239	Retain	4.2	7798	120	30	9
G10-28435	Retain	4.1	7831	22.5	90	9
G10-29338	Retain	4.1	3646	81	36	9
G10-5771A	Retain	4.1	7317	500	125	9

# VAM Output Recommends Fleet Size

VAM Justification Answer by Region



# VAM Process Phase Five: Continued

- Agency will review initial recommendations
  - Interviews may be scheduled at the discretion of DGS and DOF to discuss potential fleet reductions and/or redirections
  - Each Agency is required to justify the retention of each vehicle (Greens are considered justified)
  - Criteria for functionality, criticality, and cost effectiveness are in Tool Kit
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# VAM Process Phase Six: DGS Submits Action Plans to Agencies

- DGS and DOF will set a fleet reduction target and submit an agency action plan to State agencies and departments
  - State agencies and departments will have one to three weeks (depending on their fleet size) to either codify the proposed DGS/DOF action plan into their Fleet Reduction Plan or propose a variation
    - In proposing a change to the action plan received, State agencies and departments may substitute like-type Red and Yellow assets for like-type Green assets if it results in a newer (like-type) asset being maintained
    - Substitutions are only allowable if they are of similar size and function (i.e.: sedan for sedan, SUV for SUV, Pick up for Pick up, etc.)
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# VAM Process Phase Seven: Certification and Submittal of the Fleet Reduction Plan

- Each State agency will provide the DGS and DOF with A certified Fleet Reduction Plan that includes an Excel list of all of the vehicles earmarked for reduction or redirection
  - For those vehicles being retained, the head of the State agency must certify in writing that he/she has examined each vehicle within his/her span of control and thoroughly analyzed and determined that the need to retain each vehicle is based on meeting a critical State function
  - Each State agency's Chief Fiscal Officer must certify in writing that he/she has examined each vehicle identified for retention, performed a cost benefit analysis, and determined that it is cost effective to retain each vehicle identified
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# VAM Process Phase Eight: Fleet Reduction/Disposal

- As soon as Fleet Reduction Plans (Plan) are received from State agencies and departments, the DGS will review those Plans to ensure they meet the reduction analysis determined through the VAM.
  - Plans must be vehicle specific and must be submitted in the prescribed format provided by the DGS.
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# VAM Process Phase Eight: Fleet Reduction/Disposal

- State agencies and departments will be notified that their fleet reduction plan has been approved by the DGS via email.

Note: It is required that fleet assets on the approved plan be idled immediately and made available for prompt transport.

- Agencies and Departments will be required within **10 business days** of plan approval to provide the following to the DGS for each vehicle being surrendered:
  - Standard Form 152 Property Survey Report
  - Unsigned and undated DMV title or pink slip



# VAM Process Phase Eight: Fleet Reduction/Disposal

- Agencies and Departments will be notified by the DGS via email of the scheduled date and location of where to surrender their vehicles. The email will include the following documents:
  - A copy of the stamped and approved Std. 152 for each vehicle;
  - A pre-populated Form EO B-2-11 "Receipt for Items to be Sold"

**Note:** Copies of both documents must accompany each vehicle upon delivery.



# VAM Process Phase Eight: Fleet Reduction/Disposal

- At the time the fleet asset or equipment is delivered, OFAM staff will sign the accompanying EO B-2-11 Receipt and will provide a copy to the transport driver for verification of delivery.
  - Proceeds from the sale of fleet assets will be electronically transferred to the owning agency minus the DGS fees associated with administering the sale.
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