

Executive Order B-2-11 Implementation Guide

The Department of General Services (DGS) has prepared this Implementation Guide (Guide) to inform you of the continuing steps that the DGS is implementing for the statewide fleet and vehicle home storage permit re-justification and reduction Executive Order (EO) (B-2-11). The Guide will also provide you with information about the analysis process that will be used to assess the State fleet.

The fleet and vehicle home storage permit reductions consist of the following phases:

1. Data collection;
2. Vehicle Home Storage Permit Report;
3. Initial Data Analysis;
4. Survey State Agencies and Departments;
5. Vehicle Allocation Methodology (VAM) Analysis Feedback;
6. DGS Sends Action Plans to State Agencies and Departments;
7. Departments Finalize, Certify, and Submit Fleet Reduction Plans to DGS for Approval; and
8. Fleet Reduction/Disposal.

The DGS has engaged the services of Mercury Associates, Inc., (Mercury) a nationally recognized leader in vehicle allocation methodologies and fleet analysis to assist in this statewide fleet assessment. To help State Agencies and Departments, the DGS has created a web site for fleet reduction information: <http://www.dgs.ca.gov/ofam/Programs/FleetReduction.aspx>. All required forms and templates will be posted on this site. State Agencies and Departments may also submit questions to: FleetReduction@dgs.ca.gov.

➤ Phase One: Data Collection

By February 15, 2011: the head of each State Agency was required to have certified to the director of the DGS that his/her agency had updated all the required data fields in the Fleet Asset Management System (FAMS). The FAMS templates for ground, air, and water assets with all the required data fields highlighted are available at the following link: <http://www.dgs.ca.gov/ofam/Programs/FleetReduction.aspx>.

- ❖ **Key Issue: DGS will certify the required data fields for DGS leased vehicles. However, State Agencies and Departments that lease vehicles from the DGS are responsible for analyzing the need to retain the vehicles in their fleet.**
- ❖ **Key Issue: State Agencies and Department are required to upload their data into FAMS for all self-propelled fleet equipment, and/or vehicles registered with the Department of Motor Vehicles; this also includes aircraft and boats. The EO also requires that State**

Agencies and Departments continue to provide monthly data updates (via FAMS) to the DGS.

➤ **Phase Two: Vehicle Home Storage Permit Report**

By March 1, 2011: each Agency Secretary and Department Director must review his/her organization's vehicle home storage permits and withdraw those that are non-essential or cost-ineffective. The DGS has developed a vehicle home storage permit template that must be completed and returned along with the vehicle home storage permit certification form. This report and certification must be submitted to the director of the DGS by March 1st. The template and certification form have already been mailed to State Agencies and Departments, and are also available at the following link:

<http://www.dgs.ca.gov/ofam/Programs/FleetReduction.aspx>.

Forms should be returned by email to the assigned FAMS analyst, and by mail to:

Fleet Reduction Team
DGS Office of Fleet and Asset Management
1700 National Drive
Sacramento, CA 95834

➤ **Phase Three: Initial Data Analysis**

Week of March 1, 2011: DGS and its contractor Mercury will provide Agencies and Departments with an Implementation Guide, meet with State Agencies and Departments to:

- Explain the fleet reduction process (including the VAM) being used for the fleet analysis;
- Provide feedback on the initial fleet data gathering efforts; and
- Answer questions.

State Agencies and Departments that operate boats and/or aircraft will also need to have experts on those assets attend the meetings. Based on the discussions in these meetings, Mercury will develop additional questions and the DGS will send them to State Agencies and Departments via a survey. The VAM process overview is available at the following link:

<http://www.dgs.ca.gov/ofam/Programs/FleetReduction.aspx>.

➤ **Phase Four: Survey State Agencies and Departments**

Early to Mid-April 2011: DGS and Mercury will query State Agencies and Departments on fleet asset functionality and critical business needs. Electronic surveys and/or individual meetings will be used to gather as much asset-specific and program critical information as possible. This intelligence gathering process will provide State Agencies and Departments with the opportunity to validate their assets and the level of their critical need. State Agencies and Departments will have between one and three weeks to complete their surveys based on a

schedule determined by DGS that is commensurate with the size of their respective fleets. State Agencies and Departments with:

- less than 1,000 fleet assets will have one week;
- 1,001 to 5,000 fleet assets will have two weeks;
- more than 5,000 fleet assets will have three weeks.

❖ **Key Issue: The survey is expected to take approximately 10 minutes to complete per asset. It is highly recommended that State Agencies and Departments delegate responsibility for completing the survey responses to the first line supervisors who have direct control and the most knowledge about the daily use and functional need of the fleet assets.**

➤ Phase Five: VAM Analysis Feedback

April 2011 and forward: the DGS and Mercury will provide a preliminary VAM analysis report for State Agencies and Departments to review. This VAM analysis consists of preliminary findings that will rate fleet assets by three levels: Green, Yellow, and Red.

- Green assets have indicators for having a higher potential for retention;
 - Yellow assets have indicators for having the potential to be reduced from the fleet, but may be retained if an additional business case justification shows there is sufficient evidence to warrant retention of the asset;
 - Red assets have indicators for having the highest potential for reduction.
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- The VAM is an interactive vehicle justification protocol that uses utilization and survey responses to help make *preliminary* recommendations for vehicle actions such as:
 - Eliminate (high potential for removal)
 - Questionable (moderate potential for removal)
 - Retain (low potential for removal)
 - Objective criteria examples:
 - per vehicle mileage
 - number and types of trips per vehicle
 - mission, terrain, and climate
 - fleet condition and down-time
 - Subjective criteria example:
 - user opinion of vehicle “criticality” (relative importance to agency’s mission and business needs)
 - Input methods:
 - surveys and/or stakeholder interviews

A series of interviews may be scheduled at the discretion of the DGS and the Department of Finance (DOF) to discuss potential fleet reductions and/or redirections.

- ❖ **Key Issue: The DGS and the DOF will expect State Agencies and Departments to provide a quantifiable business case justification for each fleet asset identified for reduction that they wish to retain. Assets identified for potential reduction will be listed in the VAM Red and Yellow categories mentioned above.**

Each State Agency and Department is required to justify the retention of every vehicle, using measurable criteria, based on each vehicle's necessity to perform a critical State function. Vehicles determined not critical to a State function will be earmarked for reduction or redirection to another Agency to offset the acquisition of a new vehicle asset elsewhere. Vehicles determined to be critical to a State function but not cost-effective to retain may also be earmarked for reduction or redirection.

- ❖ **Key Issue: Every effort should be made to pool vehicle assets rather than assign vehicles to individual employees.**

➤ **Phase Six: DGS Submits Action Plans to State Agencies and Departments**

May 2011 and forward: after receiving input from the State Agencies and Departments, the DGS and the DOF will set a fleet reduction target and submit an agency action plan to State Agencies and Departments. State Agencies and Departments will need to either codify the proposed DGS action plan into their Fleet Reduction Plan, or propose a variation. State Agencies and Departments must submit their Fleet Reduction Plan to the DGS for approval within one to three weeks (depending on their fleet size as mentioned above) on a schedule determined by the DGS.

Plans should be returned by email to the assigned FAMS analyst, and by mail to:
Fleet Reduction Team
DGS Office of Fleet and Asset Management
1700 National Drive
Sacramento, CA 95834

In proposing a change to the action plan received from the DGS, State Agencies and Departments may substitute like-type Red and Yellow assets for like-type Green assets if the substitution 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.). The DGS and the DOF will consider final plans and either approve them or send them back with required changes.

- ❖ **Key Issue: State Agencies and Departments may not transfer a non like-type asset such as retaining an SUV in place of a compact sedan.**

- ❖ **Key Issue: The DGS and DOF may reject a State agency or department's fleet reduction plan if after the analysis process a legitimate targeted reduction is not met.**

➤ **Phase Seven: Certification and Submittal of the Fleet Reduction Plan**

Each State agency and department will provide the DGS with a certified Fleet Reduction Plan that includes an Excel list of all of the vehicles earmarked for reduction. The DGS (through assigned FAMS analysts) will provide the Excel format to be used; the form will also be posted on the Fleet Reduction website here: <http://www.dgs.ca.gov/ofam/Programs/FleetReduction.aspx>.

For those vehicles being retained, the head of the State Agency must certify in writing that he/she has examined each fleet asset within his/her span of control and determined that the need to retain each fleet asset is based on meeting a critical State function. Further, each State Agency's Chief Fiscal Officer must certify in writing that he/she has examined each fleet asset identified for retention, performed a cost benefit analysis, and determined that it is cost effective to retain every fleet asset not identified on the Fleet Reduction Plan.

- ❖ **Key Issue: State Agencies and Departments are required to utilize the DGS Fleet Reduction Plan Template when submitting their certified Fleet Reduction Plans to the DGS. The DGS will provide the Excel format with the list of fields.**

➤ **Phase Eight: Fleet Reduction/Disposal**

Beginning June 2011 and forward: State Agencies with approved Fleet Reduction Plans will need to idle their vehicles that have been marked for reduction as soon as plan approval notification is received from the DGS. State Agencies will also need to deliver these fleet assets to a designated vehicle/equipment disposal facility in Northern or Southern California within 120 days of notification of plan approval.

1. As soon as Fleet Reduction Plans 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 (by VIN) and must be submitted in the prescribed format provided by the DGS.

- ❖ **Key Issue: It is required that fleet assets on the approved Reduction Plan be idled immediately and made available for immediate transport upon approval of the Reduction Plan by the DGS.**
- ❖ **Key Issue: State agencies are responsible for notifying their employees who operate vehicles being reduced through the fleet reduction process of the date and location for turning in a**

reduction vehicle; the date and location will be scheduled by the DGS.

2. State Agencies and Departments will be notified that their Fleet Reduction Plan has been approved by the DGS via email. At that time, Agencies and Departments will be required to provide the DGS the following documents within **10 business days** for all of the vehicles identified on the Plan:
 - Standard Form 152 *Property Survey Report* signed off by the Agency for Agency-owned vehicles. (The DGS will be responsible for preparing the Std. Form 152 for DGS-owned vehicles that are leased to other Agencies/Departments). The Std. Form 152 may be found here:
<http://www.documents.dgs.ca.gov/osp/pdf/std152.pdf#search=std%20152&view=FitH&pagemode=none>
 - If the vehicle does not meet the Air Resources Board's (ARB) diesel regulations, the DGS must receive from the Agency all ARB and DMV forms to issue a VIN stop and the "Out of State Only Sales" forms. These must be completely filled out by the Agency. For more information, please visit:
www.arb.ca.gov/msprog/publicfleets/vinstop/vinstop.htm.
 - Unsigned and undated DMV title or pink slip (for assets registered with the DMV). The title cannot be signed or dated as that process is done at the time of sale by DGS staff on behalf of State Agencies and Departments.
Note: If the Department cannot locate a title or pink slip for an Agency-owned vehicle that is going to be surrendered, it is the Department's responsibility to apply for, and obtain, a duplicate title through the DMV for submittal to the DGS.

Documents should be returned by mail to:

Fleet Reduction Team - Disposal
DGS Office of Fleet and Asset Management
1700 National Drive
Sacramento, CA 95834

3. Once the DGS has verified that all appropriate paperwork has been submitted for the vehicle/equipment being surrendered, the DGS will stamp off and approve the Std. 152's and begin scheduling the items on the Plan for delivery to a DGS vehicle/equipment disposal facility.
2. Agencies and Departments will be notified by the DGS via email of the scheduled date and location of where to surrender their vehicles and/or equipment. The email will include:
 - Date and location where to surrender vehicles or equipment

- 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*”

Copies of both documents **MUST** accompany the vehicle/equipment upon delivery to the designated vehicle/equipment disposal facility.

- ❖ **Key Issue: State agencies are responsible for all costs associated with delivering fleet assets to a designated DGS vehicle/equipment disposal facility.**
 - ❖ **Key Issue: Fleet assets must be delivered to a DGS vehicle/equipment disposal facility with an approved Form EO B-2-11 “*Receipt for Items to be Sold*” and a completed Std. Form 152 “*Property Survey Report*” that has been stamped and approved by OFAM. All assets must be delivered on the scheduled date to the designated DGS location. Vehicles or equipment received without the proper paperwork will not be accepted.**
 - ❖ **Key Issue: Fleet assets that are delivered to DGS that are not on the approved fleet reduction plan are considered extra reductions and will not be credited toward the actual fleet assets that are designated for reduction. The fleet assets on the fleet reduction plan must still also be surrendered.**
 - ❖ **Key Issue: State Agencies and Departments are responsible for removing any State property, trash or personal belongings from the vehicles prior to delivery to designated vehicle/equipment disposal facility**
3. At the time the fleet asset or equipment is received at one of the designated vehicle/equipment disposal facilities, OFAM staff will sign the accompanying EO B-2-11 Receipt verifying the fleet asset or equipment has been delivered and will provide a copy to the transport driver. OFAM staff will also collect and maintain the Std. Form 152 that accompanied the vehicle for tracking purposes.
- ❖ **Key Issue: Concurrent with vehicle delivery, OFAM staff will be tracking received assets into the DGS fleet reduction tracking system, and the fleet coordinators will be notified when fleet assets have been received. Additionally, OFAM staff will be responsible for ensuring the titles are delivered to the appropriate vehicle/equipment disposal facility in order for the vehicle sale to be processed.**
4. OFAM auction staff will decommission the State vehicle which includes:
- Removal of state license plate.
 - Removal of all remaining trash, State paperwork, and any personal belongings left in vehicle.

- Clean all vehicle windows and write the license number on the upper passenger side windshield. In the lower passenger side windshield, staff will write the date the vehicle came to the auction and to which agency it belongs. Staff will write the license number on the side windows and the rear window.
 - Any state decals or markings shall be either scrapped off or spray painted over.
 - The vehicle is reviewed to determine if it should be sold in the “Main Auction” or as a “Non-Runner”. Staff will look for safety related items such as chips or cracks in the windshield, missing rear view mirrors, bald or leaking tires, leaking fluids. Staff will also check for obvious signs of wear such as inability to start the vehicle, squealing belts, or misfire engine noises.
 - If the vehicle is found to be unsafe or it has mechanical defects, Staff will identify the vehicle as “Do not drive must be towed!”
 - DGS staff will complete the “Write up form” so the vehicle information can be entered for vehicle sale.
5. Proceeds from the sale of the fleet assets will be electronically transferred to the asset owning agency minus the DGS fees associated with administering the sale.