

MANAGEMENT MEMO

SUBJECT: MINIMUM FUEL ECONOMY STANDARDS POLICY	NUMBER: MM 08-04
REFERENCES: PUBLIC RESOURCES CODE SECTION 25722.7; CALIFORNIA VEHICLE CODE SECTIONS 165 & 25252; MANAGEMENT MEMO 06-03. THIS REVISES SECTION 3620.1 OF THE STATE ADMINISTRATIVE MANUAL (SAM)	DATE ISSUED: MARCH 14, 2008 EXPIRES: UNTIL RESCINDED ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

Purpose of this Memorandum The purpose of this policy is to set the fuel economy standard for passenger vehicles and light duty trucks (under 8,500 pounds gross-vehicle-weight rating) that are purchased on behalf of, or by, state offices, agencies and departments. This policy is adopted by the Department of General Services (DGS), in consultation with the California Energy Commission, pursuant to Public Resources Code Section 25722.7.¹ This policy applies to vehicles powered solely by internal combustion engines utilizing fossil fuels.

Who is affected All State entities, including all State departments, boards, commissions, programs, and other organizational units of the Executive, Legislative, and Judicial branches of State government, the California Community Colleges, the California State University, and the University of California if the Regents adopt a resolution making the provisions applicable. [Public Resources Code Section 25722.7 (e), (f)].

Who should review Executive Officers, Administrative Deputies and Chiefs, Fleet Coordinators and Managers, Fiscal Officers, Accounting Officers, and Business Services Officers.

Policy On or after January 1, 2008, the combined annual purchases by each State entity, of passenger vehicles and light duty trucks that are powered solely by internal combustion engines utilizing fossil fuels, shall meet the new minimum State average fuel economy standard of 27.5 miles per gallon (MPG) for passenger vehicles and 22.2 MPG for light duty trucks.

The policy should be read in conjunction with Management Memo 06-03, which continues in effect, specifying that 75% of the State's light duty vehicle purchases shall be Alternative Fuel Vehicles, and that, to the maximum extent practicable, State agencies and departments that have bifuel natural gas, bifuel propane, and flex fuel vehicles in their fleet shall use the respective fuel in those vehicles.

Achieving the Minimum Fuel Economy Standard The minimum MPG standard is achieved by selecting sufficient vehicles that meet or exceed the standard to offset any vehicles purchased that are below the standard. It is essential that State entities forecast carefully to meet the combined average of 27.5 MPG for passenger vehicles and 22.2 MPG for light duty trucks. Any vehicles purchased with MPG ratings below the standards shall be offset by vehicles that exceed the standards in order to achieve the minimum combined

¹ AB 2264 (Pavley), Chapter 767, Statutes of 2006

Achieving the Minimum Fuel Economy Standard (Cont.)

average MPG (see Table 1). DGS may waive application of the standards if the State is unable to secure a competitively bid contract for a vehicle that meets both the needs of the department purchasing it, and the minimum MPG standard in this policy.

Table 1: Example of Achieving a Combined MPG Average of 27.5

Total number of planned passenger vehicle purchases	Vehicles with lower than standard MPG	Vehicles with higher than standard MPG to offset lower MPG vehicles	Overall combined MPG average for annual vehicle purchases
100	55 Vans @ 16 MPG	45 sedans @ 42 MPG	27.7 MPG (must meet or exceed 27.5 MPG)
Formula: $55 \times 16 = (880) + 45 \times 42 = (1890) = 2770$ divided by 100 = 27.7 combined average			

To determine your annual combined fleet purchase MPG average:

1. Refer to the most current State vehicle contract for available vehicles and select vehicles to meet annual purchase need.
2. Check each vehicle's MPG (combined city/hwy) rating at www.fueleconomy.gov/feg/sbs.htm
3. Calculate your total purchase plan to ensure your overall annual vehicle purchase will meet or exceed the MPG standard.
4. Submit an annual vehicle acquisition plan to DGS that forecasts how your fleet will meet or exceed the combined MPG standard.

Exemptions

- Authorized emergency vehicles, as defined in Vehicle Code Section 165, that are equipped with emergency lamps or lights described in Vehicle Code Section 25252.
- Vehicles that are modified for the purpose of providing services by a State entity to an individual with a disability or a developmental disability, as defined under the statutes or regulations governing that State entity; or, as a reasonable accommodation to an employee for a known physical or mental disability, as defined in Government Code Section 12926.

Contact Information

Questions regarding this Management Memo may be directed to:

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Original SAM Management Memo signed by Will Bush, Director

Will Bush, Director
 Signature