State Fleet Vehicle Acquisitions Report for 2007

Section 1: Introduction

The Department of General Services (DGS) is pleased to present the 2007 Senate Bill (SB) 552 State Fleet Vehicle Acquisitions Report. SB 552 (Burton), Chapter 737, Statutes of 2003, added Section 25722.5 to the Public Resources Code (PRC). One provision of this section, which took effect January 1, 2005, was a requirement for DGS to compile, maintain and report information on State Executive Branch vehicles owned, purchased, leased and disposed of during each calendar year, categorized by vehicle type. This section of the PRC also requires the collection and reporting of cost information for vehicles purchased or leased by Executive Branch agencies. DGS has added a summary and overview (Sections 1-6) of the vehicle acquisition data reported by State agencies for the first time with our 2007 report. This summary and overview add more accessibility and value to the data by providing a detailed explication and analysis of the State's fleet trends.

Section 2: Summary of 2007 Report

One hundred thirty-two (132) Offices, Agencies, Commissions, Boards, Departments, Campuses, etc. within the Executive Branch have reported vehicle data to DGS for the 2007 calendar year. Attachment A (State Fleet Vehicle Acquisitions Report) is a listing of all State agencies who have reported data, and contains the details of the vehicle data they have submitted. DGS asked State agencies to report on their current inventory even if they did not have new vehicle acquisitions during the 2007 calendar year. Information for the fifty-two (52) District Agricultural Associations, as well as the twenty-three (23) California State University (CSU) campuses and the CSU Chancellor's office, have been consolidated in the attached spreadsheet. Subtotals for each individual campus or fairground will be made available upon written request.

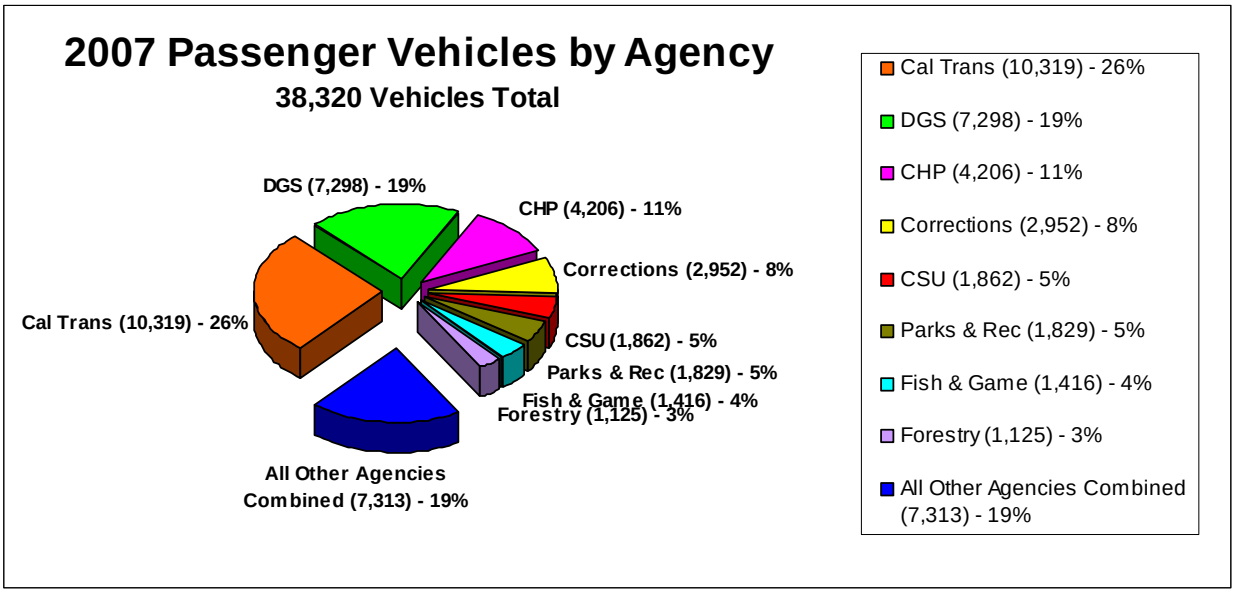
As shown in the following chart, State agencies reported purchasing 3,637 passenger vehicles at a cost of $96,789,681.00, and leasing 285 passenger vehicles at a cost of $1,378,769.00 in calendar year 2007. State agencies reported having a total of 38,320 passenger vehicles in their fleets as of December 31, 2007. (See Section 6 for a list of vehicle types and definitions of each). Data for other fleet equipment types, such as construction equipment, tractors, trailers, forklifts, boats and golf carts are not collected in this report, nor are data for vehicles belonging to the Legislative Branch, the Judicial Branch, the University of California or State agencies that do not own or lease vehicles.

State Fleet Vehicle Acquisitions Report for 2007

Vehicle Type	Fuel Category			
	Regular	Alternative	Hybrid	2007 Total
Number Purchased				
Passenger Vehicles (non-SUV and non-4x4 truck)	1,309	1,448	62	2,819
Sport Utility Vehicles	112	48	9	169
4x4 trucks	281	367	1	649
Total Purchased in 2007	**1,702**	**1,863**	**72**	**3,637**
Percent of Total Purchased	**47%**	**51%**	**2%**	**100%**
Number Leased				
Passenger Vehicles (non-SUV and non-4x4 truck)	272	0	0	272
Sport Utility Vehicles	11	0	2	13
4x4 trucks	0	0	0	0
Total Leased in 2007	**283**	**0**	**2**	**285**
Percent of Total Leased	**99%**	**0%**	**1%**	**100%**
Amount of Purchase				
Passenger Vehicles (non-SUV and non- 4x4 truck)	$41,300,725	$32,581,538	$1,798,714	$75,680,977
Sport Utility Vehicles	$3,052,980	$1,556,453	$222,159	$4,831,592
4x4 trucks	$7,988,209	$8,261,903	$27,000	$16,277,112
Total Amount Purchased	**$52,341,914**	**$42,399,894**	**$2,047,873**	**$96,789,681**
Percent of Total Amount Purchased	**54%**	**44%**	**2%**	**100%**
Amount of Lease				
Passenger Vehicles (non-SUV and non-4x4 truck)	$1,317,386	$0	$0	$1,317,386
Sport Utility Vehicles	$33,646	$0	$27,737	$61,383
4x4 trucks	$0	$0	$0	$0
Total Amount Leased	**$1,351,032**	**$0**	**$27,737**	**$1,378,769**
Percent of Total Amount Leased	**98%**	**0%**	**2%**	**100%**
Inventory				
Passenger Vehicles (non-SUV and non-4x4 truck)	23,940	6,999	493	31,432
Sport Utility Vehicles	2,433	61	29	2,523
4x4 trucks	3,552	812	1	4,365
Total Inventory as of 12/31/07	**29,925**	**7,872**	**523**	**38,320**
Percent of Total Inventory as of 12/31/07	**78%**	**21%**	**1%**	**100%**

According to figures released by the Department of Motor Vehicles, there were 33,539,486 vehicles registered in California in 2007[1]. The 38,320 passenger vehicles owned or leased by Executive Branch agencies in 2007 therefore represents just over one-tenth of one percent (0.11%) of all vehicles registered in California during that year. The State's passenger vehicle purchasing volume also reflects a similar ratio, accounting for less than one percent of all vehicles purchased annually in California. Although the State's percentages are a very small fraction of the total population of vehicles purchased and registered in California, it is important to note that local (i.e., city and county) governments and municipalities can benefit from purchasing off of our leveraged contracts. This expanded reach provides more opportunities for the State to build public-private partnerships, drive adoption of advances in vehicle and fuel technologies and develop environmentally responsible policies that will benefit all California residents.

The chart below depicts the passenger vehicle ownership distribution by agency for calendar year 2007. In this year, eight (8) agencies owned 81% (31,017) of the 38,320 passenger vehicles in the State's fleet. Due to the varied nature of the services provided and terrain covered by these disparate agencies, most of them have particularly specialized equipment and vehicle needs.



As mentioned previously, Public Resources Code Section 25722.5 requires all passenger vehicles purchased or leased by Executive Branch agencies to be reported annually by DGS. Although all of the vehicles reported are technically "passenger vehicles," we have subdivided the vehicles into one of three types on Attachment A: Passenger, SUVs or 4x4 trucks. Each vehicle type is further broken down by the fuel type used: gasoline and diesel, alternative fuel or hybrid (electric and gasoline).

[1] http://www.dmv.ca.gov/about/profile/official.pdf

In recent years, Executive Branch State agencies have increased the number of alternative fuel vehicles in their fleets. For example, the number of alternative fuel passenger vehicles (non-SUV and non-4x4 truck) they purchased increased from 159 in 2005 to 1,448 in 2007. The total inventory of alternative fuel passenger vehicles (non-SUV and non-4x4 truck) as of December 31, 2007 was 7,872, which represents nearly 21 percent of the total reported vehicles for these agencies.

The State's inventory of alternative fuel passenger vehicles in 2007 outnumbered hybrid passenger vehicles by more than fourteen to one. This was a result of our adherence to the Federal Energy Policy Act (EPAct) of 1992, which mandates that a significant portion (75%) of new light-duty (non-emergency) vehicles purchased each model year (between September 1st of the prior year and August 31st of the current year) be alternative fuel vehicles. Hybrids are not considered alternative fuel vehicles, as they run on gasoline and electricity, rather than alternative fuels, and so do not count toward meeting the 75 percent EPAct requirement. It is also worth noting that hybrids frequently cost more to purchase than conventional gasoline or flex-fuel passenger vehicles, and this also contributes to their low representation in the State's current fleet inventory.

The EPAct governs only those vehicles with a gross vehicle weight rating (GVWR) of 8,500 pounds or less, and excludes vehicles used for specialized purposes, such as for emergency response or law enforcement activities. Although the State continues to meet the 75 percent EPAct purchasing requirement, the total number of alternative fuel vehicles purchased during the 2007 calendar year was 51 percent. The difference in these percentage totals is the result of different reporting timeframes (i.e., calendar year for SB 552 v. model year for EPAct) as well as the fact that the SB 552 report includes a wider range of vehicle categories than the EPAct report, including vehicles that weigh more than 8,500 pounds, emergency response vehicles and law enforcement vehicles. Of the 3,637 vehicles that were purchased by Executive Branch Agencies in 2007, 51 percent were alternative fuel capable, 2 percent were hybrids and 47 percent were gasoline or diesel powered.

Existing State policy discourages agencies from acquiring gasoline and diesel SUVs and 4x4 trucks, and instead encourages the acquisition of hybrids and alternative fuel vehicles whenever possible. Agencies that would like to purchase or lease SUVs or 4x4 trucks are required to provide a written justification to DGS's Office of Fleet and Asset Management (OFAM). These disincentives are resulting in a decline in the total inventory of SUVs and 4x4 trucks, and the composition of this category of vehicles is also evolving to include more alternative fuel and hybrid vehicles than ever before.

Additionally, some departments are now taking a more studied approach to their future vehicle purchasing plans. For example, the Department of Parks and Recreation issued a report in November of 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 either cage-unit or 4-wheel drive types. They 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 prepare their report and best determine and justify the diversity of vehicles they need in their fleet. Thoughtful planning such as this will result in optimized fleet acquisitions and utilization.

Section 3: Background

In May of 2003, the California Energy Commission, the Air Resources Board, and DGS jointly issued the *California State Vehicle Fleet Fuel Efficiency Report*[2]. In an effort to further encourage State Offices, Agencies and Departments to lead by example and further "green the State fleet, " SB 552 codified most of this report's recommendations to utilize fuel efficient, low greenhouse gas-emitting and alternative fueled vehicles to the largest extent possible. Further, the procurement, use policies and reporting requirements established by SB 552 were designed to increase the fuel efficiency and reduce the petroleum usage of vehicles leased or owned by the State[3].

Gathering and reporting information about the State's fleet has been an historically challenging task in California government, as there has never been a centralized depository for fleet data. Each State agency has traditionally managed its own fleet, and has responded individually to various mandated requests for reports and public inquiries for information. Because each of these different reports often captures different segments of fleet data, they can sometimes appear irregular or inconsistent when being compared. This is especially true when snapshot data is utilized to capture asset management activity that is dynamic and fluid in nature, as fleet assets are regularly acquired and/or retired throughout the course of the year by all agencies.

In order to resolve these issues and streamline and better manage the State's fleet information, DGS sought a technological solution and developed the Fleet Asset Management System (FAMS). The FAMS data warehouse, which will be discussed later in this report, was designed to support all existing State and Federally mandated reporting, as well as any ad hoc requests from the Administration, the Legislature or the public.

Section 4: Opportunities for Improvement

In compiling the requisite fleet data for the past few years, DGS found that other State agencies often struggled to submit comprehensive and accurate information in retrospect at the end of each calendar year. Data gaps or questionable entries delayed the posting of the comprehensive annual report and/or often required corrections in following years. When compiling information for the 2007 report, for example, DGS identified obvious data outliers and omissions in the data submitted, and worked with the other State agencies to validate their numbers and seek explanations for the anomalies. Because State agencies can acquire vehicles through multiple means, it is

[2] http://www.energy.ca.gov/reports/2003-05-01_600-03-003-VOL1.PDF
[3] http://www.leginfo.ca.gov/pub/03-04/bill/sen/sb_0551-0600/sb_552_bill_20031009_chaptered.pdf

helpful to understand the nature of the acquisition method to know if the associated costs are reasonable. (Note: During our review, DGS also discovered that nine agencies had purchased vehicles without seeking the required approval from OFAM). State agencies may use a variety of methods to acquire vehicles, including:

- DGS automobile contracts
- One-time-buy specialized contracts
- State surplus vehicles
- Federal surplus vehicles
- Federal drug program vehicles
- Leases or long-term rentals
- Gifts

Fluctuations in average costs can be expected with these different methods, but in extreme cases DGS verified the data to make sure there were no reporting errors. This reconciliation process has helped OFAM to identify several areas for future improvements, including:

- Developing better instructions for State agencies to use when they are preparing their data submissions;
- Clarifying which types of vehicles should be included in reporting as required under SB 552;
- Improving communications with other State agencies by assigning a dedicated FAMS analyst to provide one-on-one, agency-specific assistance;
- Creating an internal checklist with a listing and explanation of the most frequently occurring reporting anomalies;
- Requiring agencies to report all vehicles they dispose of during each calendar year, rather than just reporting disposition of SUVs and 4x4 trucks;
- Encouraging agencies to self-validate their data prior to submission to OFAM.

By employing the methods above to ensure a higher level of data accuracy, we have made significant strides in improving the process for data gathering, validating and reporting, and we will continue to refine and improve our practices for future reports.

Section 5: Future Enhancements

Because the Legislature has charged DGS with providing statewide information regarding the composition, utilization, reutilization and disposition of all fleet assets by preparing the SB 552 and other similar reports, DGS found it necessary to develop a technology solution to house and track State fleet asset information quickly and accurately. The Budget Act of 2007 (SB 78) authorized DGS to implement a data warehouse solution, now known as FAMS.

The FAMS data warehouse is intended to capture multiple sources of inventory and operational fleet information from DGS and other reporting State agencies. FAMS will

enable OFAM to efficiently and effectively record, manage and access critical information about the Executive Branch's statewide fleet inventory, and this data will in turn be used to improve the State's analysis and reporting capabilities. Benefits of these enhanced capabilities will include advances such as: reduced timeframes for gathering fleet data to comply with reporting mandates, optimized vehicle utilization rates, improved management of the total cost of fleet ownership, an ability to be more responsive to the rapidly changing pace of vehicle and fuel technologies, and a reduction in petroleum consumption and greenhouse gas emissions for the entire fleet.

The Department of General Services has completed the development phase of the FAMS data warehouse, and is currently working with other State agencies to provide training and fully deploy the solution in 2009. Once all State agencies have completed entering their fleet data into the FAMS data warehouse, DGS will be better able to efficiently and effectively record, manage, access and report critical information about California's statewide fleet inventory in a real time basis. This up-to-date information will also enable DGS to more deftly develop and drive operating policies, purchasing recommendations and utilization criteria for the fleet.

For more information about FAMS or the SB 552 report, please contact:

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Section 6: List of Vehicle Types and Definitions

Passenger-Type Motor Vehicle	A motor vehicle used for the transportation of persons and/or property (other than sport utility vehicles or four-wheel drive trucks, which are addressed separately in this report).
Light-Duty Motor Vehicle	A light-duty truck or light-duty motor vehicle that has a gross vehicle weight rating (GVWR) of 8,500 pounds or less.
Sport Utility Vehicle	A motor vehicle class defined by vehicle manufacturers for vehicles, such as: Ford Explorer, Chevrolet Suburban, Dodge Durango, Jeep Cherokee, etc.
Four-Wheel Drive Truck	A motor vehicle primarily designed to transport property, with the ability to be powered by both front-drive and rear-drive axles.
Alternative Fuel Vehicle	A motor vehicle powered by fuel other than solely gasoline or diesel.
Hybrid Vehicle	A motor vehicle powered by a conventional engine with an electric motor added for enhanced fuel economy and reduced emissions.