

MANAGEMENT MEMO

NUMBER: MM 13-02
DATE ISSUED: JANUARY 14, 2013
EXPIRES: UNTIL RESCINDED
ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

SUBJECT:
STATE FLEET ANNUAL ACQUISITION PLAN

REFERENCES: GOVERNMENT CODE §13332.09; PUBLIC CONTRACT CODE §10295.2 (a); PUBLIC RESOURCES CODE §25722.5 et seq; CALIFORNIA CODE OF REGULATIONS 599.809; EXECUTIVE ORDER B-2-11; STATE ADMINISTRATIVE MANUAL SECTIONS: 3620, 3620.1, 3615, 4105, 4110, 4112, 4117.2

SUPERSEDES MANAGEMENT MEMOS: 02-02 AND 06-07

Purpose This Management Memo announces new requirements for completing fleet vehicle acquisition requests. These new requirements replace the prior process for acquiring fleet assets.

Policy Executive Branch departments are required to submit an annual fleet acquisition plan to the Department of General Services (DGS), Office of Fleet and Asset Management (OFAM) for analysis when requesting approval to acquire new or replacement fleet assets. OFAM is eliminating the use of the *Vehicle Acquisition Request Form* (OFA 160). This policy applies to all emergency and non-emergency fleet assets.

Background The state fleet has undergone a comprehensive vehicle allocation methodology (VAM) analysis that identified non-essential or cost ineffective assets.¹ This process has right-sized the state fleet, therefore, any increase to departments' baseline requires ample justification that additional fleet assets are vital and mission critical. Further, replacing existing assets now requires a higher level of justification than the previous mileage-based thresholds once permitted. OFAM has developed an annual fleet acquisition plan that will allow agencies to demonstrate their need and adherence with the various fleet rules, including, but not limited to the following:

Government Code Section 13332.09 requires the necessity for the acquisition of fleet asset(s) be established;

- Public Resources Code Section 25722.5 et seq prescribes requirements for fleet acquisitions, including the reduction of petroleum consumption;
- The federal Energy Policy Act of 2005 requires state fleets to include 75 percent of alternative fuel vehicles in their acquisitions;
- California Code of Regulations Section 599.809 requires state passenger vehicles be a light class not to exceed 110 combined cubic feet;

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¹ Executive Order B-2-11 Implementation <http://www.dgs.ca.gov/ofam/Programs/FleetReduction.aspx>

Background
(Cont.)

- [Executive Order B-2-11](#) freezes fleet acquisitions except under specific circumstances;
 - [Executive Order B-16-12](#) requires a growing percentage of zero emission vehicles be included in fleet acquisitions;
 - [Management Memo 12-03](#) requires solar reflective colors be the default color of fleet acquisitions.
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Implementation

1. OFAM is eliminating the use of the *Vehicle Acquisition Request Form* (OFA 160); agencies will no longer submit individual fleet acquisition requests to OFAM. This policy applies to all emergency and non-emergency fleet assets.
2. Beginning in Fiscal Year 2012-13, state departments shall submit an annual fleet acquisition plan to OFAM if the department desires to acquire any new or replace any existing fleet assets in the following fiscal year.² This includes any long-term rentals/ leases.³ Individual fleet acquisition requests will no longer be accepted. However, OFAM will accept supplemental fleet acquisition plans from departments should fleet needs change during the course of a fiscal year.

Electronic copies of annual fleet acquisition plans (and any supplemental acquisition plans) must be submitted to carol.shellenberger@dgs.ca.gov to allow for the analysis and approval process no later than:

- First work day of February for one-time buy acquisitions;
- First work day of April for master vehicle contract acquisitions;
- First work day of April for long-term rental/lease acquisitions;
- Supplemental fleet acquisition plans may be submitted (for master vehicle contract acquisitions or for long-term rentals/leases) if the plan is submitted at least 45-days prior to the vehicle manufacturer's cutoff date and/or the end of the fiscal year for the acquisition.

Supplemental fleet acquisition plans must be clearly identified as such and in the same format as the original plan. Denote any changes to the original plan and/or clearly identify the additional fleet assets being requested.

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² See [Management Memo 13-01](#) (State Fleet Asset Oversight) for a list of fleet assets.

³ Long term rentals/leases include fleet assets in the agency's control for over 30 consecutive calendar days or more than four (4) consecutive work weeks (excluding weekends and holidays).

Implementation
(Cont.)

3. Pursuant to Executive Order B-2-11, all fleet replacement requests must clearly describe (in detail) that the asset(s) is:
- Vital and necessary to provide mission critical services; and
 - Needed to protect the health, safety or security of the public; and/or
 - Will result in significant cost savings to the state.

Requests to replace existing fleet assets will be analyzed based on the utilization metrics in the Fleet Asset Management System (FAMS) and an up-to-date VAM analysis.

4. Once a department's annual fleet acquisition plan has been approved by OFAM, the department may acquire one or more of their approved fleet assets by submitting *Purchasing Authority Purchase Order Form* ([STD. 65](#)) or *Purchase Estimate Form* ([STD. 66](#)) to OFAM. OFAM will review the purchasing forms to ensure compliance with the department's approved plan and apply a "[stamp of approval](#)" as appropriate. Departments are no longer required to submit a *Vehicle Acquisition Request Form* (OFA 160) if a vehicle is listed in an approved annual fleet acquisition plan.
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Certification of Compliance

Public Contract Code Section 10295.2(a), and Executive Order B-2-11 require that all fleet acquisition requests be signed by the Secretary or Director of an agency or a department, respectively, or his or her designee. The certification shall include the date, title, and signature of the person authorizing the acquisition. The Director of DGS must approve all such purchases, subject to the review of the Secretary of the State and Consumer Services Agency.

OFAM has developed a certification form that must accompany all fleet acquisition plans (see Additional Resources section of this MM).

Required Format

OFAM has developed an annual fleet acquisition plan template that must be followed when submitting a request to acquire new or replacement fleet assets (see Additional Resources section of this MM). The template outlines the vital areas that the narrative must follow when providing an overview of the planned acquisitions and how those acquisitions will comply with existing requirements. Following the prescribed format allows for a more efficient analysis to take place as the information needed to make decisions should be easily located. Accompanying the narrative section is the spreadsheet that will include the line item detail of each planned new or replacement asset (see Additional Resources of this MM). These two documents, along with the certification form, make up a fleet acquisition request.

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**Required
Format**
(Cont.)

Other supporting documentation should also be attached if it helps justify the acquisitions. For example, if additional vehicles are being requested that increases the size of the agency's fleet baseline, an authorized budget change proposal (BCP) or Governor's budget line item must be attached to substantiate any increase in staffing or workload corresponding with the request for additional vehicles.

OFAM has developed templates to assist departments in developing their plans; these templates can be found in the Additional Resources section of this MM. The Annual Fleet Acquisition Plan and any supplemental plans must include the following:

1. Written narrative that follows the Annual Fleet Acquisition Plan template
2. Excel spreadsheet using the format provided
3. Fire truck questionnaire, if applicable
4. Fleet Acquisition Certification form
5. Copies of approved BCP or Governor's Budget for additional assets that increase the size of the agency's B-2-11 fleet baseline.

**Additional
Resources**

An electronic copy of the referenced documents can be found at the DGS website:

1. [Annual Fleet Acquisition Plan Template](#)
2. [Fleet Acquisition Plan Spreadsheet](#)
3. [Addendum "A" Fire Truck Questionnaire](#)
4. [Fleet Acquisition Certification](#)

DGS Contact

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Original Management Memo signed by Fred Klass, Director, DGS

Signature

Fred Klass, Director
Department of General Services