

MANAGEMENT MEMO

	NUMBER: MM 05-08
SUBJECT: REQUIREMENTS FOR THE NEW ACQUISITION OR REPLACEMENT OF MOTOR VEHICLES AND GENERAL USE MOBILE EQUIPMENT	DATE ISSUED: MAY 17, 2005
REFERENCES: GOVERNMENT CODE §13332.09	EXPIRES: MAY 16, 2006 ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

Purpose of this memorandum

This memorandum is an addition to Section 3620 of the State Administrative Manual as follows:

1. Outline new policy to permit State agencies to acquire new or replacement fleet assets.
2. Inform State agencies of changes to the existing law.
3. Identify which State agencies are subject to fleet rules.
4. Describe the essential fleet functions State agencies must have in place prior to seeking approval for new or replacement fleet assets.
5. Provide a resource for the rules, policies and procedures governing the acquisition, use, maintenance and disposal of State fleet assets.
6. Identify the fleet assets subject to these rules.

Changes to existing law

Existing law (Government Code §13332.09) provides that no purchase order or other form of documentation for the acquisition or replacement of motor vehicles shall be issued against any appropriation; and, no State agency may acquire surplus mobile equipment from any source for program support until the Department of General Services (DGS) has investigated and established the need.

On January 1, 2005, new legislation (SB 1757, Denham and Battin, Chapter 926, 2004) became effective and now requires that all State agencies within the Executive Branch of government, including each campus of the California State University, adhere to this rule. The only exemption from this rule, the University of California, is requested and encouraged to have DGS perform this task with respect to their fleet acquisitions as well.

Government Code §13332.09 is available at the link provided in the Fleet Policy section below.

STATE ADMINISTRATIVE MANUAL

Who is affected The amended law references all State agencies as defined by Government Code §11000, and specifically includes each campus of the California State University. Other State entities also subject to this law include, but are not limited to:

- California State Lottery;
- Community Colleges Chancellor's Office;
- Student Aid Commission;
- Fair Political Practices Commission;
- Public Employment Relations Board;
- Public Employees' Retirement System;
- State Teachers' Retirement System; and,
- Any other Executive Branch office, agency, department, commission, board, association, center, authority, conservancy, corps, program or system.

Government Code §11000 is available at the link provided in the Fleet Policy section below.

Background State motor vehicles and general use mobile equipment are generally obtained through the following means: direct purchase, leased from the DGS, Office of Fleet Administration (OFA) or leased through commercial vendors; and, occasionally as a gift or donation. To thoroughly investigate and establish the necessity for the new acquisition or replacement of fleet assets, DGS requires vital fleet-related information.

DGS' role DGS, OFA oversees the State fleet through the formulation of fleet policies, the collection of fleet-related data, and, by ultimately ensuring that State fleet assets are being obtained at best/cost value and utilized wisely by State agencies.

STATE ADMINISTRATIVE MANUAL

State agencies' role in Essential fleet management functions Each State agency must have a current "Fleet Asset Management Plan" on file with the OFA (updated annually).

The following elements are required within each Fleet Asset Management Plan:

1. Responsible managing employee Each State agency shall assign one managing employee responsible to oversee their fleet. This person shall represent all subdivisions within the agency and be the liaison between the agency and OFA.

2. Fleet rules and policies Each State agency shall explain the methods used to maintain and disseminate State fleet rules and policies to those staff involved with fleet matters.

3. Internal oversight Each State agency shall explain the methods used to oversee and control:

- The acquisition of fleet assets
- Underutilized fleet assets
- Preventative maintenance of its fleet
- Operating costs associated with fuel, repair, modification and/or services expended on its fleet
- Employee's use of State vehicles
- Home storage of State vehicles

4. Up-to-date fleet data and reports Each State agency shall maintain up-to-date fleet data and ensure required fleet reports are current and on file with OFA.

5. Fleet management system DGS is seeking to employ an automated fleet management system capable of receiving prescribed fleet data electronically from State agencies on a regular basis, thereby eliminating the need to require a variety of reports throughout the year. For those agencies currently using an automated fleet management system, DGS will need certain data made available periodically. For those agencies without an automated fleet management system, DGS will work with you to ensure that necessary fleet data is being collected and made available with regularity.

(See attached Fleet Asset Management Plan Template for more information)

STATE ADMINISTRATIVE MANUAL

State fleet policies Mandates and policies governing the acquisition, use and disposal of the State motor vehicle fleet can be found at the following links:

Fleet Mandates and Policies	Source	Link
Requires DGS investigate and authorize the acquisition or replacement of State vehicles and general purpose mobile equipment.	Government Code §13332.09	http://www.leginfo.ca.gov/calaw.html
Requires DGS formulate fuel efficiency standards and life-cycle costing for motor vehicle procurement. Requires reduction of SUVs and 4x4s from the State fleet. Requires State agencies to report fleet information to DGS.	Public Resources Code §25722 and §25722.5	http://www.leginfo.ca.gov/calaw.html
Prescribes rules for the use of State-owned motor vehicles.	Government Code §19993.1-19993.8	http://www.leginfo.ca.gov/calaw.html
Prescribes rules for the sale or transfer of State-owned personal property (motor vehicles).	Government Code §14674-14675	http://www.leginfo.ca.gov/calaw.html
Defines State agencies.	Government Code §11000	http://www.leginfo.ca.gov/calaw.html
Regulations governing the use of State-owned motor vehicles.	California Code of Regulations §599.800-599.809	http://ccr.oal.ca.gov/cgi-bin/om_isapi.dll?clientID=98573&infobase=ccr&softpage=Browse_Frame_Pg42
Requires DGS to administer, and State agencies to meet, the Federally mandated Energy Policy Act of 1992 (EPACT).	Executive Order W-100-94	http://www.ofa.dgs.ca.gov/Alternative%20Fuels/EO-W-100-94.htm
DGS policies governing State fleet.	State Administrative Manual §3620-3629 and §4100-4116	http://sam.dgs.ca.gov/default.htm
DGS policies governing State fleet: Approved Auto Repair Facilities Re-refined Oil Vehicle Replacement Policy Official State Fuel Card Acquisition of State Vehicles Preventative Maintenance Vehicle Purchase and Lease Policy Reporting State-Owned or Leased Motor Vehicles	Management Memos: 98-14 01-22 02-02 03-15 03-18 04-16 04-20 04-22	http://www.osp.dgs.ca.gov/On-Line+Publications/SAM+Management+Memos.htm
OFA fleet policies and procedures	State Fleet Handbook	www.ofa.dgs.ca.gov
OFA approved repair vendor policy	DGS Glove Box Directory	www.ofa.dgs.ca.gov

STATE ADMINISTRATIVE MANUAL

Fleet assets requiring OFA oversight The following motor vehicles and general use mobile equipment are subject to OFA oversight:
(Exclusions are listed in the next section)

Motor Vehicles	A vehicle that is self-propelled and registered by the Department of Motor Vehicles for street use.
General Use Mobile Equipment	<ul style="list-style-type: none"> • Self-propelled mobile equipment. • Self-propelled mobile equipment registered by the Department of Motor Vehicles for off-road use. • Vessels registered by the Department of Motor Vehicles for use on water. • Vessels documented by the U.S. Coast Guard.
Surplus Mobile Equipment	Motor vehicles or general use mobile equipment that was previously owned or operated by any entity.

Exclusions to OFA oversight The following fleet-type assets—whether registered by DMV or not—are no longer overseen by OFA:

- Golf Cart
- Mower
- Generator
- Mobile home/office
- Fork lift
- Pallet jack
- Personnel hoist
- Trailer
- Agriculture or construction equipment pulled by a vehicle
- Other fleet-related equipment as determined by OFA

Important: State agencies must continue to follow established State procurement and property management rules for these assets.

STATE ADMINISTRATIVE MANUAL

For additional information regarding this memorandum and OFA oversight

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Original Management Memo signed by Ron Joseph, Director

Signature

Ron Joseph
Director

Attachment

STATE FLEET ASSET MANAGEMENT PLAN TEMPLATE

State agency
name and main
address:

Responsible
management
employee (and
backup) names,
telephone
numbers, and
E-mail
addresses:

Description of
how fleet rules,
policies and
processes are
maintained and
shared:

Description of
how internal
oversight is
achieved to:

- Control new or replacement fleet acquisitions
 - Identify underutilized fleet assets
 - Determine when to retire (survey) or transfer underutilized fleet assets
 - Determine how preventative maintenance of fleet assets is achieved
 - Determine if operating costs associated with fuel, repair, modification and/or services expended on its fleet is appropriate
 - Determine if employee usage of State motor vehicles is appropriate
 - Determine if Home or “Off-site Storage” of State vehicles is appropriate
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Description of
what fleet Asset
management
system is
utilized and
how required
fleet reports are
kept current:

Include what fleet management system is currently being used (if any) and how fleet information is kept current.

Note: OFA is in the process of evaluating options for developing a Statewide fleet data base or other technological approach to capturing enterprise-wide fleet data. We will be working with State agencies in determining the best solution thereby allowing us to provide customer agencies with clarification of this system when more information is known. It is expected this technological solution will render numerous fleet-related reports obsolete by allowing OFA some degree of visibility into fleet data maintained by State agencies.