

MANAGEMENT MEMO

NUMBER:

MM 17-02

SUBJECT:

DATE ISSUED:

08/16/2017

Abbreviated Fleet Acquisition Process

EXPIRES:

UPON INCORPORATION
INTO SAM OR MAY 2018

REFERENCES:

STATE ADMINISTRATIVE MANUAL (SAM): CHAPTER 4100, SECTION 4120; GOVERNMENT
CODE SECTION 13332.09; PUBLIC CONTRACT CODE SECTION 10290.5; EXECUTIVE ORDER
B-2-11.

ISSUING AGENCY:

DEPARTMENT OF GENERAL
SERVICES

Purpose

This Management Memo announces an abbreviated fleet acquisition approval process for non-light duty replacement vehicles and mobile equipment (fleet assets). This process is provided in a new State Administrative Manual (SAM) section under "Transportation Services, Acquisition of Vehicles".

Policy

Effective immediately, non-light duty replacement fleet assets, excluding aircraft, are eligible to be processed through an abbreviated Fleet Acquisition Plan (FAP) process. This process is provided in SAM section 4120.8.

- Under this abbreviated process state agencies will still be subject to all the fleet requirements applicable to non-light duty fleet assets such as, but not limited to, fleet reporting requirements, justifications for dissimilar fleet assets, and meeting fleet replacement standards.
- To ensure the necessity of the replacement fleet asset, state agencies using the abbreviated acquisition process shall conduct a utilization analysis on all fleet assets that are like type to those being requested on the FAP. State agencies shall certify on the Fleet Acquisition Certification that the utilization analysis was completed and will make the analysis available upon request by OFAM.

Definitions

Light-duty Fleet Assets

Fleet assets having a gross vehicle weight rating of 8,500 pounds or lower.

Replacement Fleet Assets

Fleet asset acquisitions that replace a previously approved and operated agency fleet asset.

Authority

Government Code Section 13332.09 requires that a purchase order or other form of documentation for acquisition or replacement of state fleet assets shall not be issued against any appropriation until the Department of General Services has investigated and established the necessity therefor.

Executive Order B-2-11 required departments to do an analysis of their fleet and to dispose of cost ineffective fleet assets. To implement the fleet reduction, OFAM contracted with a consultant to conduct an analysis of each department's fleet to identify cost ineffective fleet assets and dispose of the assets. Pursuant to the analysis, the Department of Finance reduced state agencies equipment budgets to align with their new fleet baseline.

Executive Order B-2-11 requires that 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.

Public Contract Code Section 10290.5 requires that no vehicle acquisition request, vehicle purchase order, or new contract shall be approved by the DGS for the purchase of new vehicles that would result in the expenditure of funds unless a certification is received in writing and signed by the secretary or director of an agency or a department that has requested the acquisition of the new vehicles, verifying that the purchase is vital and mission critical for the agency or department.

Management Memo (MM) 16-02 requires departments to submit an annual fleet acquisition plan (FAP) to OFAM for review and approval. As part of OFAM's review of the FAP they conduct a utilization analysis applying the annual minimum utilization standards to determine if departments have assets within their fleet that are underutilized and may be redirected or disposed.

MM 13-01 establishes oversight of state fleet assets.

Background

Pursuant to Government Code (GC) Section 13332.09, the Department of General Services (DGS) is responsible for determining the necessity of a fleet asset prior to the asset being purchased. To ensure statutory compliance, state agencies are required to submit a *Fleet Acquisition Plan* (FAP) to the DGS, Office of Fleet and Asset Management (OFAM) for analysis and approval prior to acquisition of new or replacement fleet assets. As part of its analysis OFAM ensures each FAP meets compliance with all state and federal fleet polices and requirements.

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**Background
(Cont.)**

Due to the high number of state and federal fleet policies that OFAM must ensure compliance with, the fleet acquisition approval process can be cumbersome and time consuming. In an effort to improve the process and reduce processing timeframes OFAM reviewed its current fleet acquisition approval process and identified an opportunity to reduce processing timeframes for non-light duty fleet assets while still meeting its statutory responsibility for determining the necessity of an asset. Non-light duty acquisitions must adhere to fewer fleet oversight policies and typically take longer to procure. As such, creating an expedited approval process for non-light duty assets will allow agencies to acquire assets quicker, while ensuring that OFAM maintains proper oversight.

DGS Contact

For questions regarding this MM, please contact:

Renee Carroll, Assistant Chief
Office of Fleet and Asset Management
(916) 928-9865

Signature



Daniel C. Kim, Director
Department of General Services

8/15/2017

Date