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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 OF JUNE 30, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

June 30, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF REVISED
BOARD POLICY NUMBER 3.020 – CLEAN FUEL - SUSTAINABLE FLEET
(ALL DISTRICTS - 3 VOTES)

SUBJECT

Recommendation to approve the revised Board of Supervisors Policy Number 3.020, Clean Fuel – Sustainable Fleet policy that establishes vehicle fleet replacement standards, and enhances sustainability efforts and standards for the County vehicle fleet.

IT IS RECOMMENDED THAT THE BOARD:

Approve the attached Board of Supervisors Policy Number 3.020, Clean Fuel – Sustainable Fleet ("Policy"), revised to establish vehicle fleet replacement standards, and enhance sustainability efforts and standards for the County vehicle fleet.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended revised Policy was approved by your Audit Committee on May 21, 2015, and include the following enhancements:

- Establishes standards for new vehicle purchases and replacement cycles.
- Incorporates sustainable fleet policy to improve air quality and reduce consumption, pollutants and greenhouse gas emissions.
- Adopts minimum fuel consumption and emission requirements for non-emergency passenger sedans.

- Establishes that 10% of non-emergency passenger sedan purchases are to be Plug-in hybrids or electric vehicles with zero emission or near zero emission.
- Establishes that 10% of non-emergency light duty truck or van purchases are to be alternative fuel such as CNG, propane or plug-in hybrids.

Implementation of Strategic Plan Goals

The County Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of processes, structure, and operation to support timely delivery of customer-oriented and efficient public services. The Board's adoption of the revised Policy is consistent with this goal.

FISCAL IMPACT/FINANCING

The Chief Executive Office (CEO) provided a one-time $5M contribution of Net County Cost (NCC) to the Motor Vehicle Accumulated Capital Outlay (MVACO) fund to address one of the many deferred maintenance needs of the County that have suffered through the recent recession. $4.6M of the contribution in the MVACO will be used to fund vehicle replacement, as established in the Policy, for NCC departments.

Departments will be required to prepare an annual vehicle replacement plan based on vehicle fleet replacement guidelines contained in the Policy.

The CEO will also work with partially subvened departments to understand the most efficient method to utilize NCC for vehicle replacement in conjunction with their subvention requirements.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Policy revisions and vehicle fleet replacement guidelines were initiated as a result of vehicle repair costs increasing for ISD managed fleet over the past several years. The age of the County light duty fleet on average is over nine years and is a significant contributing factor in the rise in vehicle repair costs overall.

ISD engaged Mercury Associates, Inc. to review the light vehicle fleet and provide a report and recommendations to include:

- Information on established industry standards for light duty vehicle replacement
- Fleet replacement cycles for light-duty vehicles
- A multiple-year fleet replacement plan
- A recommendation on a Fleet replacement policy

At the time of the study, 64% of the ISD-managed fleet exceeded recommended replacement criteria, which would cost approximately $80.8M to replace. The consultant recommended a 5-year "catch-up" or Renewal Replacement of these vehicles which would result in the replacement of 74% of current vehicles over a five-year period versus only 19% if County were to continue spending only $5M annually. The 3,891 light duty vehicles maintained by ISD were included in analysis.

Vehicle replacement plan benefits include optimized vehicle replacement cycles, improved fuel economy and reduced greenhouse gas emissions, improved vehicle safety, and reduced total cost of ownership and maintained value of County capital assets.

ENVIRONMENTAL DOCUMENTATION

Approval of this recommendation is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the revised Policy will enhance the operational effectiveness of the County's vehicle fleet.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two stamped copies of the approved Board letter to the Director, ISD.

Respectfully submitted,

JIM JONES
Director

JJ:DC:JS:MN:as

Enclosures

c: Chief Executive Officer
County Counsel

Policy #:	Title:	Effective Date:
3.020	Clean Fuel – Sustainable Fleet	XX/XX/15

PURPOSE

Establishes a clean air – sustainable fleet policy to improve air quality in the South Coast Basin through the expanded use of clean fuels for County vehicles in conjunction with other County-sponsored environmental programs. This policy establishes standards for new vehicle purchases and vehicle replacement cycles that will ensure the County's vehicles are replaced in a fiscally responsible and consistent manner that reduces energy/fuels consumption, criteria pollutants generation, and greenhouse gas (GHG) emissions.

REFERENCE

September 20, 1994 Board Order, Synopsis 9

November 30, 1994 Chief Administrative Office and Internal Services Department memo, "Los Angeles County Clean Fuels Policy"

January 10, 1995 Board Order, Synopsis 8

November 15, 2005 Board Order No. 2

February 3, 2009 Board Order No. 23

July 1, 2011 Chief Executive Office Policy/Procedure/Guidelines – County Vehicle Policy

California Air Resources Board (CARB)

South Coast Air Quality Management Districts (AQMD)

California's Global Warming Solutions Act (AB 32)

California's Sustainable Communities Strategy (SB 375)

Vehicle Retirement and Replacement (SB 1275)

POLICY

It is the policy of the County of Los Angeles to transition its motor vehicle fleet to viable clean fuels, including hybrids and alternative fuels vehicles, as approved by the California Air Resources Board (CARB) and South Coast Air Quality Management Districts (AQMD).

The following County standards are provided for new vehicle purchases:

1. The standard for all new non-emergency passenger sedans for conducting routine County business shall be hybrid vehicles[1], and shall have a minimum EPA Combined City/Highway fuel consumption of 35 miles per gallon and produce less than 250 grams of CO2 per mile, as rated by the U.S. Environmental Protection Agency. Any exceptions to this provision shall be made for cause and approved by the Chief Executive Office (CEO) in consultation with ISD for technical clarification.

   Additionally, departments shall make at least ten percent (10%) of the non-emergency passenger sedans purchased as original equipment manufactured Transitional Zero Emission Vehicles (T-ZEVs)[2] or Zero Emission Vehicles (ZEVs)[3]. All T-ZEV Sedans shall have a minimum all-electric range of at least 16 miles. Any exceptions to this provision shall be made for cause and approved by the CEO in consultation with ISD for technical clarification.

2. The standard for new non-emergency trucks and medium to heavy-duty vehicles (Gross Vehicle Weight over 14,000 pounds) with emphasis on buses, trucks, street sweepers, and waste collection vehicles will be Compressed Natural Gas (CNG), or other alternative fuels other than diesel.

3. Departments shall make at least 10% of all non-emergency light duty trucks or vans (14,000 pounds Gross Vehicle Weight or less) purchased as original equipment manufactured alternative fuel, such as CNG, Propane (LPG), T-ZEV or ZEV (Plug-In models). Any exceptions to this provision shall be made for cause and approved by the CEO in consultation with ISD for technical clarification.

4. Departments shall provide basis for seeking an exemption from the acquisition of vehicles not meeting the County standards to the CEO for review and approval. The written approval must be submitted along with the vehicle purchase requisition to the Internal Services Department's (ISD) Purchasing Division.

   All exemptions will be reported by ISD, or the appropriate reporting department, in their Annual Clean Fuels – Sustainable Fleet report. (See No. 5 below)

5. Departments that manage fleet operations shall report to the Board by March 1st each year on the composition of their fleet and the number of vehicles powered by clean fuels, including hybrids and other alternative fueled vehicles.

[1] Examples of Hybrids: Ford C-MAX, Ford Fusion, Honda Accord, Honda Civic, Toyota Prius, Toyota Camry, etc.
[2] Examples of T-ZEVs: Chevrolet Volt, Ford CMAX Energi, Ford Fusion Energi, etc.
[3] Examples of ZEVs: Chevrolet Spark EV, Ford Focus Electric, Kia Soul EV, Nissan LEAF, Volkswagen e-Golf

The following are the guidelines to achieve a systematic approach to vehicle replacement:

1. All departments will utilize the following vehicle fleet replacement cycle standards for light-duty vehicles:

Vehicle Class	Years	Mileage
Emergency Vehicle*	7	110,000
Sedan	8	115,000
SUV	8	105,000
Van	8	105,000
Truck-Light-duty *	9	110,000

∗ Emergency Vehicle includes light duty emergency-related vehicles as defined by the California Vehicle Code Sections 165, 30, 25269, 21055, and 27002. Light duty trucks are defined as those of 14,000 pounds gross vehicle weight or less. All vehicle replacement standards are applicable on 'whichever comes first' basis.

2. Vehicles become candidates for replacement when they reach either the age or mileage replacement criteria, whichever comes first. When vehicles are identified as candidates for replacement, the vehicles are not mandated to be replaced. Rather, vehicle replacement candidates will be subject to further analysis, including current utilization level; front-line or backup assignment status; repair history and pending repair/refurbishment costs; perceived reliability, suitability, and safety; and ease of replacement. Departments will report the results of this review to the CEO as part of their annual vehicle budget requests.

3. Departments will consult with the CEO to develop budgetary plans to fund replacement vehicles. Vehicle replacement will be coordinated centrally through the CEO as part of the annual budget process. ISD will provide fleet utilization and repair historical data and help develop the replacement strategy for departments that use ISD Fleet Services. Other departments will similarly work directly with the CEO. Each department should prepare an annual vehicle replacement plan.

4. Departments shall review vehicle utilization for opportunities to reduce fleet operating costs. Where feasible, departments shall reduce vehicle counts by pooling, renting County motor pool vehicles, employee mileage reimbursement, etc. Departments shall review vehicles that are driven 5,000 miles or less annually. Generally, such vehicles will be considered underutilized, and should be removed/turned in or redeployed unless fully justified based on business/operating requirements. Departments are advised to periodically rotate higher use vehicles with lower use units.

5. Increases to departmental vehicle counts will require CEO approval based on operating and/or program needs.

6. Unless otherwise justified based on operating/business needs, vehicles must be replaced "in kind". Replacement vehicles must meet departmental business requirements, limit features/accessories to those that improve safety and/or reduce risk or liability issues, enhance employee productivity, and are clearly needed for operations.

7. In procurement calculations of the Total Cost of Ownership bid evaluation shall utilize replacement mileage standards detailed above to determine the lowest responsible bid.

8. All retired/replaced vehicles must be turned in for disposal or salvage, and may not be retained within any County operation unless approved by the CEO. For salvaged vehicles, auction proceeds will be deposited to Motor Vehicle Accumulated Capital Outlay (MVACO) and returned as appropriate to each department.

RESPONSIBLE DEPARTMENT

Internal Services Department

Chief Executive Office

DATE ISSUED/SUNSET DATE

Issue Date: January 10, 1995	**Sunset Review Date: January 10, 2004**
Review Date: February 19, 2004	**Sunset Review Date: January 10, 2007**
Review Date: November 15, 2005	**Sunset Review Date: January 10, 2009**
Review Date: January 18, 2007	**Sunset Review Date: January 10, 2010**
Reissue Date: February 3, 2009	**Sunset Review Date: January 10, 2010**
Reissue Date: February 18, 2010	**Sunset Review Date: February 18, 2014**
Review Date: December 18, 2013	**Sunset Review Date: February 18, 2016**
Issue Date: XXXXX ##, 2015	**Sunset Review Date: December 31, 2016**