April 16, 2015

Honorable Mark Leno, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814
ATTN: Ms. Peggy Collins

Mac Taylor
Legislative Analyst
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Michael Cohen, Director
Department of Finance
State Capitol, Room 1145
Sacramento, CA 95814

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Secretary of the Senate
State Capitol, Room 400
Sacramento, CA 95814

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Sacramento, CA 95814

E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

RE: Government Code 13332.09(f) California State University Vehicle Report

As required by Section 13332.09(f) of the Government Code, I am pleased to submit the annual report to the legislature on CSU Vehicles. This report covers the period of July 1, 2013 to June 30, 2014. Assembly Bill 633 amended Government Code Section 13332.09 requires the trustees to make an interim report on their motor vehicle procurement, to include specified information, to the Governor and the Legislature on January 1, 2015, and also requires the trustees, to the greatest extent feasible, to purchase vehicles using statewide commodity contracts.

The full report, including attachments, can be found at http://www.calstate.edu/budget/fybudget/legislative-reports/.

The following are CSU’s responses to the four reporting requirements in Government Code 13332.09(f) A-D.

13332.09(f) 2(A)

The CSU inventory report is attached as Attachment A. This report includes all DGS Fleet

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominquez Hills
East Bay
Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy
Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego
San Francisco
San José
San Luis Obispo
San Marcos
Sonoma
Stanislaus
Asset Types and managed in the Fleet Asset management System (FAMS) as of fiscal year 2013/14.

13332.09(f) 2(B)

The report on the number of vehicles purchased is provided as Attachment B.

13332.09(f) 2(C)

Further the CSU has implemented use of an on-line public surplus dispersion tool in 2014. This tool will allow all 23 campuses to quickly search for available CSU vehicular inventory at other CSU campuses. Each campus will be required to post their available vehicles valued at greater than $10,000 (and other at their discretion) on the site and for as yet to be determined duration, must allow for “CSU eyes only” access before broadening the posting for the general public’s consideration.

13332.09(f) 2(D)

In this reporting period the CSU calculated the average time from when a requisition was submitted to the campus procurement office to the time the purchase order was placed with the supplier to be 19 days for all vehicle classes purchased (see Attachment B).

As mentioned above, the CSU has changed its policy related to the source of vehicles and since January, 2013 use the DGS commodity contracts as the primary source of those vehicles. When available and used the CSU believes these to be the most advantageous pricing for the contracted vehicles. In some instances the procurement of vehicle occurred when the DGS commodity contracts were not available, and in those instances, the vehicles were purchase competitively.

The averages administrative costs in purchasing any vehicle is very difficult to assess as each vehicle purchase is different, However, the CSU, believe that each vehicle purchase represents an average of approximately four (4) hours of administrative time considering the steps involved in specifying the vehicle, contracting (using a DGS preexisting contract or otherwise), bidding if necessary, and purchasing documentation. When DGS was mandated as part of the CSU’s purchasing approval process, the estimates of additional labor was ranged from one (1) to five (5) hours house of additional CSU labor. The CSU is unable to estimate DGS’s labor in approving vehicle purchases.

The CSU estimates that the savings in administrative fees paid to DGS would be that per-asset fee paid to Office of Fleet and Asset Management. The last known per-asset fee was approximately $80 per vehicle. With approximately 4,508 assets, that annual fee would be approximately $360,640.

If you have any questions, please contact Zachary Gifford, Director, Systemwide Risk Management, at (562) 951-4580.
CSU Vehicle Report
April 16, 2015

Sincerely,

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

SR:dr

Full report posted to www.calstate.edu/budget/fybudget/legislative-reports/

c: Timothy P. White, Chancellor, California State University
    Ephraim Smith, Executive Vice Chancellor and Chief Academic Officer
    Garrett Ashley, Vice Chancellor, University Relations and Advancement
    Ryan Storm, Assistant Vice Chancellor for Budget
    Karen Y. Zamarripa, Assistant Vice Chancellor, Advocacy and State Relations
    George Ashkar, Assistant Vice Chancellor/Controller, Financial Services
    Robert Eaton, Assistant Vice Chancellor, Finance, Treasury & Risk Management