

**COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

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Fleet Management Internal Service Fund	H-1	1 of 3

Purpose

To establish guidelines for the development, administration, and control of the Fleet Management Internal Service Fund (ISF).

Background

In October 1996, the Board of Supervisors established the Fleet Management ISF for General Fund vehicles and mobile equipment, which are defined as motorized and self-propelled on- and off-road vehicles, maintenance equipment and related towed equipment, such as trailers and trailer-mounted power units. The intended use of the ISF was to accrue vehicle replacement costs prior to the end of a vehicle's useful service life, on a regular and planned basis.

Policy

It is the policy of the Board of Supervisors that:

1. The Department of General Services (DGS) is responsible for the administration and control of the Fleet Management ISF.
2. DGS will maintain a current master inventory of all County vehicles and mobile equipment. The date of a vehicle's activation in the master inventory is to be the date it is delivered in a fully operational condition to the user department.
3. DGS shall annually establish rates or charges for the operations, maintenance and depreciation of vehicles in the ISF. The Cost Commission shall approve the methodology, the rates or charges and all supporting data. The information shall then be provided to all user departments in the Operational Plan Instructions each year.
4. Interest earnings will be retained in the ISF.
5. DGS shall ensure that the rates or charges for vehicles in ISF are sufficient to recover both operating and overhead costs of the services provided for ISF vehicles, including accident repairs.
6. Except as noted below, the Fleet Management ISF will charge user departments a usage rate based on the straight-line depreciation of vehicles and mobile equipment in the ISF. Fleet Management will place accumulated funds in an interest-bearing account in the ISF and use the funds to purchase replacement vehicles and mobile equipment as required.
7. Vehicles and mobile equipment funded with grant funds, donated vehicles, and any other category of vehicle not in the ISF, will not be charged a depreciation rate, but will be subject to all other applicable rates and charges.

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8. All proceeds from the sale of salvaged vehicles and mobile equipment in the Fleet Management ISF and all insurance settlements for damage to the vehicles in the Fleet Management ISF shall be deposited in the ISF account.
9. Departments returning a vehicle before it has fully depreciated will not be responsible for further depreciation payments. DGS will attempt to re-utilize such vehicles for another department. If a department chooses to re-utilize a vehicle, that department will assume all outstanding depreciation payments, fees, and costs associated with maintenance and operation of that vehicle.
10. All maintenance and repair of ISF vehicles and mobile equipment will be provided by or through DGS; DGS shall have authority to determine when it is more cost efficient to use the private sector for specified maintenance or repair activities.
11. In accordance with the Fleet Manual, all departments must comply with maintenance schedules, including regular preventative maintenance of vehicles. DGS will review compliance with preventative maintenance schedules on an ongoing basis, and the Director of DGS will notify the appropriate appointing authorities of any non-compliance.
12. DGS, in conjunction with user departments, will develop five-year plans for replacing vehicles and mobile equipment in the ISF. Priority for replacement will be based on the following criteria: safety, status of vehicle depreciation, cost of repair or operation, availability of Zero-Emission Vehicle (ZEV), carbon footprint of vehicle, user department requirements, age, and mileage. Prior to executing budgeted replacement plans, departments, in collaboration with DGS, will review identified underutilized vehicles across the enterprise as described in paragraph 14 to determine if these underutilized assets can be reassigned in place of procuring a replacement vehicle.
13. During the annual vehicle status report and acquisition planning review with client departments, all gas-powered vehicles performing duties that could be performed by a ZEV vehicle will be identified and referred to as “ZEV Capable” vehicles. If ZEV infrastructure is available at the site where a ZEV Capable vehicle is stationed and the ZEV Capable vehicle is fully depreciated, that vehicle will be included in the annual list for vehicle replacement.
14. DGS will provide a vehicle utilization report annually to departments. Standard light-duty vehicles identified as underutilized will be evaluated for immediate fleet reduction. Standard light-duty vehicles are defined as a passenger car or light truck with a gross vehicle weight rating of 8,500 pounds or less (e.g. sedans, SUVs, trucks, or vans). Similar to the vehicle annual status report and acquisition planning review process, the annual utilization report process will also include identification of ZEV Capable vehicles. Underutilized standard light-duty vehicles are defined as those vehicles driven fewer than 10,000 miles annually or having less than one trip per day average use. Departments electing to retain underutilized

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vehicles must provide a justification by the Director of the requesting department and be approved by the Group General Manager. Justifications must include a cost analysis indicating the retention of the identified standard light-duty underutilized vehicle is more efficient and cost effective than the reduction would be. Any approved vehicle for which a retention justification was approved must be equipped with GPS. Any vehicles that have accrued less than 5,000 miles annually or average less than one trip per day annually must be turned in for reduction. Unless the Director of DGS grants a time extension, departments must submit justifications within 30 days of receipt of the utilization report. *Exception: Standard light-duty vehicles procured and entered into the fleet after the beginning of a fiscal year will not be subject to this policy, as they have not had sufficient time to accrue mileage and usage thresholds.

15. DGS will prepare, distribute, and maintain a Fleet Manual describing the operations of the ISF.

Responsible Departments

1. Department of General Services
2. Auditor & Controller

Sunset Date

This policy will be reviewed for continuance by 12-31-2031.

References

Board Action
06/24/97 (68)
01/28/03 (16)
12/09/08 (33)
06-28-11 (9)
11/14/17 (16)
10/29/19 (26)
12/08/20 (25)
10/08/24 (16)