

CONCURRENCE IN SENATE AMENDMENTS
 AB 1660 (Pavley)
 As Amended July 11, 2005
 Majority vote

ASSEMBLY:	53-21	(May 19, 2005)	SENATE:	22-9	(August 29, 2005)
-----------	-------	----------------	---------	------	-------------------

Original Committee Reference: B. & P.

SUMMARY : Enacts the California Energy-Efficient Vehicle Group Purchase Program (Program) to encourage the purchase of energy-efficient vehicles by local and state agencies through a group-purchasing program that uses the purchasing leverage of state and local agencies to lower the purchase price of those vehicles.

The Senate amendments :

- 1) Require the Department of General Services (DGS) to establish an advisory committee to consult with DGS regarding the design of the Program and other matters relating to the purchase of energy-efficient vehicles, no later than July 30, 2006.
- 2) Permit every city, county, and special district, including a school or community college district, on and after January 1, 2006, when awarding a vehicle procurement contract, to evaluate and score fuel economy, in addition to other life cycle factors, in choosing passenger cars or light-duty trucks, or both, with the lowest life cycle cost.
- 3) Permit every city, county, and special district, when awarding a vehicle procurement contract, to require that 75% of the passenger cars and/or light-duty trucks that are acquired on or after January 1, 2006, be energy-efficient vehicles.

EXISTING LAW establishes DGS as the business manager for the state, offering centralized procurement of goods, services and real estate; property management; and fleet administration, among other things. DGS is authorized to conduct procurements on behalf of local governments and other public entities as a means of reducing state and local government costs through the leveraged purchasing power gained through a larger buying pool.

AS PASSED BY THE ASSEMBLY , this bill created a state and local government group purchasing program to facilitate the purchase of energy efficient vehicles.

FISCAL EFFECT : According to the Assembly Appropriations Committee analysis, minor absorbable costs for DGS to convene the advisory committee. DGS indicates that the remainder of the proposed requirements are currently being implemented.

COMMENTS : According to the author, oil dependency and air pollution are two issues that significantly affect our national security, economy and the health of California and the nation. Alternative fuel and hybrid automobile technology represent a real solution to both problems by significantly increasing automobile gas mileage as well as dramatically reducing air pollution emissions. The author states that this bill would create the Program which requires state government to partner with cities, counties, school districts and special districts to produce the nation's first statewide government group purchase program for alternative fuel and hybrid automobiles. The goal of this bill is to save taxpayer dollars by leveraging reduced vehicle prices and reduce air pollution by increasing the use of hybrid and alternative fuel vehicles.

The author states that DGS will be responsible for negotiating with one or more automobile companies for reductions in the price of alternative fuel and hybrid automobiles in exchange for access to a voluntary buying pool of almost 4,000 governmental entities statewide, including local governments, school districts and special districts. By reducing or eliminating the cost differential between existing gasoline and alternative fuel / hybrid automobiles, the state can use voluntary market strategies to encourage the growth of these important technologies.

AB 1357 (Ruskin), pending in the Senate, adds to the information

that DGS is required to compile and maintain regarding vehicles owned or leased by the state by requiring the information on alternatively fueled vehicles already required to be collected to specifically identify the number of bifuel natural gas and bifuel propane vehicles purchased or leased by the state during the year, the total number owned or leased as of December 31 of each year, and the total amount of fuel used by those vehicles during the year, itemized by type of fuel.

AB 1660
Page 3

Analysis Prepared by : Tracy Rhine / B. & P. / (916) 319-3301

FN: 0012063