

### **3. Finance EBR**

**DEPARTMENT OF FINANCE ENROLLED BILL REPORT**

**AMENDMENT DATE:** July 11, 2005  
**RECOMMENDATION:** Sign  
**SPONSOR:** State Controller's Office

**BILL NUMBER:** AB 1660  
**AUTHOR:** F. Pavley  
**RELATED BILLS:** SB 552 (Ch. 737/03); SB 1170 (Ch. 912/01)

**ASSEMBLY:** 55/24  
**SENATE:** 22/9

**BILL SUMMARY: Vehicular Air Pollution: Alternative Fuel Vehicle**

This bill would establish an energy-efficient vehicle group purchase program within the Department of General Services (DGS).

**FISCAL SUMMARY**

According to staff at the DGS, implementing this bill may result in minor and absorbable costs as a result of the Advisory Committee and its meetings. Since this bill includes authority for DGS to recover any costs incurred, we have no fiscal concerns.

**COMMENTS**

Finance recommends signature because this bill would encourage the purchase of energy-efficient vehicles by state and local entities. Existing law establishes DGS as the state's procurement officer, and charges DGS with administration of the state's vehicle fleet.

**This bill would:**

- Establish an energy-efficient vehicle group purchase program within DGS and would require the Director of DGS to establish an advisory committee by April 1, 2006.
- Authorize DGS to negotiate for the lowest price for energy efficient vehicles for purchase by any state and local agency.
- Require DGS to notify potential participants of the program through its website and departmental publications.
- Authorize DGS to recover applicable administrative costs from program participants.
- Authorize all city, county, special district, and school districts to evaluate and score fuel economy when selecting vehicles with the lowest life cycle cost, and would authorize these entities to require up to 75 percent of vehicles be energy-efficient vehicles, when awarding vehicle procurement contracts.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				/Dollars in Thousands)			
				2005-2006	2006-2007	2007-2008	
1760/Dept Gen SVC	SO	No					0666
<b>Fund Code</b> 0666	<b>Title</b> Service Revolving Fund						
				No/Minor Fiscal Impact			

Analyst/Principal (0243) J. Osborn      Date 9/6/05      Program Budget Manager James E. Tilton      Date 9/1/05  
*J. Osborn*      *Nona Martinez*  
 Department Director      Date

*John Klay* 9/7/05

**SUGGESTED VETO MESSAGE**

**AB 1660**

**(as amended July 11, 2005)**

**I am returning Assembly Bill No. 1660 without my signature.**

**Due to the already high demand for alternative fuel and hybrid vehicles, it does not appear that state and local governments need additional encouragement to purchase these vehicles. The rising cost of gasoline is a sufficient incentive for governments to consider these vehicle options. The Department of General Services already makes vehicle contracts available to any California government entity, including state agencies, school districts, county and city governments, and colleges and universities. Before executing these vehicle purchase contracts, the Department meets with local government representatives and others to ensure that the program design is sound. Because the Department already performs many of the duties required by this bill, and because existing purchase contracts are available for use by state and local entities, this bill is unnecessary. Therefore, I must veto this measure.**

**This bill would create a state and local government group purchasing program within the Department of General Services to facilitate the purchase of energy efficient vehicles at the lowest possible purchase price. This bill would establish an advisory committee with specified meeting dates, require the Department to notify all affected agencies about the purchasing program, and require the Department to negotiate contracts for the purchase of energy-efficient vehicles at the lowest possible price from one or more reliable vendors.**