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Chief Executive Officer

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Second District

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Third District

DON KNABE
Fourth District

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Fifth District

June 26, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

STATUS REPORT #3 – COMMITTEE REPORT ON RECOMMENDATIONS TO ENCOURAGE PURCHASE AND USE OF "GREEN" VEHICLES AND USE OF PUBLIC TRANSPORTATION

On March 13, 2007, the Board of Supervisors directed the Chief Executive Office, in cooperation with the Internal Services Department (ISD) County Energy Team and the Department of Public Works, to develop incentives that would encourage County employees to use "green" vehicles and/or public transportation for commuting to and from work. We provided an initial report on August 17, 2007, and a second status report on October 12, 2007. This is our third status report.

VEHICLE PURCHASING SERVICES PROGRAM

On February 12, 2008, your Board approved the establishment of a Vehicle Purchasing Services Program (Program) for employees of the County of Los Angeles. On motion of Supervisor Burke, the Board further instructed the Chief Executive Office to report back on the following:

- Determine the feasibility of extending the Program to County retirees, contractors and sub-contractors.
- Provide each Department Head, Union and Employee Association with promotional material describing the Program.

- Promote the Program on the County General Website and each department's internal website.

- Direct the Auditor-Controller's Office to include a message on the next available paycheck for all County employees to enhance the awareness of the Program.

Extending the Program to Additional Participants

The Program can be expanded to include County retirees, contractors and sub-contractors. Both County Counsel and Risk Management were consulted to determine whether liability issues exist with extending the Program to the above anticipated participants. It was determined that the existing indemnification language in the agreement is adequate. The Director of ISD has executed a new agreement with Longo Toyota to include County Retirees, Contractors and Sub-contractors along with County employees and their family members.

- **Issue**
  At this point in the Program's implementation, there is no experience to determine the volume of complaints that will need to be resolved by the County. With the expansion of eligible participants, resources to process and resolve complaints may not be adequate. We will not be able to determine the effect on resources until we gain experience in the issues that arise from the use of the Program by participants.

- **Recommendation**
  We are recommending that the Mediation Services offered by the Department of Consumer Affairs (DCA) be utilized if current resources become insufficient to handle the volume of complaints that arise from the Program. ISD will refer disputes to the DCA when ISD determines that their current resources are unable to process the disputes timely and effectively due to the volume of disputes. DCA has reviewed this proposed partnership and believes that it can handle a small volume of overflow complaints. However, DCA indicated that they do not have the adequate financial resources to handle a significant increase in volume arising from the Program.

  If a large volume of complaints arise on a continued basis, additional financing resources may need to be allocated to ISD and/or DCA and a review of the complaints will need to be done to analyze and determine the appropriate corrective action needed to decrease the complaint volume.

Distribution of Promotional Material

Promotional material has been developed (attached) and a link to the Program promotional material and agreement has been established on the County's information web page. My office will send the material out along with a cover letter asking Departments and employee groups to assist in making their employees/members aware of the Program and its benefits. Also, we will request Departments to promote the Program on their intranet site and provide the link to the Program's web address. The material will be distributed to the targeted groups prior to June 30, 2008.

Paycheck Message

We pursued the possibility with the Auditor-Controller's office to include a message on the next available paycheck. However, the paycheck message slots were already designated for other programs. Instead, we developed a marketing insert as an alternative. The marketing insert (attached) was distributed in County paychecks for current and retired employees with the April 15, 2008 payday.

USE OF PUBLIC TRANSPORTATION

As we previously indicated, the County does not currently possess the systems or administrative expertise necessary to operate a tax exempt mass transit commuter program, but there are a number of vendors that specialize in this type of service. We are in the process of conducting a Request for Proposal (RFP) for Third Party Administrator services in operating a Commuter Benefit Program. The deadline date to receive bids from potential vendors was May 16, 2008. An Evaluation Committee has been formed and is currently reviewing the Proposals. Once the RFP process is complete and a Third Party Administrator is selected, we will report back to the Board with our findings. We estimate this will be done by the end of August 2008.

The program will be cost neutral to the County and County employees who participate will have payroll deductions to recover the costs charged by the Third Party Administrator. We have consulted legal counsel's opinion to determine if those costs can also be a pre-tax deduction to the employee and we are awaiting a final determination.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) CREDITS

As stated in the previous status report, the County currently offers preferred employee parking to carpools and vanpools for purposes of compliance with SCAQMD's Rule 2202 Employee Commute Reduction Program (ECRP). The County requested SCAQMD to recognize hybrids and alternative fuel vehicles (AFVs) with similar ridesharing credit as carpools and vanpools.

As previously reported, a written request was sent to SCAQMD to explore the possibility of including hybrid and AFVs among ridesharing strategies and be eligible for preferred parking. SCAQMD has notified the County in writing that they do not grant Rule 2202 credits for the use of designated spaces for preferred parking by solo drivers of AFVs. The preferred parking strategy is designed for carpool and vanpool use only. The use of these designated spaces by any solo drivers will have a detrimental impact on the Average Vehicle Ridership calculations. It is recommended by the committee that due to the limited number of parking spaces available that the County instead continue to solely promote preferred parking spaces for carpool and vanpool strategies.

FLEXIBLE CAR SHARING PROGRAM

We are exploring ideas on how to best serve the needs of County employees who carpool or use mass transit but may have the need for a car during the day. We are continuing to pursue the feasibility of communicating to County employees the services available to them by Flexible Car providers and car rental agencies.

We plan to return to your Board with an updated status on these programs within 90 days. If you have any questions, please call me or Lorraine Sunday-Brown at (213) 974-5951.

WTF:DL:WGL
PG:LSB:df

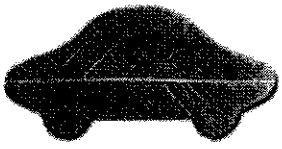
Attachments
c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services Department
Consumer Affairs Department
Regional Planning
Human Resources
Public Works
Department of Public Health

ATTACHMENT I

PROMOTIONAL MATERIAL TO BE SENT TO DEPARTMENTS AND EMPLOYEE GROUPS

COUNTY OF LOS ANGELES
VEHICLE PURCHASING SERVICES PROGRAM
ALTERNATIVE FUEL VEHICLES

Go Green!!! Do your part to help the environment while taking advantage of great price discounts!!!



THE PROGRAM

- **Establishes pre-negotiated pricing agreements with dealerships within the County of Los Angeles**
- **Discounted pricing for the purchase or lease of alternative fuel vehicles available to all County employees, retirees, family members, and contractors/sub-contractors**
- **Offers binding arbitration clauses to resolve disputes between participating dealerships and program participants**

HOW IT WORKS

- **Contact the Fleet Department at a participating dealership**
- **Identify yourself as a County employee, retiree, family member, or contractor/sub-contractor**
- **Indicate that you are interested in purchasing or leasing a vehicle through the County of Los Angeles' Vehicle Purchasing Services Program (VPSP)**
- **Select an alternative fuel vehicle and any added options**
- **The dealership will provide you with the pricing according to the VPSP**
- **Determine whether you want to accept the offer**

If the offer is right for you, drive away in your new environmentally-friendly vehicle!!!

For a list of participating dealerships, pricing, and additional information, visit:

Internet - http://lacounty.gov/vpsp.htm
County Intranet - http://web.co.la.ca.us/lacounty/vpsp.htm

If you do not have access to the internet or have questions about the program, please call Bob Ortiz at (323) 267-2272.

ATTACHMENT II

PAYCHECK MESSAGE

(FRONT AND BACK)

DISTRIBUTED WITH APRIL 15, 2008 PAYCHECKS

COUNTY OF LOS ANGELES
CALIFORNIA
COUNTY OF LOS ANGELES
LS600h
Camry
RX400h
Prius
GS450h
Highlander
VEHICLE PURCHASING SERVICES PROGRAM

GO GREEN

HYBRID SYNERGY DRIVE

County of Los An ng a our
Cou pr
E A

The County introduces the all new

VEHICLE PURCHASING SERVICES PROGRAM

- Special Purchasing Options on Hybrid Vehicles.
- Purchase at a pre-negotiated rate from LA County dealerships, including Longo Toyota / Lexus
- Available to County employees, retirees, family members, and County contractors / subcontractors.

Internet - http://lacounty.gov/vpsp.htm

Intranet - http://web.co.la.ca.us/lacounty/vpsp.htm

Longo Toyota • Longo Lexus • 3534 North Peck Road El Monte, CA 91731