



BFB-BUS-8: Acquisition and Disposition of University Vehicles

Responsible Officer:	AVP - Chief Procurement Officer
Responsible Office:	PS - Procurement Services
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Scope:	All campuses, Medical Centers, and the Lawrence Berkeley National Laboratory

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I. POLICY SUMMARY

This bulletin establishes the basic guidelines governing the acquisition and disposition of University vehicles.

II. DEFINITIONS

- A. **Alternative/Clean Fuel Vehicles**: Vehicles which operate on alternative/clean fuels other than gasoline or diesel fuel. Clean fuel is defined by the State of California pursuant to the fuel as including, but not limited to, methanol, compressed natural gas, electric power, and liquefied petroleum gas ([California Health and Safety Code Section 40603](#)).
- B. **Campus Working Capital Fund**: A fund established at each campus for the purpose of meeting working capital requirements of service activities as provided in [Business and Finance Bulletin A-59, Costing and Working Capital for Auxiliary and Service Enterprises](#).

- C. **Conditional Sales Contract** : A written contract executed between the buyer and the seller containing the essential terms and conditions under which the buyer takes possession and the right to use the personal property, although the seller retains the title to the property as security until payment is made, at which time title passes to buyer.
- D. **Fleet Operation Reserve**: A reserve that may be established at each campus by setting prices above costs as provided in [Business and Finance Bulletin A-59, Costing and Working Capital for Auxiliary and Service Enterprises](#). The reserve may be used for current needs or capital expenditures including equipment, structures, and renovations.
- E. **General Purpose Vehicles**: Vehicles which are used for the transport of people or goods. Such vehicles include passenger sedans, station wagons, carryalls, pickups, vans, 4-wheel drive vehicles, flat bed trucks, and buses.
- F. **Lease with Purchase Option**: The terms are those of a straight lease the property either during the term of the lease or at its expiration. This definition also applies to any lease in which all or a portion of the payments may be applied to the purchase of the property under lease.
- G. **Low Emission Vehicles**: Vehicles which have been or will be certified by the California Air Resources Board pursuant to the [California Health and Safety Codes](#) pertaining to vehicle emissions. ([California Health and Safety Code, Section 39037.05](#))
- H. **Special Purpose Vehicles**: Vehicles which are equipped with specific special features. Such vehicles include mobile clinics, police cars, fire apparatus, waste collection vehicles, fork-lifts, electric carts, farm tractors, motorcycles and motor scooters.
- I. **Straight Lease or Rental**: A written contract executed by a lessee and lessor containing the essential terms and conditions under which the use and possession of personal property is to be furnished in exchange for the payment of rent during the term of the contract. At the end of the contract term, the property must be returned to the lessor at the place agreed to by the parties.
- J. **Vehicle Commodity Manager**: The individual at each UC Location responsible for the purchase of vehicles for Location use as designated by the Materiel Manager, Purchasing Director, or Director of Procurement.

III. POLICY TEXT

- A. **FLEET ADMINISTRATION**: Only Fleet Administration/Central Garage on each

campus has the authority and responsibility for acquisition and disposition of campus vehicles, except that the Division of Agriculture and Natural Resources shall have the authority and responsibility for acquisition and disposition of Division vehicles.

B. ACQUISITION OF VEHICLES:

1. Purchase of new vehicles, whether to be operated by the UC Location Fleet Administration/Central Garage or other location department shall involve the approval of the Vehicle Commodity Manager and be in accordance with the specific provisions outlined in Section V., PROCEDURES, of this document.
2. Purchase of used vehicles shall be a local transaction as outlined in Section V., PROCEDURES, of this document.

C. FINANCING THE PURCHASE OF VEHICLES: Decisions related to the funding for vehicle purchase are made at the UC Locations. There are several sources for funding the financing of vehicles as outlined in Section V., PROCEDURES, of this document.

D. FUEL ECONOMY:

The University of California is committed to energy conservation and environmental protection. The purchase of University vehicles will be consistent with the [University of California Sustainable Practices Policy](#).

E. DEPRECIATION OF VEHICLES:

1. Each campus is responsible for establishing the depreciation schedule for each vehicle which reflects estimated annual market and salvage values as outlined in Section V., PROCEDURES, of this document.
2. Vehicle depreciation schedules may be modified upon approval of the Chancellor.
3. Funds generated from depreciation charges may be utilized in the same manner as funds obtained through the disposition of vehicles.

F. DISPOSITION OF VEHICLES: The disposition of University vehicles are UC Location decisions which are made in accordance with the provisions of several University policies as listed below and cited in Section V., PROCEDURES, of this document.

1. [Business and Finance Bulletin BUS-38, Disposition of Excess Property & Transfer of University-Owned Property](#).

2. [Business and Finance Bulletin A-51, Application of Proceeds from the Sale, Trade-In or Transfer of University Property.](#)
3. [University of California Sustainable Practices Policy.](#)

- G. **DISPOSITION OF THE FUNDS FROM THE SALE OF UNIVERSITY VEHICLES:** Proceeds of the sale of University vehicles may be deposited in a fleet operations reserve as outlined in [Business and Finance Bulletin A-59, Costing and Working Capital for Auxiliary and Service Enterprises, or in the Campus Working Capital Fund.](#)

IV. COMPLIANCE / RESPONSIBILITIES

- A. **UC LOCATION RESPONSIBILITY:** Chancellors are responsible for:
1. Determining the number of replacement or additional vehicles needed;
 2. Determining the specification for the new or used vehicles;
 3. Obtaining vehicles in accordance with these guidelines;
 4. Establishing vehicle depreciation schedules in accordance with accepted accounting methods;
 5. Disposing of vehicles in accordance with [Business and Finance Bulletin BUS-38/Disposition of Excess Property and Transfer of University-Owned Property](#) and [Business and Finance Bulletin A-51/Application of Proceeds from the Sale, Trade-In, or Transfer of University Property](#); and
 6. Providing data on a variety of vehicle related issues on an ad hoc basis.
- B. **MATERIEL MANAGEMENT RESPONSIBILITY:** Vehicle Commodity Managers are responsible for:
1. Obtaining vehicles in accordance with these guidelines;
 2. Obtaining vehicles which meet specifications of the Environmental Protection Agency/EPA and State of California Bureau of Automotive Repair/BAR;
 3. Approving exceptions to the [Strategic Sourcing Initiative](#);
 4. Notifying campuses, in a timely manner, of the annual deadlines for participation in the [Strategic Sourcing Initiative](#);

5. Monitoring the progress of the annual purchase request and notifying campuses if delays occur; and
6. Advising campuses of special purchase opportunities.

V. PROCEDURES

- A. **ACQUISITION OF VEHICLES**: Any decision concerning the acquisition of vehicles should include the consideration of the following:
 1. Does the current fleet size meet user demand?
 2. Can necessary specific functions be performed by existing fleet vehicle(s)?
 3. Should the existing vehicle(s) be replaced for safety or other reasons?
- B. **PURCHASE OF NEW VEHICLES**: Decisions to purchase new vehicles shall be subject to the following conditions, regardless of the sources of financing, and shall be purchased in accordance with the provisions of:
 1. General Use Vehicles
 - a. [Strategic Sourcing Initiative](#),
 - b. Through participation in the [State of California Multiple Awards Schedule \(CMAS\)](#), or
 - c. By quotations obtained by the Vehicle Commodity Manager.
 - d. **Exemption**: Vehicles purchased under the [University Accounting Manual Policy E-821/ Senior Management Automobile Policy and Procedures](#) shall be exempt from these regulations. Refer also to [Regents Policy 7709/Senior Management Group Automobile Allowance](#).
 2. Special Purchase Vehicles: Special purpose vehicles, alternative fuel vehicles, or vehicles purchased to meet special situations may be purchased as a local campus transaction, as long as such transaction is coordinated, in advance, with the Vehicle Commodity Manager;
 3. Lease/Purchase and Conditional Sales Transactions: Purchase orders for lease/ purchase and conditional sales contracts can be accomplished under the [State of California Multiple Awards Schedule \(CMAS\)](#) if the title to the vehicle(s):
 - a. Will pass to the University at completion of the contract period.

- b. The State shall receive the University's purchase order which will be assigned to the third party.

C. **PURCHASE OF USED VEHICLES**: Decisions to purchase used vehicles are made at the UC Locations. Any decision to purchase used vehicles should include consideration of the following, and approval must be obtained from the Vehicle Commodity Manager prior to the transaction:

1. Does the cost of a used vehicle(s) compare favorably with that of a new vehicle purchased through the State Cooperative Purchasing Program?
2. Does the vehicle(s) closely approximate the specifications (including the Environmental Protection Agency (EPA) and the Bureau of Automotive Repair, Department of Consumer Affairs, State of California (BAR) standards for the year of manufacture) for vehicles purchased through the State Cooperative Purchasing Program?
3. Will the vehicle be used as an undercover police vehicle?

D. **RENTAL LEASE-NO-PURCHASE OPTION**: Any decision to rent/lease vehicles should include consideration of the following:

1. Is the rental/lease contract cost-effective?
2. Are funds for out-right purchase not available?
3. Does the vehicle(s) closely approximate the specifications (including the Environmental Protection Agency (EPA) and the Bureau of Automotive Repair, Department of Consumer Affairs, State of California (BAR) for the year of manufacture for vehicle(s) purchased through the State of California Multiple Awards Schedule (CMAS)?

E. **FINANCING THE PURCHASE OF VEHICLES**: The sources of financing for vehicles are:

1. Campus Working Capital Fund;
2. Fleet operation reserves; and
3. Other appropriate campus funds.

F. **FUEL ECONOMY**: Campuses should support fuel conservation and air quality control efforts through acquisition or lease of low-emission vehicles and/or vehicles which utilize alternative/clean fuels whenever feasible, depending on the intended usage, availability of fuel, and cost effectiveness. The purchase

and the determination of the disposition of University vehicles will be consistent with the [University of California Sustainable Practices Policy](#).

G. DEPRECIATION OF VEHICLES:

1. To depreciate University-Owned Vehicles, either the sum-of-the-years digits or the straight-line method may be used. The depreciation schedule shall commence on the first day of the month following acquisition of the vehicle and continue through the end of the month of disposition.
2. Vehicle depreciation schedules may be modified upon approval of the Chancellor after determination that the new depreciation schedules are in conformance with accepted accounting methods and practices.
3. Funds generated from depreciation charges may be utilized in the same manner as funds obtained through the disposition of vehicles.

H. DISPOSITION OF VEHICLES: Any decision concerning disposition of vehicles should include consideration of the following:

1. Would continued operation of a vehicle(s) be unsafe?
2. Would continued operation of a vehicle(s) not be cost effective?
3. Is a vehicle(s) no longer able to serve the purpose for which it was acquired and, if not, can it be converted to another use?
4. Does the fleet size exceed demand and is a reduction of the fleet size appropriate?
5. Once it is determined that the University of California no longer needs a vehicle, disposition of the University vehicle will be in accordance with the provisions of:
 - a. [Business and Finance Bulletin BUS-38/Disposition of Excess Property & Transfer of University-Owned Property](#).
 - b. [Business and Finance Bulletin A-51/Application of Proceeds from the Sale, Trade-In or Transfer of University Property](#).
 - c. [University of California Sustainable Practices Policy](#).

I. DISPOSITION OF THE FUNDS FROM THE SALE OF UNIVERSITY VEHICLES: Proceeds of the sale of University vehicles may be deposited in a fleet operations reserve as outlined in [Business and Finance Bulletin A-59/ Costing and Working Capital for Auxiliary and Service Enterprises](#).

VI. RELATED INFORMATION

[Business and Finance Bulletin A-47/University Direct Costing Procedures](#)

[Business and Finance Bulletin A-51/Application of Proceeds from the Sale, Trade-In or Transfer of University Property](#)

[Business and Finance Bulletin A-59/Costing and Working Capital for Auxiliary and Service Enterprises](#)

[Business and Finance Bulletin BUS-19/Registration and Licensing of University-Owned Vehicles](#)

[Business and Finance Bulletin BUS-38/Disposition of Excess Property & Transfer of University-Owned Property](#)

[Business and Finance Bulletin BUS-43/Materiel Management](#)

[Business and Finance Bulletin BUS-46/Use of University Vehicles](#)

[Business and Finance Bulletin G-28/Policy and Regulations Regarding Travel](#)

[Business and Finance Bulletin G-38/Tax Exemption and Refund Claims Filing for Property Leased by the University](#)

[University Accounting Manual Policy/Chapter E-821/Senior Management Automobile Policy and Procedures](#)

[University Accounting Manual Chapter L-217-11: Accounting and Reporting for Leases and Installment Purchase Contracts](#)

[Facilities Manual, Volume 6 - Energy Conservation](#)

[University of California Sustainable Practices Policy](#)

[Regents Policy 7709/Senior Management Group Automobile Allowance](#)

Letter from President Gardner to Chancellors and Laboratory Directors, August 8, 1985, Delegation of Authority Execution of Purchase Contracts, Subcontracts, and Standard Purchase Orders for Goods and Services to be Supplied to the University (DA 0878)

Letter from President Atkinson to Chancellors and Laboratory Directors, June 19, 1995, Delegation of Authority Execution of Purchase Contracts, Subcontracts, and Standard Purchase Orders for Goods and Services to be Supplied to the University (DA 2045)

[Letter from President Atkinson to Chancellors and Laboratory Directors, June 11, 1998; Delegation of Authority—Execution of Purchase Contracts, Subcontracts, and Standard Purchase Orders for Goods and Services to be Supplied to the University \(DA 2100\)](#)

VII. FREQUENTLY ASKED QUESTIONS

Not applicable.

VIII. REVISION HISTORY

This policy was reformatted into the standard University of California policy template effective July 1, 2012.

Revision to BUS-8/Acquisition and Disposition of University Vehicles, December 16, 1991.

Revision to BUS-8/Acquisition and Disposition of University Vehicles, March 1, 1980.

Issuance of BUS-8/Acquisition and Disposition of University Vehicles, Date Unknown.