



NOV 17 2006

United States
Department of
Agriculture

Office of the
Assistant Secretary
for Administration

Office of
Procurement and
Property
Management

300 7th Street
Southwest
Room 302
Reporters Building

Washington, DC
20024-9300

TO: Administrative Services Directors and Agency Fleet Managers

FROM: Glenn D. Haggstrom
USDA Senior Transportation Official

SUBJECT: Guidance on Acquiring Alternative Fuel Vehicles (AFVs)

This memorandum provides implementing guidance for the attached "Policy on Acquisition of Alternative Fuel Vehicles for Agency Fleets" memo, dated November 17, 2006, signed by Boyd Rutherford, Assistant Secretary for Administration.

In accordance with this policy memorandum, agency fleet managers shall acquire an E85 flexible fuel vehicle whenever an E-85 option is available for the vehicle type and size being ordered. Further, agency fleet managers should emphasize to their motor vehicle operators the importance of following existing USDA AGPMR policy 110-34.335, which states, "Where flex-fuel vehicles operate in geographic areas that offer E-85 fueling sites, USDA agencies shall strive to fuel the vehicles routinely with E-85 100% of the time".

USDA AGPMR policy 110-34.35 states, "agencies are required to compare the cost of ownership to leasing from the General Services Administration (GSA) and commercially to determine which method is most cost effective". For all vehicles leased from GSA Fleet, a monthly surcharge, currently estimated at \$6.00, will be added to the lease cost. For vehicles purchased through GSA's AutoChoice, there are a variety of E85 models available with no or low incremental costs. Prices for model year 2007 AFVs are available on www.gsa.gov/automotive, select alternative fuel vehicles for the price listing. GSA has advised that, for the FY 2007 ordering cycle, agencies may find it more cost effective to acquire the midsize E85 Impala sedan versus the compact E85 Sebring sedan.

To ensure compliance with this new policy, the Departmental Fleet Manager (DFM) will review all orders leased through GSA Fleet as well as those purchased through AutoChoice. After the review process, the DFM will contact agency fleet managers to address any issues with non-compliance.

Any questions concerning motor vehicle management should be directed to Dionne Chisolm at 202-720-9772 or Dionne.chisolm@usda.gov.

Attachment

cc: Deputy Administrators for Management



NOV 17 2006

United States
Department of
Agriculture

Office of the
Assistant Secretary
for Administration

1400 Independence
Avenue SW

Washington, DC
20250-0103

TO: Agency Heads

FROM: Boyd Rutherford
Assistant Secretary
for Administration

SUBJECT: Policy on Acquisition of Alternative Fuel Vehicles for Agency Fleets

This memorandum is intended to notify you of the new policy guidance on the acquisition of light duty vehicles (LDVs) for USDA agency fleets. This new guidance will support the alternative fuel vehicle fleet requirements in both the Energy Policy Act and Executive Order 13149, Greening the Government Through Federal Fleet and Transportation Efficiency.

Reducing our use of petroleum based fuels and increasing use of alternative fuels, especially biofuels, is not only a legislative requirement, but also of great importance to the Department. In FY 2005, USDA and the Federal government as a whole, failed to meet the goal of reducing fleet petroleum use by twenty percent from FY 1999 levels. One way to position USDA to increase use of biofuels is to increase the number of our fleet flexible fuel vehicles, which are designed to run on either gasoline or E85 ethanol.

Effective immediately, USDA agencies shall acquire E85 flexible fuel vehicles whenever an E85 option is available for the vehicle type and size being ordered. This policy applies to all LDVs leased or purchased through the General Services Administration (GSA) or commercially.

Detailed information about implementation of this policy will be provided to your Administrative Services Directors and Fleet Managers in a separate memorandum from Glenn Haggstrom, Senior Transportation Official. Subsequently, the Agriculture Property Management Regulations will be revised to incorporate this policy. This policy directive will also be forwarded to GSA for inclusion in their acquisition instructions to USDA fleet ordering offices.

I ask for your support in implementing this policy throughout your agency's fleet and emphasizing to your employees the importance of using alternative fuels to the greatest extent possible.

Please feel free to contact me with any questions you may have regarding this policy. Sharon Holcombe (202-720-3820) and Elaine Plotkin (202-720-8873) of Departmental Administration's Office of Procurement and Property Management are available to assist with staff inquiries.